

APPENDIX D

A GUIDANCE CODE FOR COUNCILLORS AND OFFICERS ON OUTSIDE ORGANISATIONS

- 1 Councillors and officers are frequently appointed by the Council to serve on a range of organisations, including voluntary organisations, local government associations and companies.
- 2 In carrying out that role, councillors and officers act both as individuals and as representatives of the Council. What does that entail?
 - (a) Positively
 - It entails acting according to the rules, constitution and framework set by the outside organisation
 - It entails making independent and personal judgements in line with their duty of care to the outside organisation subject to the consideration of any conflict of interest which might arise
 - It entails reporting back, at least annually, to the Council or relevant Committee on the activities of the organisation and monitoring these
 - It entails behaving ethically and following as far as applicable the National Code of Local Government Conduct
 - It entails taking an active and informed role in the management of the outside organisation's affairs
 - (b) Negatively
 - It never entails representing the political party to which councillors owe their political loyalty, or (exclusively) the Council
 - It does not entail avoiding taking part in the outside organisation's discussions and decisions
 - It does not entail looking at things simply and only from the Council's perspective
 - It does not entail being there in name only and merely turning up to meetings
- 3 Establish the nature of the organisation to which you have been appointed if necessary in consultation with the Solicitor to the Council/Council solicitors and/or other relevant officers. Might it be a trust or a company to which special rules might apply?
- 4 Become familiar, at the earliest opportunity, with the "rules" (if any) which regulate the organisation to which you have been appointed.

There may be a constitution or, if the organisation is a company, Memoranda and Articles of Association.

- 5 Become familiar with what the organisation to which you have been appointed has been up to. Hopefully the organisation will keep minutes of its meetings or of the meetings of the Executive or Management committee, etc to which you have been appointed and it would be sensible to read recent editions of these to get a feeling for the sort of business which the organisation has been involved in and the sort of decisions taken.
- 6 Be aware of the business to be conducted at any meeting which you will be attending beforehand if possible. Most organisations should provide agenda of one sort or another for impending meetings and this will give you the opportunity to identify the issues which are likely to be raised and discussed. If you identify any issues which you think might cause you a difficulty because, for example, they might cause a conflict of interest for you as between your membership of the Council and your nominated or appointed membership of the organisation seek advice from the Solicitor to the Council/Council solicitors.
- 7 The role of councillors or officers on outside organisations may give rise to occasional uncertainty and perhaps to conflicts of interest. The attached "Guide to the Law for Councillors and Officers on Outside Organisations" offers a simple legal guide on the responsibilities of councillors and officers. Councillors and officers are asked to read the guide and if there are issues arising from their particular situation at any time, to contact the Solicitor to the Council for advice.
- 8 Councillors will appreciate that the Guide and also the National Code of Conduct addresses some of the issues around the possibility of conflicts of interest. In essence, if the outside organisation comes into conflict with the Council and the councillor or officer is on the Management committee of the outside organisation, it is likely that the councillor or officer will owe a direct duty to the outside organisation in the conduct of the outside organisation's affairs. This may well lead to a conflict of interests – be aware of the risk of these and prepared to act as suggested below and in the attached Guide.
- 9 When attending meetings of the organisation to which you have been appointed and participating in discussions and possibly voting remember always that you have been appointed as the Council's representative and therefore conflicts of interest might arise. If in any doubt, in any case, it is always better to refrain from speaking and/or voting. The councillor is however also given specific dispensation in the National Code of Conduct to participate in the Council decision-making affecting the outside organisation to which he or she has been appointed. Remember the National Code of Local Government Conduct and that you are required to observe this Code in carrying out your duties on any organisation to which you are appointed in the same way as you would with the Council.

- 10 If there is a major dispute between the Council and the outside organisation, then the councillor or officer may be placed in an untenable situation. Before taking precipitate action, the councillor or officer is advised to seek the Managing Director or the Solicitor to the Council's advice.
- 11 At the end of the day, it is possible that the councillor or officer may find he/she is unable adequately to carry out their responsibilities properly, both as a councillor or officer and as a member or director of the outside organisation. But that would be an exception, and should not deflect councillors or officers generally from being prepared to participate in the management and running of outside organisations.
- 12 When attending meetings of the organisation to which you are appointed or, indeed, generally, take particular care if you are invited to participate in decisions or in the agreement of any documents (including signing the same) which relate to or would have an effect on third parties. Be satisfied, as best you can, that such decisions and/or documents would not be damaging or harmful to the interests of third parties (as well, of course, as those of the Council and the members of any organisation to which you are appointed). Again, if in any doubt, then refrain from participating in the decision or the process of producing the document in question and, if you think it appropriate to do so, seek advice.
- 13 Monitor the activities of the organisation to which you have been appointed and seek advice from the Solicitor to the Council or other relevant Council officers if you have any concerns about any aspect of these activities and/or your role in them.
- 14 Bear in mind that if you are appointed to an organisation as the Council's representative and are then invited to take a more significant role or part in the activities of the organisation and its decision making processes this will certainly exceed the authority which the Council has given you when appointing you to the organisation. If you want to accept any such invitation then you should first clear the matter with the Council and recognise that if the Council is not prepared to sanction the larger role it may be necessary for you to discontinue your membership of the organisation as the Council's representative and seek membership in your own right.