

Guidance - Councillor Roles in Funded Voluntary & Community Sector Organisations

1. Purpose and Scope

- 1.1 The Council funds voluntary and community sector (VCS) organisations where this is considered the most effective way to deliver services to local residents. This guidance outlines the principles and expectations for councillors who are involved in the executive management of such organisations in a personal capacity.
- 1.2 Funding may be provided through direct grants, competitive application processes, grant agreements or contracts. This guidance applies to all forms of financial support provided by the Council.
- 1.3 By awarding funding, the Council recognises the value of the organisation's work and places trust in its independent management to deliver agreed outcomes.
- 1.4 The autonomy and independence of funded organisations will be respected. This guidance does not apply to councillor relationships with organisations that receive no Council funding.

2. Managing Conflicts of Interest

- 2.1 Councillors must exercise caution to avoid actual or perceived conflicts of interest when engaging with funded organisations.
- 2.2 These may arise when a councillor's personal involvement could be seen as influencing Council decisions or compromising impartiality. Examples include:
 - 2.2.1 Supporting a funding application from an organisation with which the Councillor is closely associated.

2.2.2 Participating in planning or policy discussions where the organisation has a vested interest.

2.3 Councillors should be mindful that even well-intentioned involvement can raise questions about whether their actions serve the best interests of the Council or the organisation.

2.4 Non-compliance may result in a breach of the Code of Conduct for Councillors and investigation by the Council's Monitoring Officer.

3. Councillors Serving on Management Committees

3.1 Since April 2000, the Council has ceased formally appointing councillors to the management committees of funded voluntary organisations. This change was introduced to strengthen governance and reduce risks associated with dual roles.

3.2 Councillors are discouraged from assuming legal responsibility for organisations receiving Council funding due to potential liabilities and reputational risks. Risks may include:

3.2.1 Liability for unlawful activity or insolvency.

3.2.2 Personal injury or death claims where insurance is inadequate.

3.2.3 Employment disputes resulting in tribunal action.

3.3 While councillors are not prohibited from serving on management committees in a personal capacity, such involvement must be carefully managed to avoid undermining public confidence in both the Council and the organisation.

3.4 Councillors acting in a personal capacity:

3.4.1 **Must not** represent the Council or imply Council endorsement.

3.4.2 **Should request** to be addressed by their personal title or preferred form of address (e.g. Mr/Ms or first name) rather than "Councillor."

3.4.3 **Must ensure** the organisation understands they are not acting on behalf of the Council.

3.5 Councillors must:

- 3.5.1 **Respect** the role of the Council's Grants Monitoring Officer, who provides objective oversight of funded organisations.
- 3.5.2 **Comply** with the Council's Code of Conduct and Register of Interests.
- 3.5.3 **Avoid** signing funding applications or contracts on behalf of the organisation.
- 3.5.4 **Withdraw** from discussions or decisions relating to Council funding or contracts.
- 3.5.5 **Be prepared** to declare and manage any conflicts of interest in Council meetings.

4. Lobbying and Advocacy

- 4.1 Funded organisations may legitimately lobby councillors to raise awareness of community needs or advocate for vulnerable groups. This is a recognised part of the democratic process.
- 4.2 If a Councillor chooses to support such lobbying efforts and is also involved in the organisation's management, they must make clear that they are acting in a personal capacity. Such actions are not endorsed by or on behalf of the Council.
- 4.3 Councillors can seek advice on the risks and responsibilities associated with executive roles in funded organisations.
- 4.4 Where a Councillor serves on the management committee of a funded organisation, they must ensure the organisation understands this is a personal decision and not a Council appointment and is not endorsed by the Council.
- 4.5 In the case of registered charities, trustees are legally bound to act in the best interests of the charity. This may conflict with a Councillor's public role and could require them to step down from the committee.
- 4.6 Councillors involved in the management of funded organisations must declare this in the Council's Register of Interests.

5. Engagement with Funded Organisations

- 5.1 Councillors may take an active interest in the work of funded organisations, particularly those operating in their ward or serving communities they represent.
- 5.2 Such engagement helps councillors stay informed about local needs and priorities.
- 5.3 Councillors may receive representations from organisations or attend meetings to hear concerns or updates. However, participation in management committee meetings should be approached with caution and is not always the most appropriate forum.

6. Expectations of Councillors Involved with Funded Voluntary Organisations

- 6.1 Councillors who engage with funded voluntary organisations, particularly those involved in executive management roles in a personal capacity are expected to uphold high standards of conduct, transparency, and accountability. The following principles apply:
 - 6.1.1 **Commitment to Sector Standards.** Councillors must familiarise themselves with and adhere to the principles of the **Sandwell Compact**, which outlines shared commitments between the Council and the voluntary sector to promote effective partnership working.
 - 6.1.2 **Personal Capacity and Clarity of Role.** Councillors must act solely in a personal capacity when involved in the management of a funded voluntary organisation. It is essential that this distinction is clearly understood by other members of the organisation's management committee. Councillors must not present themselves as representatives of the Council in any dealings with the organisation.

- 6.1.3 **Engagement and Communication.** Councillors may meet with representatives of funded organisations periodically to receive feedback, hear concerns, or stay informed about sector developments. Attendance at management committee meetings is one option for engagement but is not the only, nor always the most appropriate forum for receiving representations.
- 6.1.4 **Respect for Organisational Independence.** Councillors must respect the autonomy of funded organisations and the authority of their management committees to govern internal affairs. Councillors should avoid any actions that could be perceived as interfering with internal decision-making or influencing operational matters.
- 6.1.5 **Coordination with the Council's Grants Grants Monitoring Officer.** The Council's Grants Monitoring Officer serves as the formal liaison between the Council and funded organisations. Councillors must respect this role and avoid duplicating or undermining monitoring responsibilities. Councillors should provide a brief written note to the Grants Monitoring Officer following any meetings attended or representations received, to support transparency and ensure interests are appropriately recorded in committee reports.
- 6.1.6 **Reporting Concerns.** If a councillor becomes aware of potential mismanagement or malpractice within a funded organisation, they must promptly inform the Grants Monitoring Officer so that appropriate investigation and follow-up can take place.