
MEMBERS APPOINTED TO OUTSIDE BODIES

The Authority can gain a number of benefits from their Members being involved in outside bodies:

- To provide knowledge, skills and expertise which may not otherwise be available
- To provide accountability or legitimacy through the appointment of a Member
- To ensure that good relationships can be maintained with the body
- To deliver a partnership project that requires the input of other organisations or community groups
- To protect the Authority's investment or assets, for example if the Authority has provided funding or provides funding for service delivery
- To lever in external funding which would not be available to the Authority on its own

There are a number of types of outside bodies in which members may become involved as a representative appointed by the Authority. Some common examples are:

- National or regional body
- Partnerships
- Charitable Trust
- Company limited by shares
- Company limited by guarantee
- Unincorporated association
- Industrial and provident society

An appointment to an outside body does not, therefore, necessarily mean that Members will always be representing the Authority's interests on that outside body. Indeed, there are a number of cases, for example if they are a trustee or a company director, where they must always act in the interests of the outside body and not in the Authority's interests.

This can lead to conflicts of interests between their role as a Member and their representative role on the outside body.

FEEDBACK

It is important that Members appointed to an outside body provide information and reports periodically to the Authority on what the organisation is doing. The Authority has provided a report template and space on Authority agendas to facilitate feedback. Members appointed to an outside body should make sure that they are provided with sufficient information to make the report back but they are not required to disclose anything which is commercially confidential as this may be in breach of the Members' Code of Conduct; their duties of confidentiality to the outside body or may be a breach of confidence in the general sense.

GENERAL ADVICE TO MEMBERS APPOINTED TO OUTSIDE BODIES

- Ensure that you know the legal status of the organisation read the governing document to understand your responsibilities;
- Ensure that if you are appointed a director of a Company the relevant form (form 288) is filed at Companies' House upon your appointment and resignation;

- Make any general declarations of interest at the first meeting;
 - Ask if there is any personal liability insurance or indemnity in place – sometimes referred to as directors' liability insurance
 - Clarify whether the organisation will pay allowances or expenses
 - Ensure the board or management committee has regular financial and other reports which detail the current financial situation of the organisation and any liabilities - take an interest in the business plan;
 - Discuss with relevant officers any new activities that the outside body undertakes (you may need to provide them with copy papers) and ensure that risks are properly identified in reports;
 - Observe duties of confidentiality (in both directions);
 - Carefully consider any conflicts of interest, declare interests, and if appropriate, leave the room for consideration of the business;
 - Take advice from the Monitoring Officer, the Chief Finance Officer and your lead officer contact as appropriate - not just when the organisation is likely to become insolvent, but generally. Occasionally, that advice may be to seek external advice on your position, especially if there is a conflict between the organisation and the Authority;
 - Manage conflict - usually issues can be balanced, but ensure that when in meetings of the body you act in the body's best interests which may not necessarily be those of the Authority - if all else fails, resign. Do not just remain a director and fail to attend meetings or you may find that you are in breach of your duty to act in the best interests of that organisation
 - Finally, question the need for future Authority involvement - Has the organisation come of age, or has it changed direction from when the Authority first became involved - what useful purpose would ongoing representation serve?
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