

Report To: Policy and Resources Committee **Date:** 21 March 2017

Report By: Chief Executive **Report No:** PR/07/17/AF

Contact Officer: Aubrey Fawcett **Contact No:** 712701

Subject: Amendment to Riverside Inverclyde (ri) Articles of Association

1.0 PURPOSE

- 1.1 The purpose of this report is to seek Council approval, as one of ri's Members (the other being Scottish Enterprise), to minor amendments to the company's Articles of Association.

2.0 SUMMARY

- 2.1 At its December 2016 meeting, the ri Board considered options on returning to its maximum number of nine directors. It considered options of remaining at its current operating level of eight directors and opportunities regarding the composition of the maximum five Co-opted Directors (there are currently four) which is permitted within the Articles of Association.
- 2.2 ri Board's preferred option was to return to its maximum number of nine directors but with additional flexibility within the composition of Co-opted Directors, which would allow the Board to, for example, secure an additional Director from the Chamber of Commerce or from the local community, whilst retaining the private sector representation at its current level of two.
- 2.3 Such flexibility would allow the ri Board to best supplement the skills, knowledge and experience of its current Directors, in order to continue to drive Riverside Inverclyde forward in successfully delivering its responsibilities to Inverclyde.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that, as one of ri's two member organisations, Council approval is given to the ri Board's proposal to amend the company's Articles of Association, as follows:
- a minimum of one and maximum of two directors drawn from the local community;
 - a minimum of two and maximum of three directors drawn from the private sector; and
 - a minimum of one and maximum of two directors nominated by Inverclyde Chamber of Commerce (or any successor to that body).

Aubrey Fawcett
Chief Executive

4.0 BACKGROUND

- 4.1 The ri Board met on Thursday 15 December 2016, and one of the matters discussed was the re-instatement, and the configuration, of the maximum nine person complement of the Board. The ri Board has been operating with eight directors since 2014.
- 4.2 In the Articles of Association of Riverside Inverclyde, Article 54 states that the Board should secure "as far as reasonably practical" five co-opted directors within the following balance:
one director from the local community;
one director nominated by the Chamber of Commerce; and
up to three directors from the private sector.

Inverclyde Council and Scottish Enterprise are allocated four Partner Directors on the ri Board.

- 4.3 Vacancies for private sector positions were advertised on two occasions, at the beginning and at the end of 2013 (the latter of which filled two of the advertised three private sector vacancies). At the beginning of 2014 the new Board determined to initially work to establish itself as an eight person complement. During 2014-16 the new Board successfully transitioned the ri operation into the Inverclyde Economic Development and Regeneration Single Operating Plan 2014-17, in partnership with Inverclyde Council. In 2016, the Single Operating Plan was revised and extended to 2019. It was appropriate therefore for the ri Board at its most recent meeting, having fully established itself and with a successful transition, to look at options of re-instating the nine person Board complement.

5.0 PROPOSAL

- 5.1 Having discussed options arising from Article 54 (see 4.2 above), the ri Board's decision was to re-instate the full complement of a nine person board, but with having the additional flexibility within the composition of the five co-opted directors as follows:
- a minimum of one and maximum of two directors drawn from the local community;
 - a minimum of two and maximum of three directors drawn from the private sector; and
 - a minimum of one and maximum of two directors nominated by Inverclyde Chamber of Commerce (or any successor to that body)

This flexibility would, for example, allow the ri Board to seek a second nomination from the Chamber of Commerce to fill the existing vacancy, currently identified for the private sector.

- 5.2 The above proposal is supported by legal officers at Scottish Enterprise, Inverclyde Council and Riverside Inverclyde's Company Secretary (subject to Members' agreement and subsequent filing requirements with Companies House and OSCR).
- 5.3 The proposed change would result in the following changes to Riverside Inverclyde's Articles of Association:

From Current:

ARTICLE 50: Composition of the board

Five Co-opted directors, to be comprised of :

50.3. one director drawn from the local community;

50.4 three directors drawn from the private sector; and

50.5 one director nominated by Greenock Chamber of Commerce (or any successor to that body)

ARTICLE 55: re Appointment, vacating of office, re-appointment: Co-opted Directors

The directors shall exercise their powers under article 54 in such a way as to secure (so far as reasonably practicable) that at any given time the Co-opted Directors reflect the following balance :

55.1 one director drawn from the local community;

55.2 one director nominated by Greenock Chamber of Commerce (or any successor to that body); and

55.3 up to three directors from the private sector.

To Proposed:

ARTICLE 50: Composition of the board

Five Co-opted directors, to be comprised of:

50.3 a minimum of one and maximum of two directors drawn from the local community;

50.4 a minimum of two and maximum of three directors drawn from the private sector;

and

50.5 a minimum of one and maximum of two directors nominated by Inverclyde Chamber of Commerce (or any successor to that body)

ARTICLE 55: re Appointment, vacating of office, re-appointment : Co-opted Directors

The directors shall exercise their powers under article 54 in such a way as to secure (so far as reasonably practicable) that at any given time the Co-opted Directors reflect the flexible balance as identified in article 50.3 to ensure continued representation from the local community, from the private sector, and from Inverclyde Chamber of Commerce i.e. a minimum of one and maximum of two directors drawn from the local community; a minimum of two and maximum of three directors drawn from the private sector; and a minimum of one and maximum of two directors nominated by Inverclyde Chamber of Commerce (or any successor to that body).

6.0 IMPLICATIONS

6.1 Financial Implications

One off Costs

Cost Centre	Budget Heading	Budget Year	Proposed Spend this Report	Virement From	Other Comments
n/a					

Annually Recurring Costs / Savings

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (if applicable)	Other Comments
n/a					

6.2 **Legal**

The Head of Legal and Property Services has been consulted on this report.

6.3 **Human Resources**

There are no human resource issues arising from this report.

6.4 **Equalities**

There are no equalities issues arising from this report.

YES (see attached appendix)

NO This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required)

6.5 **Repopulation**

n/a

7.0 **CONSULTATIONS**

7.1 The Chief Executive has been consulted on this report.

7.2 The Head of Legal & Property Services has been consulted on this report.

7.3 Scottish Enterprise Director of Business Infrastructure and Scottish Enterprise Legal have been consulted on this report.

7.4 ri's Company Secretary has been consulted on this report.

8.0 **BACKGROUND PAPERS**

8.1 None.