

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	21 st July 2015
Report of:	Head of Governance and Democratic Services
Subject/Title:	Outside Organisation Arrangements 2015-2019
Portfolio Holder	Leader of the Council

1.0 Report Summary

- 1.1 This report provides details of the appointment of representatives to the Category 1 list of outside organisations; these are top level strategic organisations at national, regional and local level, and the Cabinet is responsible for making these appointments.
- 1.2 Outside organisation appointments made by the Council fall into 3 categories as follows:
- Category 1 - appointed by the Cabinet; these are top level strategic organisations at national, regional and local level.
- Category 2 - appointed by the Constitution Committee; these organisations tend to be of a more local nature.
- Category 3 - statutorily these have to be made by full Council
- 1.3 A request has also been made by Cheshire East Borough's three stock-transfer housing associations, in respect of proposed changes to their Governance arrangements. These are detailed in the report.

2.0 Recommendations

That

- (a) Cabinet confirms it wishes to continue with the current approach to appointing to outside organisations, and for the casual vacancy procedure to be used in the event of changes in the mid term period;
- (b) approval be given to the appointment of the representatives shown on the schedule to this report, and that the appointments will subsist until such time as representation is reviewed following the election of the new Council in 2019;
- (c) the appointments take immediate effect;
- (d) notwithstanding (a) above, the Cabinet retains the right to review the representation on any outside organisation, at any time.

- (e) an appropriate arrangement be prepared by officers, in consultation with the Leader of the Council, which will enable nominated Members to provide feedback in respect of their work on key outside organisations, and in respect of the organisation in question; and
- (f) the request of the three stock-transfer housing associations, in respect of their governance arrangements, and as set out at paragraphs 12.2-12.4 of this report, be determined.

3.0 Reasons for Recommendations

- 3.1 It is important for the Council to appoint to outside organisations to ensure that it continues to represent the interests of both the Authority and the wider community.
- 3.2 Appointments are made for the duration of the Council, which is 2015 - 2019, although it may sometimes be necessary for them to be reviewed during that time.
- 3.2 There is a casual vacancies procedure for dealing with changes that arise from time to time, which will continue to be used for any changes which might occur during this period.
- 3.3 In respect of the proposed housing association governance arrangement changes, there is a need to respond to the request by the Borough's three housing associations.

4.0 Wards Affected

- 4.1 Not applicable.

5.0 Local Ward Members

- 5.1 Not applicable.

6.0 Policy Implications

- 6.1 This report seeks a decision of Cabinet, which will effectively establish the policy of the Council in respect of Council nominations to outside organisations generally, and to the Boards of housing associations.
There is a need for consistency in the approach taken in response to the requests made by the housing associations, as these will be regarded as a precedent which would be expected to be followed in the future.

7.0 Implications for Rural Communities

None directly identified.

8.0 Financial Implications

8.1 None identified which directly relate to the Council.

9.0 Legal Implications

9.1 Whilst membership of outside bodies carries with it the potential for personal liability for elected Members undertaking such roles as ancillary to their status as a Councillor, particularly in respect of trusteeships, Cheshire East Borough Council has resolved to put in place for elected Members the maximum indemnity which is allowed by law.

9.2 Section 111 of the Local Government Act 1972 empowers local authorities to do any thing which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions, and Section 2 of the Local Government Act 2000 empowers them to do anything they consider likely to achieve the object of the promotion of the economic, social or environmental well-being of their area. In addition there is now the general power of competence under the Localism Act 2011. These are the main provisions which the Council would rely on to appoint members to outside bodies/select those bodies to which they are appointed.

10.0 Risk Management

Risk	Mitigation
Failure to appoint Members to outside organisations could have a direct or indirect impact on the outside organisations.	The operation of a procedure for making timely appointments to outside organisations.
Cheshire East Council is unable to influence key stakeholders.	Operation of a satisfactory scheme of appointment to ensure Council representation.

11.0 Background and Options-general appointments to outside organisations

11.1 Cabinet last made appointments to the list of Category 1 outside organisations in June 2011. Members were appointed to serve until such time as representation was reviewed following the election of a new Council in 2015. This has avoided there being a hiatus caused by representation ceasing in the period between the elections and the first meeting of the Cabinet.

11.2 By making appointments last until such time as they are reviewed following the election of the new council in 2019, this potential difficulty will again be avoided.

11.3 As a general rule, the term of office should be commensurate with the requirements of the organisation to which the Member is appointed.

However continuity of representation is also important. By appointing for the duration of the life of the Council, the expertise and experience of the appointee are not lost to the organisation. This approach has worked very well for the last four years.

- 11.4 There is a casual vacancies procedure for dealing with changes that arise from time to time, which will continue to be used for changes which might occur during the appointed period.
- 11.5 When making appointments to outside organisations, there is no requirement to adopt the rules of proportionality.
- 11.6 Over the period since 2011, discussion has taken place variously about the benefits of nominees to certain key outside organisations providing feedback to the Council upon their work and that of the organisation in question. This report therefore recommends that an appropriate feedback arrangement be prepared by officers, in consultation with the Leader of the Council.

12.0 Background and options-proposed changes to stock-transfer housing associations

- 12.1 The appendix to this report has been submitted by the three Cheshire East stock-transfer housing associations. It summarises their requested rule changes. The constitutions of each of the housing associations require the Council to approve changes to their Articles of Association, including those which the housing associations now seek.

Council nominations to housing association boards

- 12.2 The housing associations seek a reduction in the number of Council nominees to their boards, to one. The associations suggest that their requests stem from the expectations of the regulator: the Homes and Communities Agency (HCA). Whilst the HCA places emphasis on the need for Board members to have the right skills and competencies, it does not appear to be prescriptive in relation to nominations by local authorities of Board members, this being left to local negotiation. Board Members do not represent the interests of the nominating local authority, but they do create a key link between the two organisations and can advise both accordingly.

Other proposed changes

- 12.3 Peaks and Plains wish to pay an allowance to Board members for the first time. Plus Dane proposes a new “Group-wide Board” in respect of which the local authority nominee would receive an allowance. Wulvern currently pays allowances to local authority Board members.

12.4 Other proposed changes include:

- A request by Peaks and Plains that the Council agree that Council nominees should not be required to be in attendance at meetings in order to meet quorum requirements.
- The proposed adoption by the three housing associations of National Housing Federation Model Rules. (see link to Model Rules:
<http://www.housing.org.uk/publications/browse/model-rules-2015/>)

12.5 Cabinet is asked to consider the requests made by the housing associations.

13.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer. There are no specific background documents.

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