

Report of the Director of Legal and Governance to the meeting of the Executive Committee to be held on 21 February 2023.

Subject:

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Appointment of officers to serve as directors on boards of companies.

Summary statement:

The former Director of Finance and IT left the Council's service on 31 of December 2022, was a Council appointed director of a number of companies and new director appointments are required to replace him. This report deals with the appointment of replacement directors to those companies as well as an opportunity to review new director officer appointments on boards of companies.

The Council's Constitution states that the Executive is responsible for the appointments to outside bodies. This report presents the nominations for the appointment of officers as directors to the companies referred to in Appendix 1.

This report has not been included on the published forward plan as an issue for consideration, as the departure of the previous Section 151 Officer, who also held a number of the roles identified in this report, presented itself after publication of the plan, and it is impractical to defer the decision until it has been included in the published Forward Plan, therefore the report is submitted in accordance with paragraph 10 of the Executive Procedure Rules set out in the Council's Constitution.'

EQUALITY & DIVERSITY:

There are no equality and diversity implications directly arising from this report which negates the need for an Equality Impact Assessment.

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Portfolio:

Leader of Council and Corporate

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Overview & Scrutiny Area:

Corporate

1. SUMMARY

This report deals with the appointment of officers to serve as directors to a number of companies. Under the Council's Constitution - Part 2 Article 7.11 appointments of any individual to another body requires Executive approval.

2. BACKGROUND

The former Director of Finance and IT left the Council's service on 31 of December 2022, was a Council appointed director of a number of companies and new director appointments are required to replace him. This report deals with the appointment of replacement directors to those companies as well as an opportunity to review new director officer appointments on boards of companies.

The Council has a number of directors' appointments to make to boards of companies to provide management and strategic oversight. Each company is a separate legal entity and has their own separate governance structures.

Under Part 2 Article 7.11 of the Constitution, the Executive is responsible for:

The appointment of any individual:

(a) To any office other than an office in which s/he is employed by the Council.

(b) To any body other than:

(i) The Council.

(ii) A joint committee of two or more authorities.

(c) To any committee or sub-committee of such a body, and the revocation of any such appointment.

3. OTHER CONSIDERATIONS

There are different types of companies listed in Appendix 1, some companies are wholly owned by the Council or the Council may have some proprietary interest including one as a minority shareholder or as a member of the outside body (company limited by guarantee, for example).

With other companies the Council may have no proprietary interest but nevertheless has been invited to nominate a Council representative as a director. Appointments to outside bodies can be an important mechanism for community leadership, partnership and joint working as well as being a forum for knowledge and information sharing.

There is some urgency to approve the directors' appointments in this report to ensure ongoing Council representation on boards of companies.

This report also recommends delegation of authority to the Director of Legal and Governance in consultation with the Leader of the Council to make new director officer appointments for the Council. This will enable appointments to be made in a timely way when officer directors leave or retire from Council's service to ensure ongoing Council representation on the boards of companies (which will then be reported to the members of Executive).

4. FINANCIAL & RESOURCE APPRAISAL

There are no financial implications directly arising from this report, officers appointed by the Council as directors do not receive any separate remuneration.

5. RISK MANAGEMENT AND GOVERNANCE ISSUES

There are implications for the director appointees to companies as they need to perform their duties as directors in the best interests of the company. There is also a need in their working relations to be mindful as to the possibility of any conflict of interest. In the case of any conflict of interest officers should seek advice from the Director of Legal and Governance.

It will be a requirement that all Council appointees resign as directors should they leave the employment of the Council.

6. LEGAL APPRAISAL

Should the directors' appointments be approved, then the officers will be formally appointed at the next Board meeting of the relevant company and the appointment registered at Companies House.

It is important for individual officers appointed to companies to be clear about the nature of their appointment and understand their duties as directors to the outside bodies. Officers should also bear in mind that they have duties to the Council which may result in conflicts of interest. In the case of any conflict of interest officers should seek advice from the Director of Legal and Governance.

This report also contains a recommendation to delegate authority for new director officer appointments to the Director of Legal and Governance. Executive functions can be delegated, and the report recommendation ensures that appropriate Executive involvement remains in place with 'in consultation with Leader of the Council' provision.

7. OTHER IMPLICATIONS

7.1 SUSTAINABILITY IMPLICATIONS

None directly arising from this report

7.2 GREENHOUSE GAS EMISSIONS IMPACTS

None directly arising from this report

7.3 COMMUNITY SAFETY IMPLICATIONS

There are no Community Safety implications directly arising from this report.

7.4 HUMAN RIGHTS ACT

There are no Human Rights Act implications directly arising from this report.

7.5 TRADE UNION

There are no Trade Union implications.

7.6 WARD IMPLICATIONS

There are no direct Ward or area implications.

7.7 AREA COMMITTEE ACTION PLAN IMPLICATIONS (for reports to Area Committees only)

There are no Area Committee's Action Plan implications.

7.8 IMPLICATIONS FOR CHILDREN AND YOUNG PEOPLE

The director appointments include appointments to
Bradford Children and Families Trust Ltd

7.9 ISSUES ARISING FROM PRIVACY IMPACT ASSESMENT

N/A

8. NOT FOR PUBLICATION DOCUMENTS

None

9. OPTIONS

- (i) It is a legal requirement for companies to have directors, how many directors are required to be appointed will be dictated by the company's articles of association. The Council requires directors to be appointed to wholly owned

companies for the day to day management of those companies; for companies in which the Council has a proprietary interest the Council will require representation on the board of directors to ensure oversight and it may also be a contractual requirement for the Council to do so.

- (ii) Regarding the appointment of directors to companies in which the Council has no proprietary interest, these appointments are at the discretion of the Executive, however, appointments to such companies can be an important mechanism for community leadership, partnership and joint working as well as being a forum for knowledge and information sharing

10. RECOMMENDATIONS

1. That the officers' appointments to serve as directors to the boards of companies as detailed in Appendix 1 be approved.
2. That Authority be given to the Director of Legal and Governance in consultation with the Leader of the Council to make new director officer appointments to ensure ongoing Council representation on the boards of companies and to advise Executive members of any such appointments thereafter.

11. APPENDICES

Appendix 1 – List of Officer Directors' Appointments

12. BACKGROUND DOCUMENTS

None