

Corporate Governance & Standards Committee Report

Ward(s) affected: All

Report of the Director of Resources

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Councillor Appointments to External Organisations Working Group: Interim Report

Executive Summary

The Council appoints councillors to a number of local external organisations for which they undertake a range of governance or advisory roles. The Council's constitutional protocol¹ provides guidance to councillors undertaking such appointments. Terms of office vary by organisation and, consequently, there is currently a need to report to Council annually to reappoint or fill vacancies.

On 10 May 2016, full Council resolved to establish a Working Group with the following terms of reference:

- (a) to engage with those external organisations to which the Council appoints representatives to discover what they look for from such appointments;
- (b) to review the process for making appointments and, in relation to each organisation, whether the Council should continue to make such appointments; and
- (c) to submit a report on their findings to the Corporate Governance and Standards Committee, for final recommendation to Council.

In November 2016, a Working Group was convened and a review of the process and engagement with external organisations commenced. This interim report sets out the progress of this review so far along with a number of initial recommendations for this Committee to consider and make recommendations to Council on 11 April 2017.

Recommendation to the Corporate Governance and Standards Committee

To review and comment on the initial recommendations of the Appointment to External Organisations Working Group as set out in **Appendix 2** and to make recommendations

¹ Guildford Borough Council Constitution, Part 5, pages 30-36, Protocol on appointments to external organisations, October 2016.

as appropriate to Council on 11 April 2017.

Reason for Recommendation:

To ensure that the Council maintains and develops relationships with key local organisations and partners in the most mutually productive ways and in the best interests of local people.

1. Purpose of Report

- 1.1 On 10 May 2016, full Council resolved to establish a Working Group with the following terms of reference:
- (a) to engage with those external organisations to which the Council appoints representatives to discover what they look for from such appointments;
 - (b) to review the process for making appointments and, in relation to each organisation, whether the Council should continue to make such appointments; and
 - (c) to submit a report on their findings to the Corporate Governance and Standards Committee, for final recommendation to Council
- 1.2 In October 2016, all Group Leaders were asked to nominate councillors to sit on the Appointment to External Organisations Working Group. Three councillors were nominated as follows:
- Councillor Matt Furniss (Conservative Group)
 - Councillor Angela Gunning (Labour Group)
 - Councillor Julia McShane (Liberal Democrat Group)
- 1.3 The Group, chaired by Councillor Furniss, has so far convened on four occasions. A briefing note prepared for the Working Group is available as a background paper to this report. This interim report sets out the methodology applied to the review, the outcomes from consultation and a number of initial recommendations.
- 1.4 This interim report sets out in detail the work undertaken by the Working Group to date, together with some initial recommendations for consideration. Once the Working Group has completed its work, a further report will be submitted to the Committee at its June meeting and to full Council in July.

2. Strategic Priorities

- 2.1 There are no direct policy implications within this report. However, the Working Group has approached the review in consideration of the ways in which councillor appointments on external organisations can be supportive and relevant to specific policy objectives, delivery of services and to the corporate priorities of the Council.

3. Background

- 3.1 It is the practice for local authorities to appoint elected members to external organisations. Sometimes a councillor is required as the appointment is statutory, or the Council may be a funding partner, in which case there could be a

- requirement for a management and accountability presence. Commonly, appointments are made to create, facilitate or develop mutually beneficial and co-operative relationships between the Council and its local partners.
- 3.2 The responsibility for making appointments currently lies with the full Council, although constitutionally this is a 'local choice' function. That is to say, a function that may be exercised by either full Council or the Executive.
- 3.3 The current list of organisations is recorded publicly on the Council's website and in the Council Yearbook. The current list can be found at **Appendix 1** to this report.
- 3.4 There can be a range of roles and responsibilities required of the appointees from simply acting as a link with the Council to undertaking the duties of a trustee or director. Time commitments required from the appointee can also vary considerably.
- 3.5 Organisations with a councillor appointment in Guildford borough include:
- Statutory bodies
 - Companies (limited by guarantee or limited by shares)
 - Schools
 - Residents associations
 - Unincorporated societies, trusts and associations
 - Friendly societies
- 3.6 Elected members make up the majority of the Council's external appointees. Previously, appointees have included past councillors and Honorary Aldermen. There is one officer appointment made by the Council in the case of the Yvonne Arnaud Theatre Management Ltd and Yvonne Arnaud Theatre Trust where the Head of Financial Services is an appointee as the Council provides significant funding.
- 3.7 Every year the Council sends a questionnaire to organisations that receive appointments. This establishes whether there is still a need for an appointment and to ensure the Council's files are up to date with the requirements of the role. The most recent copy of that questionnaire for 2016 is at **Appendix 3**.
- 3.8 On receipt of the organisations' completed questionnaires, the Council's current process of nomination is through the political groups. The Group Leaders receive a list of vacancies and information provided by the questionnaires. It is then for the political groups to submit nominations for consideration by the Council at the Selection meeting in May, or at the first ordinary meeting thereafter in an election year.
- 3.9 Terms of office vary between organisations. This is because each organisation has different governance arrangements. This has resulted in increased administration for the Council. It also means that not all appointments are looked at together and it becomes necessary for the Council to make appointments annually.

- 3.10 There is currently no mechanism in place for the appointees to external organisations to report to Council on the activities of those organisations.

The Working Group Review

- 3.11 Other councils have undertaken similar reviews of this nature and the Working Group was provided with reports from five other councils. These reports provided helpful information and are available as background papers to this report.
- 3.12 The Working Group devised and applied a framework (see **Appendix 4**) in consideration of each existing appointment in order to assess appointments in terms of the following criteria:

The extent to which the external organisation,

- Supports our Corporate priorities, and/or
- Assists in delivery of our services, and/or
- Is using council facilities

- 3.13 The Working Group consulted with external organisations by issuing a questionnaire in November 2016. Just under half of the organisations responded. A copy of the questionnaire with comments from the organisations is attached as **Appendix 5**. It was clear that there was a mixed experience from the organisations. Some had found the appointment process to be supportive and helpful. For others, virtually no relationship with the appointee had been built.
- 3.14 The Working Group consulted with Borough Councillors by issuing a similar questionnaire in November 2016. A copy of the questionnaire with comments from the councillors is at **Appendix 6**. It was clear, once again, that there was a mixed experience from members. Significantly, there were comments received about the process of nomination in terms of skills, experience, an understanding of the role and knowledge of whom to contact in the external organisation.
- 3.15 The Working Group also wrote to senior managers and the Corporate Management Team in November 2016 to request comment on the relevance to Council services of the existing list of appointments. The consultation comments are set out as **Appendix 7**.
- 3.16 In response to the questionnaire results, the Working Group found there had been a mismatch or a number of unproductive appointments in the past. The Working Group considered that the reason for this was a shortfall in communications between the needs of the organisations, the Council and the members. The Working Group has recommended that a 'person profile' be completed by each external organisation to ensure that the requirements of each role can be highlighted and clarified. A councillor would not be appointed unless there was full understanding and agreement between both parties of the requirements and commitments of the role. A copy of a draft 'person profile', as recommended by the Working Group, is set out in **Appendix 8**. It is proposed that this document would replace the existing questionnaire (**Appendix 3**).
- 3.17 The Working Group considered that more productive relationships were formed where the terms of office were longest. Consequently, it considered that if the appointments could be better matched initially by improved role 'profiles', then it

- was recommended that future appointments be made for four years aligned with a councillor's term of office. This would also enable a better investment in induction and on-going training by the organisation and reduce administration for the Council.
- 3.18 The Working Group considered that it might be unnecessary to appoint more than one member to each external organisation. In most cases, it should be possible to appoint one councillor to an external organisation and one deputy to cover any absences.
- 3.19 The Working Group considered that when there is a 'person profile' match between a nominee and an appointment with a vacancy and this appointment is uncontested, it would be appropriate to authorise the Democratic Services Manager to make the appointment. As a delegated officer decision, this would be recorded and all councillors informed.
- 3.20 The Working Group also considered that where there was a vacancy that was contested between two or more councillors each with appropriate 'person profiles', then those councillors should be able to make an address or personal statement in support of their application to the body making the appointment.
- 3.21 In the past, the Council has appointed former councillors or Honorary Aldermen to vacancies. The Working Group has recommended that all appointments should be reserved for serving elected members to maintain a relevant relationship with current council policies and service delivery.
- 3.22 It should be noted that the Council's indemnity insurance does not extend to councillors' involvement with external organisations. However, some organisations will provide their own indemnity insurance that covers all members of the governing body, including the councillor appointee. The Working Group recommend that where a councillor undertakes a decision-making role that would have personal liability implications and they are not covered by the organisation's indemnity, or there is no indemnity, they may choose not to take up the role.
- 3.23 The Working Group recommends that appointments to external organisations, including explanations of potential liabilities and responsibilities, should be included in the new councillor induction process following the Borough elections.
- 3.24 The Working Group has recommended a formal report be completed by the councillor appointee and submitted annually in order to assess the ongoing value of appointments, ensure the appointments process is running smoothly and that successes and challenges can be shared. A draft reporting template is at **Appendix 9**

Constitutional Revisions

- 3.25 The Working Group has recommended that if the findings of the Working Group are agreed by Council then the Monitoring officer, in consultation with the Lead Councillor for Infrastructure and Governance, be authorised to review and amend the relevant sections of the Council's Constitution as required.

4. Consultations

4.1 The Working Group consulted with:

- External organisations to which the Council currently makes an appointment
- All councillors
- Senior officers

5. Equality and Diversity Implications

5.1 When making decisions and setting policies the Public Sector Equality Duty (Equality Act 2010) requires us:

- to have due regard for the need to eliminate or remove unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- to advance equality of opportunity between people who share a protected characteristic and those who do not;
- to foster good relations between people who share a protected characteristic and those who do not.

5.2 We are considering whether an Equality Impact Assessment (EIA) is relevant to this review (Screening).

6. Financial Implications

6.1 There are no direct financial implications arising from this report.

6.2 Indirectly, improved working relationships and communications with local organisations may lead to improved services for local people, efficiencies and cost savings.

6.3 Administrative costs and Council time will reduce if all appointments are for a four-year term of office.

7. Legal Implications

7.1 During the latter stages of this review, a number of legal issues have arisen which require further investigation with various external organisations to which the Council currently appoints councillors in the role of director or trustee, or those to which the Council may make appointments in the future. Each of these roles carry distinct legal obligations and potential liabilities on the individual councillors appointed as directors or trustees. In certain circumstances, these obligations and liabilities may also apply to the Council itself. We need to ensure that these are fully understood before any further appointments are made.

8. Human Resource Implications

8.1 There are no Human Resource implications in this report

9. Summary of Options

- 9.1 The Working Group has proposed a number of recommendations in seeking to improve the process and success of appointments to external organisations. The Committee is invited to consider each of these in turn and make recommendations to the Council accordingly.

10. Conclusion

- 10.1 There has not previously been a review of the process of councillor appointments to external organisations.

- 10.2 The Working Group has made an interim report concerning the application of a methodology to assess the relevance of appointments and conducted consultations to understand how the process of appointments is working.

- 10.3 With the endorsement of full Council of the proposed new process, the Working Group will next proceed to evaluate existing and potential appointments in order to report back to this Committee at its 15 June meeting and full Council on 25 July with recommendations relating to specific organisations.

- 10.3 The recommendations of the Working Group seek:

- to improve and streamline the process of making appointments;
- to make appointments more productive by matching the appointee and the role more effectively;
- to strengthen the relationships built by the appointments process by extending the term of office of all appointments to four years with effect from 2019;
- to improve safeguarding the interests of the Council and the appointee by better understanding liabilities and indemnities; and
- to revise the external organisations list so that it better reflects the current priorities of the Council.

11. Background Papers

1. Salisbury District Council, Scrutiny Report on Outside Bodies, January 2001
2. City of Stoke on Trent, reviewing councillor involvement with organisations & partnerships. An in -depth study conducted by the Regeneration Overview Commission, March 2005
3. Bath and North East Somerset, Overview and Scrutiny Review of Member Engagement with Outside Bodies A Review by the Corporate Issues and Partnerships Panel, November 2006
4. Report of the Strategic Leadership Overview and Scrutiny Committee Review of Partnerships, 2007
5. Stockton on Tees Borough Council, Executive Scrutiny Committee – Task and Finish Group, Review of Outside Bodies, October 2010
6. Guildford Borough Council, Committee Services Working Group Briefing Note, November 2016
7. Guildford Borough Constitution, Part 5, pages 30-36, Protocol on appointments to external organisations, October 2016

12. Appendices

Appendix 1: Current list of councillor appointments to external organisations

Appendix 2: Interim recommendations of the Working Group

Appendix 3: The existing questionnaire sent to external organisations in 2016

Appendix 4: The Working Group framework

Appendix 5: Working Group questionnaire for external organisations (with comments)

Appendix 6: Working Group questionnaire for councillors (with comments)

Appendix 7: Senior officer comments to the Working Group

Appendix 8: Draft 'person profile' for appointees template

Appendix 9: Draft councillor report form template