

Amendment to Articles of Association of Make it York Limited

Summary

1. This report provides background and information on the proposed amendment to the Articles of Association of Make it York Limited to increase the authorised rate of remuneration for officers of or consultants to the company.

Background

2. In May 2021, proposed amendments to the Articles of Association of Make it York Limited were approved by the Council's Executive and authority delegated to the Director of Governance and the Chair of the Shareholder Committee to prepare and sign the relevant resolutions in relation to the changes.
3. The Articles put to the Executive for consideration in May included the following within Schedule 2 (Matters Reserved for the Shareholder), which was unchanged from the original Articles of Association:

“[Without the prior written consent of the Shareholder, the Company shall not]:

agree to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any officer of or consultant to the Company at a rate in excess of £50,000 per annum or increasing the remuneration of any such person by a rate in excess of £2,000 per annum”

4. Following Executive approval, it became apparent that the salary levels referred to within the Articles of Association had been missed when amendments were first considered and were out of date, having been set six years ago and left unchanged since.

5. The Chair of Make It York has requested that, to bring salary levels in line with inflation, the limits of remuneration referred to in Schedule 2 are increased to £65,000 per annum or an increase by a rate in excess of £2,500 per annum.
6. Under its Terms of Reference, the Shareholder Committee is authorised to determine and approve all matters relating to the terms and conditions of employment of company Directors and the senior management team.
7. Approval of remuneration above £50,000 per annum (or any increase in excess of £2,000 per annum) has been approved as a matter to be reserved to the Shareholder Committee on individual occasions, therefore approval of a limit in excess of this amount is consistent with the authority granted to the Shareholder Committee.

Consultation

8. None.

Options

9. Members can:
 - I. approve the increased limit for inclusion in the amended Articles of Association;
 - II. reject the increased limit for inclusion in the amended Articles of Association or
 - III. refer this matter to the Council's Executive.

Analysis

10. None.

Council Plan

11. The report contents are not directly relevant to the Council Plan.

Implications

12. The Council is not the employer of any company officers or consultants. However, remuneration of company officers above a certain level is a matter reserved for the Council as Shareholder under the Articles of Association of the company.

Recommendations

13. Members are asked to approve the increased limit for inclusion in the amended Articles of Association.

Reason: To enable Make it York Limited to agree appropriate levels of remuneration for officers of or consultants to the Company.

Contact Details

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Background Papers:

None

Annexes

Annex A – Report to Executive dated 20 May 2021

Annex B – Proposed revised Schedule 2 (Matters Reserved for the Shareholder)