

Progress Report on Development of a Work  
Programme and Recommendations to Deal with  
Appointments to Outside Organisations

**DRAFT CRITERIA FOR  
APPOINTMENTS TO OUTSIDE ORGANISATIONS**

**1. Consultation**

A number of authorities outside Cheshire had been contacted and asked for details of any reviews conducted and criteria used for appointments to outside bodies to try to identify best practice.

Some common themes have emerged from this exercise, which are set out below together with comments.

**2. Draft Criteria**

**2.1 The appointment is a statutory requirement**

There will be a limited number of bodies to which the authority is required to appoint but statutory requirement should be included as a criterion. Examples include the Police Authority and Fire Authority.

**2.2 The appointment will allow the authority to influence policy at a national or regional level**

Again this is suggested as a valid criterion for inclusion which will apply to those bodies which give the authority a voice at national or regional level and enable it to influence high level policy decisions. Examples will include the Local Government Association, North West Regional Assembly and the North West Employers Organisation.

**2.3 The appointment will assist the authority to deliver its strategic objectives and priorities**

It is recommended that this is a key part of any appointment system, where it can be demonstrated that the appointment will make a direct or significant contribution to the authority's strategic objectives.

The impact of this criterion is likely to be the exclusion of a number of smaller, local bodies. However, it would still be open to Members to put themselves forward as representatives to those organisations on an individual basis, rather than as representatives of the authority.

## **2.4 The appointment is to an organisation which receives major funding from the authority or provides key public services**

On the face of it, it would seem sensible to appoint a representative to an outside body which is in receipt of significant levels of funding from the authority. This may be, for example, to ensure that body uses the funding properly and develops in a way which the authority considers appropriate. In the same way, organisations which provide key public services, such as housing trusts, are often created by a local authority which reserves the right to place members on the board.

However, members should bear in mind that in taking up a formal position within an incorporated body - as director or trustee – the member will be under a legal duty to act in the best interests of that outside body, notwithstanding the fact that s/he is there as a representative of the authority. That duty will override a member's duties to the authority or the ratepayers it serves. It is also worth noting that where a matter is raised by the outside body relating to its relationship with the authority, it is likely to give rise to a conflict of interest for the member representative who will usually be required to absent himself from the meeting during the discussion. A dual-hatted role may therefore be problematic and out-weigh any perceived benefits for either the organisation or the authority.

## **2.5 Other options**

There are other means by which the authority may exercise control and/or influence;

(a) appoint a Member as an observer only to a charity or company board. Whilst not able to vote, the member is able to attend meeting to represent the views of the authority.

(b) by means of a well drafted funding or service level agreement which incorporates comprehensive monitoring arrangements to ensure information is provided to the authority regularly, showing how funding is being used or services provided.

### **Risk based approach**

Members may therefore prefer to consider an approach which is based on a balance of the risk between being represented and not being represented on these types of bodies, which takes into account the outcome sought from making appointment – be it control of funds, influence or input of expertise - and other means by which that outcome may be achieved.

## **2.6 The appointment will have significant cost or resource implications for the authority**

It may not be appropriate to appoint to an outside body in extreme cases where there are significant cost and resource implications for the authority set against the benefits accrued.

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