

Chichester District Council

THE CABINET

5 July 2022

Chichester Business Improvement District Articles of Association

1. Contacts

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2. Recommendation

- 2.1 That Cabinet approves the Council representation on the Chichester Business Improvement District (CBID) Board be changed from a director role to that of invitee to each board meeting.**

3. Background

- 3.1. Chichester Business Improvement District have recently undertaken a review of their Articles of Association. This review has included consideration of the number of current BID Board directors and their designation. Whilst there is no requirement in the BID regulations for local authorities to have a seat on the BID Board, or even for them to be involved, CDC Member representation has been present on the Board since its inception, along with Officer representation in the form of an observer (currently the Divisional Manager for Place).
- 3.2. Currently the BID Board has eleven directors (two of which being local authorities – CDC and Chichester City Council). Given that there are two directors from local authorities there is a risk that the company could become a regulated company if those directors carry more than 20% of the voting rights, hence the need for nine other directors. At each board meeting the BID has to ensure that it has eleven directors present in order to be quorate. There is a lower quorum if only one local authority director is present, but there is rarely a full house of directors at the meeting, which means that achieving quorum could be challenging if both local authority Board directors are present.
- 3.3 As part of the consideration of the Articles of Association, the legal officer working on behalf of the BID has proposed that the local authorities (Chichester District Council and Chichester City Council) are asked if they would be prepared to switch to being invitees to the board meetings as opposed to directors. This would allow the BID to operate with a smaller board, but with the local authorities as invitees at each board meeting. (The legal officer is proposing that this position is by way of a standing invitation written into the articles of association). He considers the local authorities would still be present and fully involved, but would not have a vote, which would result in an easier

process for the BID to achieve quorate meetings. It has been suggested that CDC would still have officer representation on the Board in the form of an Observer.

4. Outcomes to be Achieved

- 4.1 To maintain an efficient governance system at Chichester BID, whilst continuing to have direct communication with the BID Board and ensure strategic awareness between the two bodies.

5. Proposal

- 5.1 Cabinet is asked to note the BID's review of their articles and agree the proposal to change from being a director on the board to being an invitee with no voting rights.

6. Alternatives Considered

- 6.1 Not to agree to the proposal. However, this would not assist the BID as one of CDC's key partner organisations. Additional consideration was given by the BID to alternating the BID seat on the board between the two local authority representatives, but this was seen to be difficult to manage.

7. Resource and Legal Implications

- 7.1 There is no legal requirement for a local authority Member to have a seat on the board of a Business Improvement District. Inviting a Member to attend BID board meetings along with Officer representation from CDC will assist with maintaining the level of engagement between CDC and the BID. No additional resources are required.

8. Consultation

- 8.1 Consultation was undertaken on this proposal with CDC from the Chairman of the BID. The Chairman of Chichester BID is also consulting with Chichester City Council on the matter.

9. Community Impact and Corporate Risks

- 9.1 Risk that the links between the BID and CDC are weakened as a result of the proposal, however it is considered that Member and Officer invitation to the BID board will assist with maintaining the working arrangements, alongside the additional meetings which are held between Officers and the BID Officers on an ongoing basis.

10. Other Implications

	Yes	No
Crime and Disorder		X
Climate Change and Biodiversity		X
Human Rights and Equality Impact		X
Safeguarding and Early Help		x
General Data Protection Regulations (GDPR)		x

Health and Wellbeing		X
Other (please specify)		x

11. Appendix

11.1 None

12. Background Papers

12.1 None.