

The Board of Directors – Roles and Responsibilities

The Board's key purpose is to ensure the company's prosperity by collectively directing the company's affairs, whilst meeting the appropriate interests of its members and stakeholders. The objects of the company are laid out in the Articles of Association.

Appointment of Directors

The ultimate control as to the composition of the board of directors rests with the members, who can appoint, and more importantly, sometimes dismiss a director. The members can also fix the minimum and maximum number of directors. However, the board can usually appoint (but not dismiss) a director to his/her office as well. A director may be dismissed from office by a majority vote of the members, provided that a special procedure is followed. The procedure is complex, and legal advice will always be required.

Role of the Board of Directors in a BID

Boards can be helped greatly by focusing on following areas:

- a) Working to deliver the Business Plan through a process of joint agreement and action.
- b) Working in partnership in the spirit of openness, trust and mutual respect.
- c) Undertaking to work with due regard to best and safe practices.
- d) Undertaking work that balances economic, social and environmental factors in order to create a sustainable business community.
- e) Achieving best value for businesses and the commitment of time (1 hour per week) or any other resources they or partners make for the improvement of the area.
- f) Establishing effective means of communicating and engaging with the whole BID area and other relevant partners.
- g) Ensuring adherence to equal opportunities and non-prejudicial behaviour and conduct.
- h) Encouraging partners and stakeholders to operate efficiently and effectively in response to the needs of the BID area.
- i) Nurturing a sense of coherence and belonging among businesses to develop a better connected business community.
- j) Not pursuing individual interests to the detriment of BID or place as a whole.
- k) The BID will be apolitical. All roles on the Board are voluntary and undertaken with a commitment to represent the interests of all businesses in the BID area.

It can do this by:

- 1) Establishing a vision and values
- 2) Setting strategy and structure
- 3) Delegating to management
- 4) Exercising accountability to members and be responsible to relevant stakeholders

Responsibilities of Directors

Directors look after the affairs of the company and are in a position of trust. Consequently, the law imposes a number of duties, burdens and responsibilities upon directors, to prevent abuse. Much of company law can be seen as a balance between allowing directors to manage the company's business and preventing them from abusing this freedom.

Directors are responsible for ensuring that proper books of account are kept.

In some circumstances, a director can be required to help pay the debts of his company, even though it is a separate legal entity. For example, directors of a company who try to 'trade out of difficulty' and fail may be found guilty of 'wrongful trading' and can be made personally liable. Directors are particularly vulnerable if they have acted in a way which benefits themselves.

- The directors must always exercise their powers for a 'proper purpose' – that is, in furtherance of the reason for which they were given those powers by the members.
- Directors must act in good faith in what they honestly believe to be the best interests of the company and not for any collateral purpose. This means that, particularly in the event of a conflict of interest between the company's interests and their own, the directors must favour the company or declare a conflict and recuse themselves
- Directors must act with due skill and care.
- Directors must consider the interests of employees of the company.

Calling a Directors' Meeting

A director, or the secretary at the request of a director, may call a directors' meeting. A secretary may not call a meeting unless requested to do so by a director or the directors. Each director must be given reasonable notice of the meeting, stating its date, time and place. Commonly, seven days is given but what is 'reasonable' depends in the last resort on the circumstances.

Non-Executive Directors

Legally speaking, there is no distinction between an executive and non-executive director. Yet there is inescapably a sense that the non-executive's role can be seen as balancing that of the executive director, so as to ensure the board as a whole functions effectively. Where the executive director has an intimate knowledge of the company, the non-executive director may be expected to have a wider perspective of the world at large.

Shadow Directors

In many circumstances, the law applies not only to a director, but to a 'shadow director'. A shadow director is a person in accordance with whose directions or instructions the directors of a company are accustomed to act. Under this definition, it is possible that a director, or the whole board, of a holding company, and the holding company itself, could be treated as a shadow director of a subsidiary.

Professional advisers giving advice in their professional capacity are specifically excluded

from the definition of a shadow director in the companies legislation.

Protections

The company status of a BID organisation is most often as a company limited by guarantee. In this scenario, provided there isn't activity in breach of Companies House rules and also any illegality:

- All liabilities are contained within the company
- Director liabilities are restricted to £1

Normally the BID Company will also carry insurance covering the following:

- Public Liability – usually £5m
- Employer Liability – usually £10m
- Director & Staff Indemnity – Usually £1m to £2m

This protective cover does not apply to Shadow Directors, Professional Attendees or Observers

Skills & Experience

Essential	Desirable
Skills & experience in one of the following fields: <ul style="list-style-type: none"> • Retail • Hospitality • Commercial • Marketing • PR • Urban Design • Economic Development/Regeneration • Accountancy • Legal • PR & Media • Public Service • Event Management • Project Management 	Understanding of the dynamics affecting the retail, hospitality, leisure, office, and other sectors that have an interest in the destination would be desirable
Being accountable	Knowledge of public sector interest and practices
Service & commitment by attending Board meetings regularly and being informed	Experience in dealing with press and media
Communication skills, to be able to give and receive information clearly	Experience of working in a not for profit sector
Knowledge of the BID Business Plan	Experience of work with a partnership Board or Group
Tact & Diplomacy – in their understanding and dealings with the many individuals and organisations that operate and contribute in a BID area	Knowledge of BIDs and the Regulations
	Ability to network and build contacts
	Fundraising skills
	Having a profile with the business community