

Audit and Standards Committee – 14 September 2015
County Council – Thursday - 8 October 2015

Proposed Changes to the Constitution –
Authority to appoint Directors and Shareholders of Companies

Recommendation:

1. That Council be recommended to approve additions to the role purpose and delegations to the Leader of the Council and Chief Executive respectively to authorise the appointment of Board members and shareholders of companies of which the County Council is to be involved.

Report of the Director for Democracy, Law and Transformation

Background

County Council involvement in Companies

2.The County Council is becoming increasingly involved in partnership working with organisations from both the public and private sector for the delivery of quality services to the community of Staffordshire. In some instances this has led to the creation of companies of which the County Council i has active involvement. Examples include Entrust and, most recently, the Penda Property Partnership.

Proposal

3 As a company partner the County Council is allocated Directorships on the Board to which members and/or officers need to be appointed. Those Directors have statutory duties and responsibilities under the Companies Act 2006 therefore it is important that their appointment is formally approved with proper arrangements in place to address the dual role required of them as a County Council employee and role of Director. Work is underway on addressing the latter. In the meantime authority is sought for the following addition to the Role Purpose for the Leader of the Council as detailed in the Constitution:

- *In consultation with the Chief Executive, to appoint officers and members (as appropriate) to act as Directors on Boards of companies of which the County Council is a member or is to be a member'*

The Leaders current Role Purpose is shown at Appendix 2 to this report.

4.The County Council as an organisation is described as a 'Body Corporate' and as such it is the Council itself that is the shareholder of any company. Consequently it is necessary to appoint an officer(s) to undertake the shareholder role of any company of which the County Council is or is to be such. Approval is therefore sought to the following addition to the Delegated Powers of the Chief Executive:

- 'In consultation with the Leader of the Council, to appoint an officer(s) to act as the shareholder(s) and members of any company on behalf of the County Council'

The Chief Executives current delegated powers are shown at Appendix 2 to this report.

Appendix 1

Equalities Implications: None

Legal and Risk Implications: These amendment to the Constitution are required to provide transparency and formal appointment procedures for County Council representatives on companies of which it is a member.

Resource and Value for Money Implications: The cost of the proposal is expected to be negligible.

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