

APPOINTMENTS TO OUTSIDE BODIES

PORTFOLIO HOLDER Councillor E Woodburn

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Summary:	The report informs Members of the conclusion of the Chief Executive's review of Outside Bodies carried out in consultation with the Leader of the Council, revised reporting back procedures for Members of the Council sitting on Outside Bodies and revised guidance for Members on Outside Bodies.
Recommendation:	<ol style="list-style-type: none">a) That Council notes the overall Chief Executive review of Outside Bodies and its outcome at Part 5, revised reporting back procedures for Members of the Council sitting on Outside Bodies and revised guidance for Members on Outside bodies;b) That Council agree the revised Guidance for Members on Outside Bodies at Appendix Bc) That Council agree the inclusion of the revised Guidance for Members on Outside Bodies in the Council's Constitution and a new Chapter on Outside Bodies is added;d) That Council agrees the revised reporting back procedure at Appendix E;e) That Council agrees the inclusion of the revised reporting back procedure in the Council's Constitution in the new Chapter on Outside Bodies;f) That the revised reporting back requirements for each outside body is agreed as listed at 5.3.5 (Portfolio Specific) and Appendix C (all others);g) That Members note the review of outside bodies will be an annual process (as highlighted at Part 6 of the report) with findings reported to full council;h) That the Terms of Reference at Appendix D for supporting contact officers is noted;i) That Members note that information on indemnities at 3.3.2 and 7.2 for Members appointed to Outside Bodies is pending and the course of action at para 7.2.2 is agreed once all information is received;j) That Members note other issues raised during the review at Part 7 and the advice issuedk) That Council appoints to Outside Bodies where it is required to do so; and makes interim appointments to other bodies, to be confirmed by the appropriate Panel/Executive at the earliest available meeting.

1 INTRODUCTION

- 1.1 This report concludes a review of the role of Copeland Borough Council Members attending Outside Bodies in their capacity as Members of Copeland Borough Council.
- 1.2 The report will address the following areas:
- i) Revised guidance for Members sitting on Outside Bodies
 - ii) Revised reporting back procedures for Members on Outside Bodies
 - iii) The outcome of the Chief Executive's (in consultation with the Leader of the Council) Review of Outside Bodies for 2011-12
 - iv) Additional issues raised during the review
- 1.3 The Constitution Working Group (CWG) was consulted on the proposals on 3 June 2011.

2 BACKGROUND

- 2.1 The review of Outside Bodies follows recommendations agreed by the Internal Overview and Scrutiny Committee (OSC) at its meeting on 22 November 2010 where the Chief Executive presented a report on Whitehaven Rugby League Football Club – Review of the Role of Council Members. It was agreed that the Chief Executive in consultation with the Leader of the Council would conduct an overall review of Member appointments to Outside Bodies and that a process would be implemented for future annual reviews.
- 2.2 A further meeting of the Internal OSC on 2 February reviewed reporting back procedures for Members on Outside Bodies. Members recommended that the Chief Executive during his overall review of Outside Body appointments determines whether all Members on Outside Bodies are required to report back and where this reporting back should take place. Finally the OSC considered revised guidance for Members on Outside Bodies, recommending its implementation.
- 2.2 The Revised Guidance, Reporting Back Procedures and Chief Executive's Overall Review of Outside Bodies were presented to Constitution Working Group on 3 June 2011.

3 REVISED GUIDANCE FOR MEMBERS ON OUTSIDE BODIES

- 3.1 Revised Guidance for Members on Outside bodies was presented to the Internal OSC on 2 February 2011 by the former Head of Legal and Democratic Services and supported by the OSC.
- 3.2 **Main changes to the guidance**

- 3.2.1 The original guidance is attached at Appendix 1 and the revised guidance is attached at Appendix 2 with changes marked in *italics*.

In summary, the main changes are;

- A brief introduction outlining the purpose of the guidance
- Advising of the requirement to report back at least annually to one of the Council's committees
- The addition of Community Interest Companies and an explanation of what these are
- A section on the partial codification of general duties of Company Directors as set out in the Companies Act 2006
- Further reference to Council Indemnities namely that the Council can provide an indemnity where the outside body does not hold one. However it would only act as a 'back stop' and there are restrictions listed within Section 8 of the revised guidance.

3.3 CWG consideration of the Revised Guidance for Members on Outside Bodies

3.3.2 CWG considered the guidance in detail and raised two queries:

- a) ***'Partial codification' in relation to an additional section on 'Duties' and the Company's Act 2006 at Appendix B, page 4. What does this mean?***

Partial codification is a legal term which means codifying (organising or collecting together in a systematic manner) legislation that already exists). The Companies Act 2006 is a lengthy piece of legislation and a result of the longest Bill ever to pass through Parliament. It brought together various pieces of legislation including the previous main piece of company legislation – the Companies Act 1985. Partially it consolidated them (codified the existing law); partially it introduced new provisions. In terms of directors' duties it codified existing director's duties and introduced a new duty 'to promote the success of the company'. It also made some other changes which affected directors.

- b) ***At Appendix B, section 8, Council Indemnities***

CWG noted that the Council *can provide an indemnity in relation to any action, or failure to act by, a Councillor, which is authorised by the Council or where the Councillor is carrying on any functions at the request of, or with the approval of or for purposes of, the Council.*

The CWG requested officers to determine which of the Outside Bodies Members are appointed to have an indemnity/insurance in place. Each outside body has been contacted regarding this and where a response has been received at time of print this is included at Appendix C. There is a further reference to this at 7.2.

- 3.4 Members are asked to note that CWG agreed that this guidance ought to be included in the Council's Constitution. It is proposed that a new Chapter specifically on Outside Bodies is included in the Constitution and issued to all Members.

4 REVISED REPORTING BACK PROCEDURES FOR MEMBERS ON OUTSIDE BODIES

- 4.1 The Chief Executive's report on the Review of Whitehaven Rugby League Football Club: Role of Council Members to Internal OSC on 22 November 2010 requested Members to review the Council's reporting back procedures for Members on Outside Bodies. The procedure had last been agreed by Council on 20 April 2004.
- 4.2 On 2 February 2011, the OSC reviewed these reporting back arrangements, comparing the Council's procedures to those in place at other Councils and made recommendations to the Chief Executive, requesting he consider these during the course of his wider review of Outside Bodies.
- 4.3 The Internal OSC findings included:**
- 4.3.1 The procedures last reviewed in 2004 required Members on Outside Bodies to complete a pro-forma monthly, quarterly or annually depending on the contribution that body makes to the Council's operations.
- 4.3.2 The procedures required Members to feed back to the appropriate Overview and Scrutiny Committee via the Scrutiny Support Officer.
- 4.3.3 The procedure required Members to file all appropriate agendas and minutes in the Members Room.
- 4.3.4 Of 38 outside bodies, 30 were required to report back to Full Council
- 4.3.5 Several other Councils had been contacted and of those only one had any formal reporting back procedure
- 4.4 OSC Recommendations**
- 4.4.1 The OSC made a number of recommendations to improve the reporting back procedure, enabling Councillors on Outside Bodies to fulfil their reporting back responsibilities but also being mindful of resources.
- 4.4.2 OSC recommended the following;
- Retention of a named contact officer at against each outside body
 - Inclusion of a requirement that for all Members sitting on outside bodies to complete an annual pro-forma to inform future annual reviews
 - A requirement for Members on outside bodies to place any agendas and minutes on the Council's intranet with the assistance of the support officer
 - Reporting back to relevant committees is carried out at least annually (also included in the revised guidance to Members on Outside Bodies) and more frequently if determined at the discretion and judgement of the Member reporting back or the council function receiving the report back

- Withdrawal of the clause requiring that all report backs are fed through the Overview and Scrutiny Committees and via the Scrutiny Support Officer

4.5 The OSC also requested that

- 4.5.1 That the Chief Executive review assesses the most appropriate committee for Members on Outside Bodies to report back to
- 4.5.2 That the Chief Executive also assesses the requirement for all Members on Outside Bodies to report back depending on the business of the outside body.
- 4.5.3 That consideration is given to including the reporting back procedures in the Council's Constitution.
- 4.5.4 These have been upheld by the Chief Executive throughout the course of his wider review on Outside Bodies. This will be covered at Part 5.

4.6 **CWG consideration of the Reporting**

- 4.6.1 CWG requested terms of reference for outlining the role of Copeland Borough Council Officers supporting members on Outside Bodies. This is attached at Appendix D.
- 4.6.2 CWG also requested an amendment to a requirement within the reporting back procedures for Members to place relevant Minutes and agendas on the Council Intranet. It was agreed that this requirement would be reduced to minutes on the basis that minutes are public documents.
- 4.6.3 CWG agreed that the reporting back procedures should be included in the Council's Constitution. The procedure is attached at Appendix E and it is proposed that this is included in the new chapter on Outside Bodies subject to Council agreement.

5 CHIEF EXECUTIVE'S OVERALL REVIEW OF OUTSIDE BODIES FOR 2011 - 2012

- 5.1 The Chief Executive has conducted his review of Outside Bodies in consultation with the Leader of the Council. The CWG have also been consulted on the outcome of the review.
 - 5.1.1 The review took on board a number of the Internal OSC's recommendations and covered a number of key areas:
 - i) Whether there is a need for all Members on Outside Bodies to report back
 - ii) Which committee receives the report back and how often
 - iii) Which Outside Bodies are retained during 2011-12
 - iv) Whether different committees ought to be responsible for appointing to Outside Bodies

- v) 'Portfolio Specific' Outside Bodies – where attendance at a specific outside body is a fundamental role and responsibility of the Leader of the Council/Executive Portfolio Holder

5.2 Gathering information to support the review

- 5.2.1 All Outside Bodies to which the Council makes Member(s) appointments have been considered. They are listed at Appendix C.
- 5.2.2 This has been further supported by feedback requested during March and April from all Members who sat on Outside Bodies during 2010-11 via the pro-forma attached at Appendix F.

5.3 Outcome of the Review

The review considered the following areas

5.3.1 The need for all Members appointed to Outside Bodies to Report Back

It was felt that all Outside Bodies to which Members are appointed should have a statutory role or be of high level strategic interest. Therefore all Members appointed to Outside Bodies will be required to report back.

This will be done in line with the revised Reporting Back Procedure at Appendix E.

5.3.2 Committee receiving reporting back and the frequency

The report to Internal OSC on 2 February highlighted that most members on Outside Bodies (30 of 38) were required to report back to full Council despite this not always being the most appropriate forum.

Therefore an assessment of the remit of the Outside Body has been made in order to share the responsibility of receiving report backs among committees. Again, these are highlighted at Appendix C.

Reports to Full Council will be at least once per annum. The Leader of the Council has indicated that reporting back to Executive will take place at least every six months and more regularly if necessary as judged by the Member/Lead Officer.

5.3.3 Outside Bodies to be retained during 2011-2012

Outside Bodies which are statutory and of high level strategic interest will be retained.

The Outside Bodies that are proposed to be retained and those which the review proposes to remove Member appointments from are listed in Appendix C. It is also proposed that one Outside Body, the Whitehaven Maternity Charity be delegated to the appropriate officer to hold discussions with other bodies which support the charity in consultation with the current responsible Member.

Members should note that where an Outside Body is removed from the list, it does not prevent Members attending. However they will not be eligible to claim travel and subsistence under the Members Allowance Scheme.

5.3.4 Committees appointing Members to Outside Bodies

The review proposes that where an outside body has a remit which is relevant to a particular committee, that committee should appoint a Member to that outside body. This would apply to the following outside bodies:

Outside Body	Appointing Committee/Panel
Cumbria Housing Executive	Strategic Housing Panel
Cumbria Planning Group	LDF Working Party
Cumbria Supporting People	Strategic Housing Panel
Home Steering Group	Strategic Housing Panel
West Cumbria Housing Association Forum	Strategic Housing Panel
Cumbria Health and Wellbeing Scrutiny Committee	External OSC

Members are asked to note that there will remain a requirement for these to be reported to Full Council annually.

5.3.5 Portfolio Holder Specific Outside Bodies

The review has identified a number of outside bodies which are portfolio holder specific and will therefore be appointed by Executive and attended by the relevant Executive Member.

Executive Members will be appointed to the following outside bodies and will report back to Executive (with highlighted exceptions reporting back to Full Council);

- Britain's Energy Coast
- Cumbria Leadership Forum
- Cumbria Member Equality Champions' Group
- Lake District National Park Authority
- Managing Radioactive Waste Safely Partnership (plus two others appointed by Full Council. Also will report back to Full Council due to nature of the body)
- Joint District Leaders Board
- West Cumbria Community Safety Partnership
- Cumbria Waste Partnership
- North Country Leisure (plus 1 other appointed by Full Council. Will report to Executive and Full Council)
- North West Improvement and Efficiency Partnership and Cumbria Improvement and Efficiency Partnership
- West Cumbria Strategic Forum

- North West Employers Organisation

5.4 Council will retain the responsibility for all appointments to all remaining outside bodies.

6 ANNUAL REVIEW

6.1 Members are requested to note that a review of Outside Bodies will be carried out on an annual basis, supported by Member feedback on those outside bodies. This will enable the Leader of the Council and the Chief Executive to assess the benefits of appointments to Outside Bodies. The outcome of each annual review will be reported to Full Council.

6.2 Members are asked to note that the annual review will follow a 4 stage process

Stage 1 - Member feedback via annual pro-forma (February and March)

Stage 2 - Chief Executive and Leader Review of Outside Bodies (during April)

Stage 3 – Report to Constitutional Working Group (May)

Stage 4 – Report to Full Council and Appointments to Outside Bodies for the new Civic year (June)

7 OTHER ISSUES RAISED DURING THE REVIEW

7.1 Directorships

7.1.1 The Revised Guidance for Members on Outside Bodies includes a new section on the general duties of company directors.

7.1.2 The review has been advised by the Monitoring Officer that the Council appoints Members to Outside Bodies as representatives and does NOT appoint in a director capacity. Such an appointment would be made by the Outside Body.

7.1.3 Any Members requested to act in a director capacity must seek the advice of the Monitoring Officer in the first instance.

7.2 Indemnities

7.2.1 Indemnities were raised by the CWG and have been referred to at 3.3.2. Members are asked to note that some information on which Outside Bodies have indemnities is still outstanding and this is clear at Appendix C.

7.2.2 It is proposed that when this information is available, the Chief Executive in consultation with the Leader of the Council, the S151 Officer and the Monitoring Officer will decide whether the Council will provide an indemnity or withdraw Member appointments to any outside body following an assessment of any risk.

7.3 Reimbursements and Expenses

Guidance on claiming travel and subsistence will be issued to all Members on Outside Bodies. This recognises that some expenses can be claimed directly from the Outside Body rather than the Council.

7.4 Training

Member training on the revised reporting back procedures will be referred to the Member Development Panel to determine whether training is appropriate or whether raising awareness of the new procedures can be carried out in a more appropriate way.

7.5 Appointments to Outside Bodies at other points in the Council Year

The report assumes appointments will be made to outside bodies at the start of the civic year. However it is proposed in the event of 'new' outside bodies emerging during the year, a report will be presented to Full Council recommending the appointment, the reasons why and allocating a contact officer.

8 CONCLUSION

Members are advised that a thorough review of outside bodies has been undertaken. Their support for the outcomes and recommendations is sought to ensure the Council has a robust reporting back procedure and that outside bodies and the Council continue to mutually benefit from effective partnership working.

List of Background Documents	Minutes of the OSC (Internal) on 22 November 2010 Minutes of the OSC (Internal) on 2 February 2011 Review of Reporting Back Procedures for Members on Outside Bodies (Internal OSC-2 February 2011) Review of Whitehaven Rugby League Football Club: The role of Council Members (Internal OSC-22 November 2010) Progress Report: Whitehaven Rugby League Football Club: The role of Council Members (Internal OSC-2 February 2011) Minutes of the Constitution Working Group – 3 June 2011 Outside Bodies, Report to Full Council – 20 April 2004
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List of Consultees:	Leader of the Council Constitution Working Group Monitoring Officer
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Legal Services Manager

List of Appendices

- A. Original Guidance for members on Outside Bodies
- B. Revised Guidance for Members on Outside Bodies
- C. Outside Bodies 2011-12 (including proposed appointee committees and reporting back committees)
- D. Copeland Borough Council supporting officer Terms of Reference
- E. Reporting Back Procedures for Members on Outside Bodies
- F. Annual Review Pro-Forma

APPENDIX A

COPELAND BOROUGH COUNCIL

GUIDANCE TO COUNCILLORS ON THEIR RESPONSIBILITIES AS MEMBERS OF OUTSIDE BODIES

WHAT ACCEPTING AN APPOINTMENT MEANS

Acting according to the rules, constitution and framework set by the outside body;
Making independent and personal judgments in line with your duty of care to the outside body;
Reporting back at least annually to the Council;
Liaising with the officer appointed to advise you;
Behaving ethically and following the Member Code of Conduct;
A commitment of time and taking an active and informed role in the affairs of the outside body.

WHAT ACCEPTING AN APPOINTMENT DOES NOT MEAN

Representing the political party to which you owe your political loyalty;
A watching role, avoiding taking part in the outside body's discussions and decisions;
Looking at things from the Council's point of view alone;
Being there to make up the numbers.

GENERAL DUTIES

Read all the papers carefully;
Attend meetings whenever possible (absence from meetings will not necessarily protect you if things go wrong);
Question officers or other members of the outside body if you do not believe you have been given all or sufficient information or if you have concerns;
Ensure you understand you have other responsibilities;
Ensure the outside body takes professional advice when necessary;
Ensure that proper minutes are taken of meetings;
Ensure that if you have a contrary view your vote is recorded together with your reasons for taking that decision;
Ensure you report back at least every 6 months to the Council, Executive or appropriate Overview and Scrutiny Committee. Democratic Services will advise you further on this.
If you can no longer participate in the outside body, you should resign immediately.

SPECIFIC RESPONSIBILITIES

As well as the general duties set out above, the status of your appointment will determine whether there are specific responsibilities which fall to you. Outside bodies can be loosely grouped into 5 categories:

Informal groups which are consultative or information sharing. These groups will not hold funds or generally be decision making. You will usually be putting forward the Council's position and hearing that of other groups;

Local Government Association or local authority groups. You will be representing the Council and putting its views forward;

Companies limited by shares or guarantee;

Charities and Charitable Trusts;

The specific responsibilities of the last two groups are set out below.

COMPANIES

Companies are often created, to make the administration of an organisation easier. Companies are separate legal entities, which can enter into contracts, and employ staff. They can also sue and be sued, and this *may* protect the members of the organisation from individual, personal liability. It should be noted, however, that in some cases, directors can still personally liable, as detailed below.

There are several forms of company with which Councillors may be involved. The two most common forms are:-

Companies Limited by Shares

Companies Limited by Guarantee

Companies Limited by Shares

This type of company will have a share capital, and the company allocates the shares to its members (the shareholders). In the event that the company is wound up, each shareholder is liable to pay the amount equivalent to the nominal value of his or her shareholding.

In return for this, shareholders share the ownership of the company, and its profits. This is normally done by the company paying a dividend to its shareholders. The dividend is usually declared on the basis of an amount of money per share held. In this type of company, the day to day management of the company is usually vested in the directors. The members ultimately control the company by electing the directors, and deciding major issues at general meetings.

Most high street companies are companies limited by shares, paying dividends to their shareholders (members).

Companies Limited by Guarantee

Companies limited by guarantee also have members, who control the activities of the company in the same way (ie. electing directors, and making decisions in general meetings). However, these companies do not normally seek to make a profit, and do not therefore pay dividends to their members. In the event of the company being wound up, the members guarantee to make a payment to the level of their guarantee (although this is usually a nominal sum, eg. £1). This type of company is more commonly used for voluntary and public bodies, especially where charitable status is sought (a company limited by shares cannot normally fulfill the criteria for registration as a charity).

General Company Matters

Whether a company is limited by shares, or limited by guarantee, the company is controlled by reference to its "constitution", which is contained in the memorandum and articles of association. These documents will set out the powers of the company, and the rules by which it is to be managed.

Any act carried out by the company that is outside the powers set out in the memorandum will be unlawful, and a director involved in such an act may be personally liable for any resulting losses.

The articles of association will usually provide for the business of the company to be decided by the members of the company, acting in general meeting. At such meetings, the members would elect a board of directors, who would then deal with the day to day management of the company. In some cases, the articles may provide for the Board to elect further directors, in certain specified circumstances.

In some situations, the Council nominates Councillors to act as "observers" on the Board of Directors of a company. Although such observers would not be classed as directors for most purposes, Councillors should be aware that if an observer's involvement increases, to such an extent that it could be said that there is an active engagement in the management of the company, he or she may be deemed to be a "shadow director" which may entail liability for losses, etc.

Once elected to the Board, a director has a number of duties and liabilities, under general company law. The fact that a director is appointed to the board as a representative of the Council does not diminish these duties. The director will be an agent of the company, whose prime duties and liabilities are as follows:

Duties

A "fiduciary" duty to the company (not individual shareholders) to act honestly and in good faith and in the best interests of the company as a whole. This duty is akin to that owed by Councillors to the council tax payers of the district.

A general duty of to take reasonable care and skill in acting in the company's affairs, including seeking professional advice where this is necessary.

A duty to exercise independent judgement when dealing with the company's affairs, rather than blindly voting in accordance with a direction from another body represented by the director (such as the Council in the case of a director nominated by the Council). A director representing another body may take into account the views of that body, but cannot allow them to rule against the *company's* best interests.

A duty to avoid conflicts of interests. The interests of the Council and the company may conflict, but the director's primary duty is the company, not the organisation he or she is representing.

A duty not to make a private profit from their position. Directors must therefore disclose any interests they or their family may have in relation to the company's contracts, and only take further part in discussions to the extent which the governing articles permit.

A duty to ensure that the legislation contained in the Companies Act is complied with, eg. Submission of accounts and returns, etc. Failure to do so can lead to disqualification as a director.

Liabilities

Personal liability where a company acts outside its powers, and the director knowingly causes or permits the company to so act.

Liability to members of the company for breach of trust, if he/she misapplies the money or property of the company. Directors may also be liable if they fail to take action to prevent the breach of a co-director of which they are aware.

Liability to the company for any losses sustained where a director abuses his position in some way, or fails to act in the best interests of the company.

Liability for losses caused by a director who fails to exercise the requisite level of skill and care (and fails to seek appropriate advice).

Liability to contribute towards a company's assets where a director knows or ought to know that there is no reasonable prospect of the company avoiding liquidation, but allows the company to continue to trade ("wrongful trading"). A director should alert his fellow directors and the company's position, and seek advice as necessary.

Liability for fraudulent trading ie. where a company deals with the intent of defrauding creditors or others. As well as a fine, a director may be disqualified from acting as a director in another company.

Liability to a fine and/or making good losses, where cheques and other documents do not bear the name of the company.

Liability to pay damages where the director deals with an individual or another company, who believes that the director is authorised to so act, when in fact he or she has no such power.

Companies of all types, (guarantee or shares) can purchase insurance for their directors against claims for negligence, breaches of trust, etc., (subject to the company's powers permitting this). Directors should ensure

that such insurance is in place, and that the provision of insurance is within the powers of the company.

Local Authority Companies

Legislation is in force, which seeks to restrict and control companies which have a connection with local authorities, either because of the level of interest owned by the Council, or because of the degree of business and involvement between the Council and the company. "Company" includes:-

Companies limited by shares;
Companies limited by guarantee;
Industrial and Provident Societies (including therefore most Housing Associations).

There are three types of local authority companies which are affected by the legislation. These are controlled, influenced and minority companies.

In general terms, companies are "controlled" by a local authority where there are more than 50% local authority interests.

Companies are "influenced" companies where there is at least 20% local authority interest plus a business relationship with the company accounting for over 50% of the company's turnover and/or the company was located on local authority land leased or sold for less than best consideration.

Regulated companies (ie. companies which are either "controlled" or "influenced" companies), will be under the effective control of the local authority, and under the legislation, will be subject to the capital finance regime which applies to local authorities, as well as other special propriety controls.

Minority companies are companies where the Council's interest is less than 20%. This type of company is not treated as part of the local authority, and is able to act with more freedom (subject to the other provisions affecting companies in general).

For this reason, the Council usually ensures that any involvement it has in companies is kept below 20%, ie that less than 20% of voting rights/directors are associated with the Council. Councillors are requested to seek advice from the Head of Legal and Democratic Services if they consider that this limit may be exceeded at any time.

A person is "associated" with the Council if he or she is a current member or officer of the Council, or of a regulated company under the Council's control, or has been a member of the Council at any time within the preceding four years.

Councillors who are directors of regulated companies to which they have been nominated by the Council are under the following obligations.

To ensure that the remuneration they receive from the company should not exceed prescribed limits, and should be declared;
To give information to Councillors about their activities as required by the local authority (save for confidential information); and
To cease to be a director immediately upon disqualification as a Councillor.

6. CHARITIES AND CHARITABLE TRUSTS

A Charitable organisation is one which is formed for one or more of the following charitable purposes:-

The relief of poverty and human suffering
The advancement of education
The advancement of religion
Another purpose for the benefit of the community

An organisation that falls within the definition of a charity must be registered with the Charity Commissioners. The Commissioners oversee the operations of all charities, and grant consent to various transactions involving charities, where the law requires this.

Because of the nature of sharing profits with shareholders, a company limited by shares cannot be a charity.

To register as a charity the organisation must submit its governing instrument (ie. the Trust Deed (in the case of a trust) the Memorandum and Articles of Association (of a company limited by guarantee) or the constitution (unincorporated association) to the Charity Commissioners for approval. If they are satisfied that the organisation is charitable it will be registered as such.

The law relating to charities imposes a number of duties and liabilities on those controlling the organisation. They are normally referred to as "trustees" which will include the Directors (of a company limited by guarantee) and the management committee of an unincorporated association.

Trustees' Duties

Trustees have the following duties:-

A duty to act accordance with the Trust Deed and to protect the charity's assets;
A duty to comply with the Charities Acts and other legislation affecting the charity;
A duty not to make a private profit from their position;

A duty to act with the standard of care which an ordinary, prudent business person would show. Higher standards are required of professional, and in relation to investment matters;

A duty to ensure that the information relating to the trust and trustees is registered and the Charity Commissioners and that annual accounts and returns are completed and sent;

(where charitable income exceeds £5,000) a duty to ensure that letters, adverts, cheques etc bear a statement that the organisation is a registered charity.

Trustees Liabilities

Trustees have the following liabilities:-

A liability to make good any deficiency where trust property has been used for a trustee's own purposes, or for purposes not in accordance with the purposes of the trust

Personal liability for losses or claims where a trustee has acted outside the scope of the trust deed

Personal liability where the trustee has not shown the required standard of care

Unlike a limited company, a trust has no separate identity from the trustees. Trustees are therefore personally liable for losses on contracts or claims by third parties although trustees are entitled to an indemnity from the trust assets, provided they act properly in incurring the liability.

For example, in the case of a trust set up to run a community transport scheme, the trustees will be liable personally for a claim from a pedestrian injured by one of the drivers, although the trust's insurance arrangements will indemnify the trustees against the claim.

Trustees remain personally liable once they retire (eg. if they have entered into a contract on behalf of the trust) and should therefore seek an indemnity from their successors. If the charity is a company however the trustees for the time being will be responsible.

Trustees may be liable to fines if they do not comply with the duty to make returns etc.

Trustees Indemnities

An indemnity may be given from the trust fund provided the trustee has acted properly and within his/her powers. Trustees may take out insurance to protect themselves against personal liability but not for criminal acts, fraud etc. There will be no problem if the trustees themselves pay the premiums but if they are paid out of the charitable funds the trustees will need the consent of the Charity Commissioners unless the trust deed allows it.

7. COMMITTEES OF MANAGEMENT

Groups which are not charities, or charitable trusts or companies are "unincorporated associations" and have no separate legal identity from their members. The rules governing members' duties and liability will usually be set out in a constitution which is simply an agreement between the members as to how the organisation will operate. Usually the constitution provides for a management committee to be responsible for the everyday running of the organisation. Often unincorporated associations will be charitable and there are benefits to such organisations if they register as a charity.

Any property held by unincorporated associations eg. leases and licences of accommodation has to be held by individuals as the organisation does not have an existence of its own.

Broadly speaking, Management Committee Members must act within the constitution and must take reasonable care in exercising their powers. They should follow the guidance above as if they were Trustees.

Generally, the Management Committee Members are personally liable for the acts of the organisation, but are entitled to an indemnity from the funds of the organisation if they have acted properly. If there are not enough funds, the Committee Members are personally liable for the shortfall.

If one person is appointed by the constitution to act as the agent of the organisation for certain purposes, then that person acts as agent of all the members of the organisation, who all have joint liability for the agent's actions.

Members of the Committee of Management will have personal liability if they act outside the authority given to them or if they do not comply with statute eg. the payment of tax and national insurance for employees.

Members of Management Committees will be entitled to an indemnity if they act in accordance with the constitution and are not at fault. It is possible to obtain insurance but if the organisation is to pay the premium, it must be permitted by the constitution.

8. COUNCIL INDEMNITIES

Since November 2004, it has been possible for an indemnity to be provided in relation to any action of, or failure to act by, a Councillor, which is authorised by the Council or where the Councillor is carrying on any functions at the request of, or with the approval of, or for purposes of, the Council. However, it does not extend to situations where the Councillor acts other than as a Councillor.

9. INTERESTS

There are a number of rules which Councillors must be aware of, which may limit the extent to which they are able to take part in debates or votes on issues. These rules extend to matters involving outside bodies of which Councillors are members or representatives.

The Member Code of Conduct, adopted by the Council requires Councillors to register their involvement in various organisations. This involvement may also require them to declare interests when matters concerning the organisation are being discussed at a Council meeting. In some cases, Councillors may have to leave the meeting and refrain from taking part in discussion.

For further details Councillors should refer to the Member Code of Conduct to be found at the back of their copies of the Constitution.

APPENDIX B

COPELAND BOROUGH COUNCIL

GUIDANCE TO COUNCILLORS ON THEIR RESPONSIBILITIES AS MEMBERS OF OUTSIDE BODIES

The Guidance shown below is designed to help you by clearly describing your responsibilities to the Outside Bodies concerned.

Staff in Legal and Democratic Service will be pleased to assist in resolving individual questions.

WHAT ACCEPTING AN APPOINTMENT MEANS

Acting according to the rules, constitution and framework set by the outside body;
Making independent and personal judgments in line with your duty of care to the outside body;
Reporting back at least annually (*but see general duties below*) to the Council;
Liaising with the officer appointed to advise you;
Behaving ethically and following the Member Code of Conduct;
A commitment of time and taking an active and informed role in the affairs of the outside body.

WHAT ACCEPTING AN APPOINTMENT DOES NOT MEAN

Representing the political party to which you owe your political loyalty;
A watching role, avoiding taking part in the outside body's discussions and decisions;
Looking at things from the Council's point of view alone;
Being there to make up the numbers.

GENERAL DUTIES

Read all the papers carefully;
Attend meetings whenever possible (absence from meetings will not necessarily protect you if things go wrong);
Question officers or other members of the outside body if you do not believe you have been given all or sufficient information or if you have concerns;
Ensure you understand you have other responsibilities;
Ensure the outside body takes professional advice when necessary;
Ensure that proper minutes are taken of meetings;
Ensure that if you have a contrary view your vote is recorded together with your reasons for taking that decision;

Ensure you report back at least *annually* to the Council, Executive, *Strategic Housing Panel* or appropriate Overview and Scrutiny Committee. Democratic Services will advise you further on this. If you can no longer participate in the outside body, you should resign immediately.

SPECIFIC RESPONSIBILITIES

As well as the general duties set out above, the status of your appointment will determine whether there are specific responsibilities which fall to you. Outside bodies can be loosely grouped into 4 categories:

Informal groups which are consultative or information sharing. These groups will not hold funds or generally be decision making. You will usually be putting forward the Council's position and hearing that of other groups;

Local Government Association or local authority groups. You will be representing the Council and putting its views forward;

Companies limited by shares or guarantee;

Charities and Charitable Trusts;

The specific responsibilities of the last two groups are set out below.

COMPANIES

Companies are often created to make the administration of an organisation easier. Companies are separate legal entities, which can enter into contracts, and employ staff. They can also sue and be sued, and this *may* protect the members of the organisation from individual, personal liability. It should be noted, however, that in some cases, directors can still be personally liable, as detailed below.

There are several forms of company with which Councillors may be involved. The two most common forms are:-

Companies Limited by Shares

Companies Limited by Guarantee

Community Interest Companies (CICs)

Companies Limited by Shares

This type of company will have a share capital, and the company allocates the shares to its members (the shareholders). In the event that the company is wound up, each shareholder is liable to pay the amount equivalent to the nominal value of his or her shareholding.

In return for this, shareholders share the ownership of the company, and its profits. This is normally done by the company paying a dividend to its shareholders. The dividend is usually declared on the basis of an amount of money per share held. In this type of company, the day to day

management of the company is usually vested in the directors. The members ultimately control the company by electing the directors, and deciding major issues at general meetings.

Most high street companies are companies limited by shares, paying dividends to their shareholders (members).

Companies Limited by Guarantee

Companies limited by guarantee also have members, who control the activities of the company in the same way (ie. electing directors, and making decisions in general meetings). However, these companies do not normally seek to make a profit, and do not therefore pay dividends to their members. In the event of the company being wound up, the members guarantee to make a payment to the level of their guarantee (although this is usually a nominal sum, eg. £1). This type of company is more commonly used for voluntary and public bodies, especially where charitable status is sought (a company limited by shares cannot normally fulfill the criteria for registration as a charity).

Community Interest Companies

CICs have recently been introduced to meet the needs of organizations which trade with a social purpose or carry on other activities which benefit the community. They are attractive to those wishing to enjoy the benefit of limited liability status but who wish to make it clear they are established for the benefit of the community rather than its members. Such companies cannot become charities. In addition to general company law duties CIC directors are also responsible for ensuring the company is run in such a way that it will continue to satisfy the community interest test, which is overseen by regulation.

General Company Matters

Whether a company is limited by shares, or limited by guarantee, or is a *community interest company* the company is controlled by reference to its "constitution", which is contained in the memorandum and articles of association. These documents will set out the powers of the company, and the rules by which it is to be managed.

Any act carried out by the company that is outside the powers set out in the memorandum will be unlawful, and a director involved in such an act may be personally liable for any resulting losses.

The articles of association will usually provide for the business of the company to be decided by the members of the company, acting in general meeting. At such meetings, the members would elect a board of directors, who would then deal with the day to day management of the company. In some cases, the articles may provide for the Board to elect further directors, in certain specified circumstances.

In some situations Councils nominate Councillors to act as "observers" on the Board of Directors of a company. Although such observers would not be classed as directors for most purposes, Councillors should be aware that if an observer's involvement increases, to such an extent that it could be said that there is an active engagement in the management of the company, he or she may be deemed to be a "shadow director" which may entail liability for losses, etc.

Once elected to the Board, a director has a number of duties and liabilities, under general company law. The fact that a director is appointed to the board as a representative of the Council does not diminish these duties. The director will be an agent of the company, whose prime duties and liabilities are as follows:

Duties

The Companies Act 2006 introduces a partial codification of the general duties of company directors.

1. General Statutory Compliance

Directors must comply with specific business legislation, eg employment, health and safety at work, payment of taxes. They also have a duty to ensure their company complies with the law in general. A director as well as the company can be liable if a criminal offence has been committed with the consent or neglect of a director. A company or its shareholders can also sue a director for breach of duty and damages.

2. Act within powers

A director must not act outside the powers set out in a company's Memorandum of Association. Directors must therefore familiarize themselves with the Memorandum.

3. Duty to promote the success of the company

A director must act the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole.

4. Duty to exercise independent judgment

The Director cannot vote simply in accordance with a Council mandate. To do so would be a breach of duty.

5. Duty to exercise reasonable care, skill and judgment

The duty imposes an objective standard on the director (the general knowledge skill and experience to be expected of a person in his/her position) and a subjective standard (whereby he/she must exhibit the level of care to be expected of a director with their knowledge skill and experience).

6. General compliance with the Companies Acts

This includes for example a duty to ensure that proper accounting records are maintained and that the annual audited accounts are filed at Companies House.

Liabilities

Personal liability where a company acts outside its powers, and the director knowingly causes or permits the company to so act.

Liability to members of the company for breach of trust, if he/she misapplies the money or property of the company. Directors may also be liable if they fail to take action to prevent the breach of a co-director of which they are aware.

Liability to the company for any losses sustained where a director abuses his position in some way, or fails to act in the best interests of the company.

Liability for losses caused by a director who fails to exercise the requisite level of skill and care (and fails to seek appropriate advice).

Liability to contribute towards a company's assets where a director knows or ought to know that there is no reasonable prospect of the company avoiding liquidation, but allows the company to continue to trade ("wrongful trading"). A director should alert his fellow directors and the company's position, and seek advice as necessary.

Liability for fraudulent trading ie. where a company deals with the intent of defrauding creditors or others. As well as a fine, a director may be disqualified from acting as a director in another company.

Liability to a fine and/or making good losses, where cheques and other documents do not bear the name of the company.

Liability to pay damages where the director deals with an individual or another company, who believes that the director is authorised to so act, when in fact he or she has no such power.

Companies of all types, (guarantee or shares) can purchase insurance for their directors against claims for negligence, breaches of trust, etc., (subject to the company's powers permitting this). Directors should ensure that such insurance is in place, and that the provision of insurance is within the powers of the company.

Local Authority Companies

Legislation is in force, which seeks to restrict and control companies which have a connection with local authorities, either because of the level of interest owned by the Council, or because of the degree of business and involvement between the Council and the company. "Company" includes:-

Companies limited by shares;

Companies limited by guarantee;

Community Interest Companies;

Industrial and Provident Societies (including therefore most Housing Associations).

There are three types of local authority companies which are affected by the legislation. These are controlled, influenced and minority companies.

In general terms, companies are "controlled" by a local authority where there are more than 50% local authority interests.

Companies are "influenced" companies where there is at least 20% local authority interest plus a business relationship with the company accounting for over 50% of the company's turnover and/or the company was located on local authority land leased or sold for less than best consideration.

Regulated companies (ie. companies which are either "controlled" or "influenced" companies), will be under the effective control of the local authority, and under the legislation, will be subject to the capital finance regime which applies to local authorities, as well as other special propriety controls.

Minority companies are companies where the Council's interest is less than 20%. This type of company is not treated as part of the local authority, and is able to act with more freedom (subject to the other provisions affecting companies in general).

For this reason, the Council usually ensures that any involvement it has in companies is kept below 20%, ie that less than 20% of voting rights/directors are associated with the Council. Councillors are requested to seek advice from the Head of Legal and Democratic Services if they consider that this limit may be exceeded at any time.

A person is "associated" with the Council if he or she is a current member or officer of the Council, or of a regulated company under the Council's control, **or has been a member of the Council at any time within the preceding four years.**

Councillors who are directors of regulated companies to which they have been nominated by the Council are under the following obligations.

To ensure that the remuneration they receive from the company should not exceed prescribed limits, and should be declared;

To give information to Councillors about their activities as required by the local authority (save for confidential information); and

To cease to be a director immediately upon disqualification as a Councillor.

6. CHARITIES AND CHARITABLE TRUSTS

A Charitable organisation is one which is formed for one or more of the following charitable purposes:-

The relief of poverty and human suffering
The advancement of education
The advancement of religion
Another purpose for the benefit of the community

An organisation that falls within the definition of a charity must be registered with the Charity Commissioners. The Commissioners oversee the operations of all charities, and grant consent to various transactions involving charities, where the law requires this.

Because of the nature of sharing profits with shareholders, a company limited by shares cannot be a charity.

To register as a charity the organisation must submit its governing instrument (ie. the Trust Deed (in the case of a trust) the Memorandum and Articles of Association (of a company limited by guarantee) or the constitution (unincorporated association) to the Charity Commissioners for approval. If they are satisfied that the organisation is charitable it will be registered as such.

The law relating to charities imposes a number of duties and liabilities on those controlling the organisation. They are normally referred to as "trustees" which will include the Directors (of a company limited by guarantee) and the management committee of an unincorporated association.

Trustees' Duties

Trustees have the following duties:-

- A duty to act accordance with the Trust Deed and to protect the charity's assets;
- A duty to comply with the Charities Acts and other legislation affecting the charity;
- A duty not to make a private profit from their position;
- A duty to act with the standard of care which an ordinary, prudent business person would show. Higher standards are required of professional, and in relation to investment matters;
- A duty to ensure that the information relating to the trust and trustees is registered and the Charity Commissioners and that annual accounts and returns are completed and sent.

Trustees Liabilities

Trustees have the following liabilities:-

- A liability to make good any deficiency where trust property has been used for a trustee's own purposes, or for purposes not in accordance with the purposes of the trust

Personal liability for losses or claims where a trustee has acted outside the scope of the trust deed

Personal liability where the trustee has not shown the required standard of care

Unlike a limited company, a trust has no separate identity from the trustees. Trustees are therefore personally liable for losses on contracts or claims by third parties although trustees are entitled to an indemnity from the trust assets, provided they act properly in incurring the liability.

For example, in the case of a trust set up to run a community transport scheme, the trustees will be liable personally for a claim from a pedestrian injured by one of the drivers, although the trust's insurance arrangements will indemnify the trustees against the claim.

Trustees remain personally liable once they retire (eg. If they have entered into a contract on behalf of the trust) and should therefore seek an indemnity from their successors. If the charity is a company however the trustees for the time being will be responsible.

Trustees may be liable to fines if they do not comply with the duty to make returns etc.

Trustees Indemnities

An indemnity may be given from the trust fund provided the trustee has acted properly and within his/her powers. Trustees may take out insurance to protect themselves against personal liability but not for criminal acts, fraud etc. There will be no problem if the trustees themselves pay the premiums but if they are paid out of the charitable funds the trustees will need the consent of the Charity Commissioners unless the trust deed allows it.

7. COMMITTEES OF MANAGEMENT

Groups which are not charities, or charitable trusts or companies are "unincorporated associations" and have no separate legal identity from their members. The rules governing members' duties and liability will usually be set out in a constitution which is simply an agreement between the members as to how the organisation will operate. Usually the constitution provides for a management committee to be responsible for the everyday running of the organisation. Often unincorporated associations will be charitable and there are benefits to such organisations if they register as a charity.

Any property held by unincorporated associations eg. leases and licences of accommodation has to be held by individuals as the organisation does not have an existence of its own.

Broadly speaking, Management Committee Members must act within the constitution and must take reasonable care in exercising their powers. They should follow the guidance above as if they were Trustees.

Generally, the Management Committee Members are personally liable for the acts of the organisation, but are entitled to an indemnity from the funds of the organisation if they have acted properly. If there are not enough funds, the Committee Members are personally liable for the shortfall.

If one person is appointed by the constitution to act as the agent of the organisation for certain purposes, then that person acts as agent of all the members of the organisation, who all have joint liability for the agent's actions.

Members of the Committee of Management will have personal liability if they act outside the authority given to them or if they do not comply with statute eg. the payment of tax and national insurance for employees.

Members of Management Committees will be entitled to an indemnity if they act in accordance with the constitution and are not at fault. It is possible to obtain insurance but if the organisation is to pay the premium, it must be permitted by the constitution.

8. COUNCIL INDEMNITIES

The Council can provide an indemnity in relation to any action of, or failure to act by, a Councillor, which is authorised by the Council or where the Councillor is carrying on any functions at the request of, or with the approval of, or for purposes of, the Council. However, the indemnity provided by the Council acts as a back-stop, where the organization to which the member has been appointed by the Council does not itself indemnify or insure the Member against any loss or liability. There are restrictions. The indemnity will not apply to i. Criminal offences or fraud; ii. Cases where the member does not reasonable believe that the act or omission in question was within the powers at the time when they acted; iii. Making claims for defamation.

9. INTERESTS

There are a number of rules which Councillors must be aware of, which may limit the extent to which they are able to take part in debates or votes on issues. These rules extend to matters involving outside bodies of which Councillors are members or representatives.

The Member Code of Conduct, adopted by the Council requires Councillors to register their involvement in various organisations. This involvement may also require them to declare interests when matters concerning the organisation are being discussed at a Council meeting.

The Council's Code of Conduct (paragraph 8(1)(a)) provides that you have a personal interest in any business of your authority where either it relates to or is likely to affect:

"Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your Authority".

As soon as you have been appointed you must take steps to have your appointment included in the Register of Interests. Any changes must also be notified within 28 days.

In some cases, Councillors may have to leave the meeting and refrain from taking part in discussion due to having a prejudicial interest.

For further details Councillors should refer to the Member Code of Conduct to be found at the back of their copies of the Constitution. Alternatively members of Legal and Democratic Services will be pleased to advise.

Review Outside Bodies 2011-12

Outside Bodies to be **retained** for 2011-12 (Outside bodies which are of statutory and/or of high level strategic interest)

Outside Body	Original reporting back forum	Proposed reporting back forum & frequency	Future Appointing Committee/No of Members	Does the outside body hold an indemnity?	CBC Officer
EXECUTIVE					
Britain's Energy Coast	Council	Executive 6 monthly	Executive – Portfolio Specific/1		Julie Betteridge
Cumbria Member Equality Champions' Group		Executive	Executive – Portfolio Specific/1		Alison Walton
Cumbria Leadership Forum	Council	Executive 6 monthly	Executive – Portfolio Specific/1	No	Paul Walker
Cumbria Waste Partnership	Council	Executive 6 monthly	Executive – Portfolio specific/1	Not at present	Janice Carrol
Joint District Leaders Board	n/a	Executive 6 monthly	Executive – Portfolio specific/1	-	Paul Walker

APPENDIX C (with information received as of 14 June 2011.)

Outside Body	Original reporting back forum	Proposed reporting back forum & frequency	Future Appointing Committee/No of Members	Does the outside body hold an indemnity?	CBC Officer
Lake District National Park Authority	Council	Executive 6 monthly	Executive – Portfolio specific/1	Yes	Paul Walker
MRWS Partnership	Council via Executive Report	Council due to nature of outside body	1 Executive + 3 others appointed by Council		Head of Nuclear Projects and Programmes
North Country Leisure	Council	Executive 6 monthly and Full Council	1 Executive + 1 other appointed by Council	Yes	Julie Betteridge/Pat Graham
North West Improvement and Efficiency Partnership & Cumbria Improvement and Efficiency Partnership	Council	Executive 6 monthly	Executive – Portfolio Specific/1	No – indemnity through respective authorities	Jo Wagstaffe
North West Employers Organisation	Council	Executive 6 monthly	Executive – Portfolio Specific/1		Jo Wagstaffe

APPENDIX C (with information received as of 14 June 2011)

Outside Body	Original reporting back forum	Proposed reporting back forum & frequency	Future Appointing Committee/No of Members	Does the outside body hold an indemnity?	CBC Officer
West Cumbria Community Safety Partnership		Executive 6 monthly (the CSP is also scrutinised by the External Overview and Scrutiny Committee)	Executive – Portfolio Specific/1		Julie Betteridge
West Cumbria Strategic Forum		Executive 6 monthly	Executive – Portfolio Specific/1		
FULL COUNCIL					
Coalfields Alliance (North West Coalfield Regional Board)	Council	Council Annually	Council/1 + 1 sub		Julie Betteridge
Copeland Community Fund	Council	Council Annually	Council /2		Julie Betteridge

APPENDIX C (with information received as of 14 June 2011)

Outside Body	Original reporting back forum	Proposed reporting back forum & frequency	Future Appointing Committee/No of Members	Does the outside body hold an indemnity?	CBC Officer
Cumbria Community Foundation	Council	Council Annually	Council/1		None
Cumbria Community Foundation – West Cumbria Grants Panel	None	To be reported on website	As above/3		None
Cumbria Tourist Board	Council	Council	Council/1		Julie Betteridge
Derwent and Solway Housing Association – Routes to Work	Council	Council Annually	Council /1		Chris Pickles
Invest in Cumbria	Council	Council Annually	Council/1		Julie Betteridge
Lake District National Park Partnership	Council	Council Annually	Council/1	Yes	Julie Betteridge

APPENDIX C (with information received as of 14 June 2011)

Outside Body	Original reporting back forum	Proposed reporting back forum & frequency	Future Appointing Committee/No of Members	Does the outside body hold an indemnity?	CBC Officer
Nuleaf	Council	Council Annually	Council/1	No	Head of Nuclear Projects and Programmes
West Cumbria Site Stakeholder Group (WCSSG)	Council	Council Annually	Council/3		Head of Nuclear Projects and Programmes
WCSSG – Low Level Waste Repository	As above	Council Annually	n/a – appointed as above/1		As above
WCSSG – Socio Economic	As above	Council Annually	as above/1		As above
WCSSG – Commercial	As above	Council Annually	as above/1		As above
WCSSG – Decommissioning	As above	Council Annually	as above/1		As above

Outside Body	Original reporting back forum	Proposed reporting back forum & frequency	Future Appointing Committee/No of Members	Does the outside body hold an indemnity?	CBC Officer
Western Lake District Tourism Partnership	Council	Council Annually	Council/1	No – provided via the Council as the source of representation on the partnership	Julie Betteridge
West Lakes Renaissance Board (in process of closing down)	Council	Council Annually	Council/1		
STRATEGIC HOUSING PANEL					
Cumbria Supporting People	Strategic Housing Panel	Strategic Housing Panel (frequency to be determined by Panel) Council Annually	Strategic Housing Panel/1	Yes	Laurie Priebe
Cumbria Housing Executive	Strategic Housing Panel	Strategic Housing Panel Council Annually	Strategic Housing Panel/1		Laurie Priebe

Outside Body	Original reporting back forum	Proposed reporting back forum & frequency	Future Appointing Committee/No of Members	Does the outside body hold an indemnity?	CBC Officer
Home Steering Group		Strategic Housing Panel Council Annually	Strategic Housing Panel/2		Laurie Priebe
West Cumbria Housing Association Forum	Strategic Housing Panel	Strategic Housing Forum Council Annually	Strategic Housing Panel/1		Laurie Priebe
EXTERNAL OVERVIEW AND SCRUTINY COMMITTEE					
Cumbria Health and Wellbeing Scrutiny Committee	External Overview & Scrutiny Committee	External OSC (each meeting bi-monthly) Council Annually	External OSC/1	*	Jessica Hall
LOCAL DEVELOPMENT FRAMEWORK WORKING GROUP					
Cumbria Planning Group	Council	LDF Working Group Council Annually	LDF Working Group/1		John Hughes

Proposed organisations to be removed from the Outside Body List

Outside Body	
Cumbria Joint Scrutiny Committee	Disbanded
Cumbria Pension Forum	Appointment now with Joint Districts
Cumbria Playing Fields	
Duddon Estuary Partnership	
Solway Firth Partnership	
West Cumbria Cycleway Partnership	
West Cumbria Development Agency	Incorporated into Britain's Energy Coast (BEC)
West Cumbria Development Fund	Incorporated in BEC

Other Outside Bodies

Outside Body	
Whitehaven Maternity Charity	To be delegated to the appropriate officer to hold discussions with other bodies which support the charity and for the officer to consult with the responsible Member.

Appendix D

Role of Support Officers

This note sets out the main components of the role of officers designated as support officers to Members appointed to represent the Council on outside bodies.

1 General

The role of the support officer is to ensure that Member representatives are properly briefed on meetings they are attending, understand the Council's policy position (if any) on matters to be discussed, are clear about expected outcomes from meetings for the Council, and are appropriately supported at meetings.

The support officer and the Member(s) concerned should periodically review the value to the Council of being represented at member level on the body concerned, and should recommend changes, for example termination of representation, where necessary.

2 Support Before Meetings

The support officer should ensure that the member is properly briefed on any matters likely to be discussed. The member should be given the opportunity to go through meeting papers with the support officer, to ensure any points which the member may not be clear on can be clarified.

The member should be clear about any policy position the Council has adopted on matters likely to be discussed. The member should have an understanding of regional and national issues being discussed where these are likely to have a significant impact locally.

3 Support at Meetings

Provided the member representative has been fully briefed, it will not always be necessary for the support officer to attend meetings with the Member. However the support officer should attend when:

- (a) the Council is hosting the event
- (b) the member representative is making a significant contribution at the meeting, e.g. making a speech or presenting a report on behalf of the Council
- (c) major national or regional policies or proposals, or matters having significant impact or potential impact on the Council, are being discussed.

4 Support After Meetings

Member representatives should be encouraged to provide a debrief after meetings, especially those they have attended unaccompanied. The support officer should ensure that any action points arising from meetings for Council officers or members are picked up and the relevant individuals informed.

Appendix D

Where a formal report back from an outside body meeting is needed, the member representative should be offered assistance and support in drafting this, though it is not appropriate for this task to fall upon the support officer alone.

Reporting Back Procedures for Members on Outside Bodies

This guidance should be read in conjunction with “Guidance to Councillors on their Responsibilities as Members on Outside Bodies.

Background

In 2011, the Council reviewed its Reporting Back Procedures for Members on Outside Bodies.

This guidance applies to all Members who have been appointed by the Council or one of its committees to sit on an Outside Body.

Members appointed by the Council or one of its committees are now required to report back to their appropriate committee at least annually (or six monthly in the case of reporting back to the Executive).

For further advice or clarification contact Democratic Services.

From June 2011, the following will begin to be implemented in order to support Members sitting on Outside Bodies in their reporting back role.

1 Sharing of Agendas/ Minutes of Meetings

All Members appointed to Outside Bodies will be required to upload meeting minutes to the Council intranet with the support of their Copeland Borough Council contact officer

2 A process for reporting back

From June/July 2011, each committee responsible for receiving report backs will schedule into their Work Programmes/Forward Plans/Agenda Management a time for receiving report backs.

Please note that the standard list of Outside Bodies will specify how frequently a report back is expected and your contact officer and Democratic Services can support and advise you on this. However;

- Members required to report to Full Council must do so at least annually
- Members required to report back to Executive must do so six monthly

More frequent reporting may be necessary. This will be at the discretion of the Member/Lead Officer and/or the committee receiving the report back.

3 Supporting the Annual Review of Outside Bodies

A review of outside bodies is carried out by the Chief Executive and Leader on an annual basis. This ensures that appointments to Outside Bodies are of mutual benefit to the Council and the Outside Body and reflect resources.

Members are required to support this annual process by providing feedback on their experiences over the course of the year and include;

- How frequently the outside body meets
- How many meetings Members have attended
- How representing the Council on the Outside Body supports the aims and objectives of the Council – with examples
- How representing the Council on the Outside Body supports the Outside Body – with examples
- Any further comment

The Annual Review will follow a 4 stage process:

Stage 1 – Member feedback via the annual pro-forma (issued to Members in February with a deadline date in March)

Stage 2 – Chief Executive and Leader review (April)

Stage 3 – Report to Constitutional Working Group

Stage 4 – Report to Full Council and Appointments to Outside Bodies for the new Civic Year

For further advice, please contact Democratic Services



**Members on Outside Bodies
Annual Review Feedback Form**

Please complete and return to Democratic Services by (Insert Deadline)

Name of Councillor:

Name of Outside Body:

Frequency of meetings: Annual/Six monthly/Quarterly/Monthly/Weekly/no formal cycle

Number of meetings attended:

How does representing the Council on this Outside Body support the aims and objectives of the Council?

Do you have any further comments?