

# The City of Edinburgh Council

10.00am, Thursday, 21 November 2019

## Appointments to Marketing Edinburgh Limited

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### 1. Recommendations

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- 1.1 To note the appointment of Councillor Kate Campbell to the Board of Marketing Edinburgh Limited (“Marketing Edinburgh”) under urgency provisions.
- 1.2 To appoint two elected members to the Board of Marketing Edinburgh.
- 1.3 To agree to change the Articles of Association of Marketing Edinburgh as outlined in paragraph 4.1 of the report and authorise the Chief Executive to agree the final detail of these changes.
- 1.4 To note an update report on Marketing Edinburgh will be put before the Housing and Fair Work Committee on 20 January 2020.

**Andrew Kerr**

Chief Executive

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## Appointments to Marketing Edinburgh

### 2. Executive Summary

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- 2.1 This report provides information on the recent appointment of Councillor Kate Campbell to the Board of Marketing Edinburgh and requests the appointment of two further elected members to the Board and to authorise changes to Marketing Edinburgh's Articles of Association.

### 3. Background

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- 3.1 The Board of Marketing Edinburgh resigned in November 2019. This included three elected members (the Lord Provost and Councillors Cameron and Webber) as well as the 6 stakeholder directors (Gordon Robertson (Chair), Gordon Rintoul, Sandra Blake, Stephen Ingledew, Paul Rowlings and Claire Harrison-Church). This resulted in Marketing Edinburgh having no directors on the Board.
- 3.2 The Companies Act 2016 (S154) requires companies such as Marketing Edinburgh to have at least one director who is a natural person. To ensure compliance, the Chief Executive, in consultation with the Lord Provost, exercised urgency powers under the Committee Terms of Reference and Delegated Functions paragraph A4.1 and appointed Councillor Kate Campbell as a director of Marketing Edinburgh with effect from 11 November 2019.

### 4. Main report

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- 4.1 As set out in the background of this report, the Council was notified of the intention of the Board of Marketing Edinburgh to resign. Given the stated intention of the outgoing directors, the Chief Executive, in consultation with the Lord Provost, exercised urgency powers under the Committee Terms of Reference and Delegated Functions paragraph A4.1, and appointed Councillor Kate Campbell as director of Marketing Edinburgh with effect from 11 November 2019.
- 4.2 To ensure that Marketing Edinburgh can continue to operate it is proposed that two further elected members are appointed to the Board. In addition, it is proposed that the company's Articles of Association are altered to change who can serve as a director of Marketing Edinburgh. This would allow flexibility as to whom Council wished to be appointed as directors and reduce the Board to three members. It is not proposed that officers are appointed to the Board at this point but it seems

prudent to give flexibility if this is appropriate in the future. The specific proposals are as follows:

- (i) a reduction in the number of directors from a maximum of 14, to a maximum of three,
- (ii) a reduction in the quorum of directors from six to two,
- (iii) an amendment to the categories of persons who can become directors to remove stakeholder directors, and to allow officers as well as elected members of the Council,
- (iv) remove the requirement to appoint the chief executive officer of Marketing Edinburgh as Executive Director,
- (v) removal of the requirement to have a company secretary, and
- (vi) ancillary amendments to the Articles to allow (i) to (v) to come into effect.

- 4.3 If Council as the sole member of Marketing Edinburgh with a 100% shareholding were to agree to these changes then the next step under the Companies Act 2006 would be to call a general meeting through the remaining director/s of the Company and to make the changes approved by Council.
- 4.4 Once the new board is in place, it will need to consider the ongoing running of Marketing Edinburgh. In addition, the Board will consider options for the future of the company, in line with the budget motion agreed at Council in February 2019 and subject to the forthcoming proposals for the future Council budget.

## **5. Next Steps**

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- 5.1 Following appointment to the Board, the next Board meeting will be called and held in accordance with the Articles.
- 5.2 An update report on the future of Marketing Edinburgh is on the agenda for Housing, Homelessness and Fair Work Committee on 20 January 2020.

## **6. Financial impact**

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- 6.1 There is no financial impact as a result of this report.

## **7. Stakeholder/Community Impact**

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- 7.1 Stakeholder and community impact will be considered as part of the options appraisal for the future and an update report is on the agenda for Housing, Homelessness and Fair Work Committee on 20 January 2020.

## **8. Background reading/external references**

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8.1 None

## **9. Appendices**

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None