

COPELAND COMMUNITY FUND – CHANGES TO THE CO-OPERATION AGREEMENT

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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The Copeland Community Fund has granted over £9 million to socio economic project since 2009 which with match funding has resulted in £27million community benefit investment into Copeland.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

The Council is one of three partners to the Co-operation Agreement for Copeland Community Fund and Executive is being requested in line with the Co-operation Agreement terms to endorse changes to this Co-operation Agreement agreed by the Copeland Community Fund Board.

RECOMMENDATION:

That Executive supports Copeland Community Fund Board in its activity to ensure an effective and robust governance of the Fund by endorsing the changes to the Co-operation Agreement set out in Section 2.

1. INTRODUCTION

- 1.1 The Copeland Community Fund is governed by a Co-operation Agreement agreed and signed in 2008 by the three parties to the Agreement: Copeland Borough Council, Cumbria County Council and the Nuclear Decommissioning Authority.
- 1.2 Any changes to this Co-operation Agreement are reserved matters and require the unanimous consent of the parties (as per section 10 of the co-operation agreement reproduced at Appendix A).
- 1.3 In 2013, the Fund was audited by the internal audit shared service and by the NDA internal audit. The Fund Board also commissioned an independent evaluation in 2013. Findings from these have informed the changes to the Co-operation Agreement set out in this report.

2. PROPOSALS

- 2.1 Over the last year, a number of changes to the Co-operation Agreement have been agreed by the Board of Copeland Community Fund. In line with the Agreement detail on Reserved Matters, see Appendix A, Copeland Borough Council as one of the signatories to the Co-operation Agreement is being asked to give consent to these variations to the Co-operation Agreement.
- 2.2 The Changes have been proposed by the Board and Governance Committee to assist effective governance and Board operation. The July 2014 Fund Board agreed change is a direct result of the recommendations of the independent review of the Fund undertaken in 2013.
- 2.3 The date and changes agreed by the Board are detailed below and summarised as:
1. July 2014: 2 Additional Independent Board Members
 2. November 2013: To enable Rotation of the Chair
 3. September 2013: To set up the Governance Committee
 4. September 2013: To adapt Quorum for meetings
- 2.4 At the Board Meeting on the 23rd July 2014 a paper was presented about increasing the number of Independent Board Members on the Board of Copeland Community Fund. This paper was part of the action plan following the independent review of the Fund which recommended the Fund Board consider the value and option of increasing the number of independent, non-public sector Board members. The following extract from the minutes details the decision.

10.2 Additional Independent Board Members

Board agreed to increase the size of the Board to 9, by appointing two additional Independent Board Members with the preference for one of these to be a representative from LLWR.

This decision has to be ratified by the partners – CBC, CCC, NDA before implementation.

Action: PD, JB, BH

- 2.5 At the Board Meeting on the 20th November 2013 a recommendation from the Governance Committee was received to manage a potential concern over the prescribed rotation of the chair and the timings of the recent recruitment to the

independent Board Member positions. The following is the extract from the minutes.

5 Changes to the Co-operation Agreement

The Governance Committee recommendation was received. The Board approved the amendment to section 8.10.2 of the Co-operation Agreement. See appendix 1.

Appendix 1 – Changes to the Co-operation Agreement

Currently the Co-operation agreement states the following with regard to rotation of Chair:

8.10.2

The Chair shall be chosen such that over a six year period Project Board Members representing the Borough Council, the County Council and an Independent Board Member shall all have served as Chair, each serving a two year term in rotation.

The Governance committee were concerned the appointment of an Independent Board Member to the position of Chair could be problematic given the two year term of the role.

The Governance Committee have recommended an amendment to the co-operation agreement

Amendment to Co-operation Agreement

The committee recommend the following change to the Co-operation agreement:

Sections 8.10.2 to be replaced with:

The Chair shall be chosen such that the subsequent Chair shall not represent the same organisation as the previous Chair. Each Chair shall serve a two year term. For this purpose the Independent Members are considered to be from the same organisation.

- 2.6.1 At its meeting on the 18 September 2013, following earlier discussions and the receipt of the shared Internal Audit report, the Copeland Community Fund Board approved the creation of a Governance Committee as a formal sub-committee of the Board. The following is the extract from the minutes:

1. Governance Committee

Board approved terms of reference and name of committee. Terms of reference as appendix 1.

Appendix 1: Terms of reference for Governance Committee

Overall responsibility

Take delegated responsibility on behalf of the Board for ensuring that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Fund is complying with all aspects of the law, relevant regulations and good practice.

Composition and reporting

- The Governance committee will consist of no fewer than 3 Board members appointed by the board. This shall consist of one CCC/CBC rep, one NDA rep and one Independent rep. The chair of the committee will be an Independent Board member appointed by the board.
- Any Board member may attend a meeting of the committee, including those who are not members of the committee.
- The Community Development Team Officers, Copeland Borough Council Officers and Cumbria County Council Officers and such other members of staff as the chair may require shall be in attendance at meetings.
- The Committee shall be serviced by the Community Development Team Leader.
- Until otherwise determined by the Board, a quorum shall consist of 3 members of the committee.
- Membership of the committee will be reviewed every 2 years by the Board.
- The committee will report back regularly and at least every 6 months to the board.
- The committee is authorised to obtain appropriate external legal and other professional advice in order to fulfill its responsibility to the board.
- The committee is authorised to investigate on the behalf on the board anything that threatens or adversely affects the accomplishment of the

Fund's aims and objectives, its assets, the reliability of all records and information, and its compliance with all relevant laws, regulations, policies and its governing instruments.

Main Duties

To act in support of the Board, not as a replacement.

- To recommend to the Board a framework of effective audit coverage.
- To monitor any audit reviews and to advise the Board accordingly.
- To investigate and monitor on behalf of the Board any financial or administrative matter which may put the Fund at risk and report back to the board on any such matters.
- To review and monitor the governance of the Fund, including that of the Board.
- To monitor the working relationship between the Accountable Body and the Community Development Team.
- To undertake other tasks as delegated by the Board.
- Monitor and review Co-operation agreement to ensure the Fund works within the principles as stated in the co-operation agreement.
- Review application process and reporting processes.

Terms of Reference

These terms of reference can be reviewed at any time and changes agreed by the Board.

These terms of reference will be reviewed 12 months after their adoption, particularly in light of whether it would be appropriate to include an independent person on the committee.

2.7 At the same Fund Board meeting, on the 18 September 2013, the Fund Board considered the implications of the quorum clause on the Board operation in line with findings from the internal audit. The current quorum at this point was for the quorum to include representation from each of the parties to the Co-operation Agreement. The Fund Board after full discussion agreed to change the representation element of this quorum requirement to enable the smooth running of the Fund Board. The following is the extract from the minutes:

2. Change to the Co-operation Agreement

The Board considered the recommended amendment to the co-operation agreement around quorum proposed by the governance committee. David Southward was concerned that the quorum needed to include a CCC representative as CCC are the accountable body. It was confirmed by all present that the accountable body function was met by the presence of a CCC Officer. This was challenged as to whether it was a formal requirement for the Board to meet its duties.

It was agreed that David Southward would update the CCC substitute should neither of the CCC Board members be available (as allowed in the Co-operation Agreement).

Action: DS

The Board agreed the recommended amendment to the Co-operation Agreement for a quorum to consist of any four members of the project Board. See appendix 2

Appendix 2: Amendment to Co-operation Agreement

The committee recommend the following change to the Co-operation agreement:

Sections 8.8 to 8.9 (inclusive) to be replaced with:

A quorum at a meeting of the Project Board Members is not less than four Project Board Members. No Project Board meeting shall conduct any business without this quorum save for consideration of any matters where the County Council or Borough Council representative has declared an interest and withdrawn from the meeting pursuant to the requirements of clauses 8.14.3 or 8.15.2 in which case the meeting may proceed notwithstanding the withdrawal of a Project Board Member.

If a quorum is not present within thirty minutes of the scheduled meeting time, the meeting shall adjourn to the same time and place in the following week (or otherwise as the Project Board Members may agree).

3. **ALTERNATIVE OPTIONS TO BE CONSIDERED**

The alternative option is not to endorse the Fund Board changes, thereby not supporting the work of the Copeland Community Fund Board in their aim to ensure smooth and effective operation of the Fund's governance.

4. CONCLUSION

- 4.1 The Council has two representatives to the Copeland Community Fund which both sit on the Fund Board and one regularly attends the Governance Committee. Executive, on behalf of the Council as a core signatory to the Co-operation Agreement for the Fund, are being asked to support the Fund in its continued activity to ensure the Copeland Community Fund is well governed. Executive are requested to support and consent to the four changes to the Co-operation Agreement detailed in 2.4 to 2.7 above.

5. STATUTORY OFFICER COMMENTS

- 5.1 The Monitoring Officer's comments are: The proposals are put forward for better governance of CCF and no legal issues arise from the proposals.
- 5.2 The Section 151 Officer's comments are: No further Comment
- 5.3 EIA Comments: Copeland Community Fund is accessible to all areas and communities within Copeland. With its socio economic and wellbeing focus it ensures equality of delivery and appraises and challenges projects applying for funding to detail their equality assessments and arrangements to engage residents.
- 5.4 Policy Framework: The Council Corporate Plan sets out in priority 2 its commitment to "Be an effective public service partner so we can get the best deal for Copeland" and in priority 3 its approach in relation to community benefit activity of "working in partnership with communities".
- 5.5 Other consultee comments, if any: The Copeland Community Fund has its own mechanisms for receiving feedback and ensuring engagement with the local community. The independent evaluation in 2013 enabled feedback from a wide range of stakeholders.

6. HOW WILL THE PROPOSAL BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 6.1 The proposal will be implemented by the Copeland Community Fund Board.
- 6.2 Copeland Community Fund Board has a formal sub-committee, the Governance Committee, to manage and mitigate risks as a consequence of these changes to the Co-operation Agreement.

7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 7.1 Copeland Community Fund Board will continue to monitor their effectiveness in making decisions on fund applications and in understanding the impact of the Fund within and across Copeland.

List of Appendices

Appendix A: Extract from Co-operation Agreement

List of Background Documents:

Copeland Community Fund Co-operation Agreement,
Copeland Community Fund Board papers and minutes.

Appendix A

Extract from Agreement:

10 Reserved Matters

10.1 The following Reserved Matters shall (without limitation) require the unanimous written agreement or consent of the Parties (at their absolute discretion):

- a any variation of this Agreement;
- b any material variation of the Directions or rules of procedure of the Project Board;
- c any Directions to the Project Board;
- d the type of activities to be carried on as part of the objective of the Community Fund under clause 3(b) of this Agreement;
- e any proposal for the transfer of any of the assets of the Community Fund save by way of grant, loan or payment as a distribution pursuant to clause 5.3;
- f any decision to invest more than 10% of the funds of the Community Fund in a single investment category;
- g any decision to permit a Party or a Project Board Member to keep a material benefit;
- h any decision as to the transfer of the balance of the Community Fund or its investments on the termination of this Agreement or the winding up of the Community Fund;
- i any decision to transfer any of the assets in which the Community Fund is invested other than in accordance with clause 6;
- j any power to permit the Project Board to further delegate its functions;
- k any appointment or removal of an Independent Project Board Member;
- l any other matter which any Party acting reasonably and in the spirit of cooperation enshrined in this Agreement certifies in writing to be of fundamental importance to it in relation to the operation of the Community Fund. If any other Party objects to such a certification, the matter shall be resolved in accordance with clause 16.