

CHESHIRE EAST COUNCIL

Governance and Constitution Committee

Date of Meeting:	30 September 2009
Report of:	Democratic Services Manager
Subject/Title:	Review of Appointments to Outside Organisations

1.0 Report Summary

- 1.1 The report outlines the issues considered by the Task Group (Outside Organisations) which was re-appointed by the Governance and Constitution Committee on 21st May 2009. The Committee is asked to note the work of the Task Group to date, and to approve the recommendations as set out in paragraph 2 of the report.

2.0 Recommendations

2.1 That

- (a) One Councillor, as identified below, be appointed to each of the following Cheshire Association of Local Councils' groups –
 - (i) The Quality Accreditation Panel (Councillor A Moran)
 - (ii) The Quality Forum (Councillor S Jones)
 - (iii) The County Training Partnership (Councillor D Flude)

(on the basis set out in paragraph 11.4)
- (b) Councillor C Tomlinson be appointed to the Fence Trust (Macclesfield);

(on the basis set out in paragraph 11.5)
- (c) Cheshire East Council join Groundwork Trust as a full Company Member;
- (d) Councillor P Whiteley be appointed to the Wilmslow Aid Trust;
- (e) Evans Arts Trust be reinstated as an outside organisation (Category 3) to which appointments should be made, with two Councillors being appointed;
- (f) Councillors J Crockatt and P Whiteley be appointed to the Evans Arts Trust;

- (g) The Citizens Advice Bureaux (CAB) in Cheshire East be informed that this Council would be appointing two Councillors to each of its two branches;
- (h) Councillors R A Bailey and M A Martin be appointed to Cheshire East CAB and Councillors J Goddard and A Arnold be appointed to Cheshire CAB North;
- (i) The Cabinet be recommended to include “Dial-a-Ride”, currently a Category 2 organisation, within its remit as a Category 1 organisation, in view of its strategic importance within the Local Transport Plan;
- (j) The Cabinet be recommended to appoint 1 Cabinet Member and 1 Local Member to each of the two branches of “Dial-a-Ride”, subject to the constitutional requirements of the organisation;
- (k) The Committee endorse the Task Group’s recommendation that the new request from Bollington Cross Youth Project be declined and the request from Senior Voice be addressed by the Task Group, in due course, when further information is available; and
- (l) It be noted that Cheshire and Warrington Local Access Forum, a statutory organisation, has been added to the schedule of outside organisations as a Category 1 organisation, which falls within the remit of the Cabinet.

3.0 Reasons for Recommendations

- 3.1 It is important for the Council to participate as a partner in the network of outside organisations within Cheshire East, and more widely if appropriate.
- 3.2 The recommendations are in accordance with the procedure adopted by the Governance and Constitution Committee.

4.0 Wards Affected

- 4.1

Fence Trust	Macclesfield Town and Macclesfield Forest
Evans Arts Trust	Macclesfield Town and Macclesfield Forest
Wilmslow Aid Trust	Wilmslow South, Wilmslow North
Cheshire Association of Local Councils	All wards
Cheshire CAB North	All wards comprising the former Macclesfield area
Cheshire East CAB	All wards comprising the former Crewe and Nantwich and Congleton areas
Dial-a-Ride	All wards
CVS	All wards
Groundwork Trust	All wards comprising the former areas of Macclesfield and Congleton

5.0 Local Ward Members

- 5.1 Ward Members as appropriate to each organisation listed in paragraph 4.1.

6.0 Policy Implications

- 6.1 None identified.

7.0 Financial Implications for Transition Costs (Authorised by the Borough Treasurer)

- 7.1 None identified.

8.0 Financial Implications 2009/10 and beyond (Authorised by the Borough Treasurer)

- 8.1 None identified other than where referred to against specific organisations.

9.0 Legal Implications (Authorised by the Borough Solicitor)

- 9.1 The appointment of representatives to outside organisations can have implications for appointees, especially those appointed as Trustees or Company Directors. It is essential that Members are made aware of their roles, responsibilities and liabilities. The Task Group will be giving consideration to a proposed Guide for Members who represent the Council on outside organisations; for example as a Company Director, a Trustee, representative on a Management Committee or School Governing Body.
- 9.2 The **Groundwork Trust, (see 11.6 below)** is both a registered company and a registered charity. Groundwork, as a national organisation, is a federation of more than 40 independent not-for-profit Trusts in England, Wales and Northern Ireland, the first Groundwork Trust having been established in Merseyside in 1981. Other trusts followed, including the Cheshire Groundwork Trust, and two of its original subscribers when it was first set up were Macclesfield Borough Council and Cheshire County Council, as well as the Countryside Commission. The former Boroughs of Macclesfield and Congleton, and the County Council, continued to contribute core funding to Groundwork Cheshire. All were members of the Trust with the accompanying rights to vote at company meetings.
- 9.3 Membership of this company for Cheshire East Borough Council as a local authority is distinct from representation by individual members co-opted onto an organisation. "Groundwork Cheshire" is the trading name of Cheshire Groundwork Trust, and it is set up as Company Limited by Guarantee and not having a share capital, which is the normal type of incorporation applicable to non-profit organisations which require corporate status to limit their liability. Groundwork Cheshire is also a Registered Charity. An implication if the company was to be wound up

would be that each Member (including the Council in that capacity) would be required to pay £10 to the assets of the company, and a contribution towards the costs charges and expenses of winding-up if that occurred during the Council's membership or within a year of ceasing to be a member. This is the normal arrangement where members, who in this type of company are guarantors instead of shareholders, give an undertaking to contribute a nominal amount towards the winding-up of the company in the event that there is ever a shortfall upon cessation of its business. Companies of this kind cannot distribute profits to their members, which is why they are eligible for charitable status. Membership can be brought to an end by several events, the only two of which would be relevant to a Council as a member would be giving notice in writing to the Company Secretary, or expulsion by special resolution, the latter of which would only be likely in very extreme circumstances.

10.0 Risk Management

- 10.1 None identified other than the legal implications as set out in paragraph 9.1.

11.0 Background and Options

- 11.1 At its meeting held on 21st May 2009, the Governance and Constitution Committee re-appointed the Task Group (Outside Organisations) as a standing Task Group which will remain in existence for the duration of the Municipal Year.
- 11.2 Subsequent to notification of appointments, a number of issues have arisen. These have been addressed by the Task Group, which held its first meeting on 30th June. Its recommendations are as set out in paragraph 2; the rationale behind the recommendations is given below.
- 11.3 Members are reminded that as part of the procedure adopted by the Committee on 9th March 2009, the schedule of organisations was divided into the following categories. Category 1 is the schedule of organisations which the Cabinet has reserved to itself for making appointments. The Governance and Constitution Committee makes appointments to Categories 2, 3 and 4 organisations, taking into account recommendations of the Task Group.

Category 1	These are top-level strategic organisations at national, regional and local level; for example, Fire Authority, Primary Care Trust, Police Authority.
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Category 2	These are appointments which were key to the demising authorities (Cheshire County Council, Congleton, Crewe and Nantwich, and Macclesfield Borough Councils) and were considered to be essential after 31 st March 2009.
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Category 3	These are organisations which the demising authorities considered to be worthwhile but were not crucial.
Category 4	Those not falling within categories 1-3

11.4 Cheshire Association of Local Councils (ChALC)

Councillor Carolyn Andrew was appointed to the Cheshire Association of Local Councils, and will take her place on the Executive. In addition to that representation, ChALC has requested that the Council appoint to three of its panels, namely The Quality Accreditation Panel; The Quality Forum; and The County Training Partnership.

The Task Group recommended the following political split for the appointments –

- (a) That one **Conservative** be appointed to The Quality Accreditation Panel;
- (b) That one **Liberal Democrat** be appointed to The Quality Forum; and
- (c) That either a **Labour or Independent** Member be appointed to The County Training Partnership.

Group Whips were invited to nominate. The Conservative Group did not nominate to the Quality Accreditation Panel; however, the Independents have nominated Councillor A Moran, and in the absence of a further nomination at the meeting, the Task Group recommends his appointment.

11.5 Fence Trust

The Fence Trust is an almshouse trust responsible for housing at Hurdsfield, Macclesfield. The Task Group recommends that a local Ward Member be appointed, and that it should be a **Liberal Democrat**.

11.6 Groundwork Trust

The former boroughs of Macclesfield and Congleton, together with Cheshire County Council, provided core funding for this organisation. The Executive Director of the Trust has submitted a formal request to Cheshire East Council for the establishment of a Service Level Agreement and has also requested that the Council joins Groundwork Trust as a Company Member. At present, the representatives (Councillors Knowles and Brown) have limited voting rights as co-opted trustees. There are some issues on which they are permitted to vote, and some where they are not. Full membership will give the Council more extensive voting rights.

The legal implications are detailed in 9.2 and 9.3 above.

11.7 Wilmslow Aid Trust

The organisation has notified the Council that its constitution requires two elected Members to be appointed to the Trust. Councillor J Crockatt is the Member who was appointed in March 2009. Councillor Whiteley, as a local Ward Member, has volunteered to sit on the Trust also, and the Task Group recommends his appointment.

11.8 Evans Arts Trust

This organisation had been deleted from the schedules. Following discussion at the Task Group meeting and based on Members' local knowledge, it was agreed that the Trust be recommended for reinstatement with two representatives appointed. Councillor Crockatt has formerly served as a Macclesfield Borough Council Member and it was agreed that he be recommended for one of the places. The Task Group also recommends Councillor P Whiteley.

11.9 Citizens Advice Bureaux (CAB)

In March 2009, three Members were appointed to CAB (Councillors Rachel Bailey, J Goddard and Margaret Martin).

The CAB has now reorganised its branches within Cheshire to reflect the new governance arrangements and two branches have been created, namely (1) *Cheshire CAB North* and (2) *Cheshire East CAB*. Macclesfield has re-constituted itself as *Cheshire CAB North* and Crewe and Nantwich and Congleton have joined together to form *Cheshire East CAB*.

The Task Group recommends that as core funding is often provided to CABs, it is important that two representatives are appointed to each branch. The Group, therefore, recommends that Councillors Rachel Bailey and Margaret Martin be appointed to Cheshire East CAB and Councillors J Goddard and A Arnold be appointed to Cheshire CAB North.

11.10 Community Transport ("Dial-a-Ride")

This organisation is currently designated as a Category 2 (which falls within the remit of the Governance and Constitution Committee). Councillors Bebbington, Cannon and Thwaite were appointed by the Committee on 9th March 2009.

Subsequent to that, enquiries revealed that there are two branches operating within Cheshire East (Crewe and Nantwich/Congleton and Macclesfield). It is not clear whether there is an expectation that the three Members should all be attending each of the meetings or whether the representation should be divided between the two branches. Enquiries are being made to establish the requirements of the organisation which, it

is understood, is undergoing a re-organisation to reflect the new governance arrangements in Cheshire East. The outcome of these enquiries is not likely to be available in time for the meeting but will be reported to the Task Group in due course.

In the meantime, the Task Group is of the view that as the scheme informs the Local Transport Plan, it is of strategic importance in respect of the transport infrastructure and should, therefore, be re-designated as a Category 1 organisation, with the Cabinet recommended to appoint 1 Cabinet Member and 1 Local Member to each branch, subject to the constitutional requirements of the organisation.

11.11 Nominations

The Task Group invited Group Whips to nominate to the vacant places and the names submitted represent those nominations.

11.12 Other Matters Considered by the Task Group

11.12.1 One of the organisations which was deleted from the schedule of appointments was the Greater Manchester Transport Authority, Stockport, Manchester and Trafford Local Transport Groups. The organisation had informed the Council that it was reconsidering its consultation arrangements and no longer required representatives from the Authority. It would advise if representation was required in the future.

The Task Group is concerned about the cessation of consultation arrangements and enquiries are being made to establish the reasons for this change.

11.12.2 Cabinet Appointments

At its meeting held on 30th June, the Task Group was informed of issues in connection with organisations which fall within the remit of the Cabinet for appointment. These have already been the subject of separate reports to Cabinet; a summary is given below.

Dane Housing	Reduction in representation from 4 to 2 (Councillors D Brown and P Mason appointed)
North-West Employers Organisation	Reduction in representation from 3 to 1 (Councillor F Keegan appointed)
Cheshire and Warrington Local Access Forum	This was dealt with as a Cabinet Member Decision. The organisation was included as a Category 1 and Councillor Rachel Bailey was appointed.

11.12.3 County Councils Network (CCN)

This organisation had been deleted from the schedules on the basis that as there was no longer a County Council, there was no requirement to make appointments.

It is, however, considered that the CCN should be reinstated as an organisation to which Members should be appointed. Cheshire East Council is a unitary authority and as such, delivers services formerly provided by Cheshire County Council. In view of its strategic importance, this is a Category 1 organisation and falls within the remit of the Cabinet. A separate report is being submitted to the Cabinet meeting to be held on 6th October 2009.

11.12.4 Cheshire and Warrington Local Access Forum (LAF)

This organisation had not been included on the original list of outside organisations. It is a statutory organisation and should, therefore, be included as a Category 1. The appointment of a Member was dealt with as a Cabinet Member Decision (by Councillor Knowles) and Councillor Rachel Bailey was appointed on 10th July 2009.

11.12.5 Council for Voluntary Services (CVS)

The CVS is reconstituting itself to reflect the new governance arrangements in Cheshire. It is expected that in August/September a new Cheshire East CVS will be launched.

In March 2009, Councillors Furlong and Neilson were appointed to the CVS. It is likely that representation arrangements may change following the re-launch. The Task Group will review representation at that time and make any appropriate recommendations to the Committee.

11.12.6 New Requests

The Task Group considered two new requests for representation, as follows –

- Bollington Cross Youth Project

The Task Group considers that it would be more appropriate for representation to be drawn from either Bollington Parish Council or the Local Area Partnership.

- Senior Voice (part of the Older Persons Network)

Further enquiries are being made about this organisation and its role within the Older Persons Network. The Task Group will consider this at its next meeting.

11.12.7 Guide for Members/Monitoring of Representation

The Task Group gave initial consideration to a proposed Guide for Members who represent the Council on outside organisations. The issues are complex; Legal Services have been asked to review the document, and if practicable, a final draft will be submitted to the November meeting of the Committee.

In due course, the Task Group will also be formulating a means of monitoring the effectiveness of representation.

12.0 Overview of Year One and Term One Issues

12.1 None identified.

13.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer.

Name: Carol Jones
Designation: Democratic Services Officer
Tel No: 01270 529952 (internal ext 4952)
E-mail: carol.jones@cheshireeast.gov.uk