



## Issues Paper – Amendments to the Articles of Association 2019

### BACKGROUND TO THE BOARD

There are currently 36 elected members on the Council and 11 of them are on elected members of the Board. Many of them have already served, have other roles within the Chambers' Forums, or do not wish to serve. The business of the Chambers is managed by seventeen strong Board (sixteen Non-Executive Directors and one Executive Director being the CEO), with accountability to the members through reporting to the Council. The Board delegates the day-to-day decision-making process and company management responsibilities to the Chief Executive.

### ISSUES

#### 1) Recruitment of Board Members

- **Existing Articles:** The current governance model and Articles of Association states that those eligible for election onto the Chambers' Board must have served as an elected member of Council for at least one year, and that the Board Member remains serving on Council during their term in office.
- This has limited the pool of candidates eligible for election and currently acts as a deterrent to engaging members with governance.
- **Proposed Amendment:** Widening the eligibility of Council members and others to join the Board – by allowing Forum Chairs, Section Chairs and Local Area Board members to be nominated, thus creating a wider pool of eligible members to recruit from.

#### 2) Local Area Representation in Governance

- **Current:** Staffordshire Chambers has two divisional Chambers, Stafford and the Staffordshire Moorlands. Under our existing articles, provision was made for Stafford Chamber to have representation at the Board level stating, '*up to three Council members elected to the Board shall be members of the Stafford Chamber of Commerce*'.
- **Issue:** The existing article (above) is no longer relevant to the Chambers' governance as it creates unfair representation of our geographical divisions. The Board is primarily focused on the operational and financial aspects of the entire Chambers group with the Local Area Boards focusing on their geographical policy and business environment issues.
- **Proposed Amendment:** The Board will have geographical representation through the Presidents of Local Area Boards and allowing Deputy Presidents to attend and deputise where appropriate, and no further defined representation.

#### 3) Incompatible Terms of Office

- **Current:** Under the current Articles, members of the Board must be either an elected Honorary officer and/or an elected member of the Chamber Council. Both terms in office run concurrently.





- **Issue:** This necessity to be a Council Member and Board member simultaneously creates a gap in their concurrent terms in office when an elected Board member's term of office on Council expires before their term of office on the Board, needing the individual to be re-elected to Council to continue to serve on Board.
- **Proposed Amendment:** It is proposed that Board terms of office will supersede Chamber Council terms of office – when an individual is elected from the Council to the Board their term of office on Council will stop. This will avoid concurrent terms in office and will give clarity on length of service. Vacancies created on the Council which can be filled by co-option and/or election. Local Area Board Members who become Board Directors' will continue to serve on their Local Area Board alongside the Chambers' Board.

#### 4) Confusion in the Wording of the Various Governance Documents

- **Current/Issue:** The existing Articles are neither 'user friendly' or transparent. Potentially this acts as a deterrent for members and personnel to engage with the Articles.
- **Proposed Amendment:** To refine, amend and update the language in the articles of association also adding clarification around certain sections.

#### 5) Chamber Council and Board Attendance

- **Current:** Under the current Articles, Board and Council members who are absent from meetings without sending apologies ahead of those meetings, are classed as having 'unauthorised absence' for each meeting. If a Board or Council member is absent for 75% of meetings consecutively, they are subject to being removed from office. Members who submit apologies are classed as 'authorised absence' but not missing a meeting, so are exempt from 75% clause.
- **Issue:** Poor attendance and engagement at the Board and Council level could potentially create problems in decision making and achieving quorum at meetings. Members who are unable to engage with both Board and Council after becoming elected occupy a space for a potential member.
- **Proposed Amendment:** members who submit 'apologies' ahead of a meeting will **no longer be classed as having given 'authorised absence'** unless mitigating circumstances are given. Members who submit apologies for meetings consecutively will have their attendance taken into consideration when it comes for re-election or should they be nominated for another position. It remains that if a Board or Council member is absent for 75% of meetings consecutively, they are subject to being removed from office.

