

COUNCIL:

28 NOVEMBER 2019

REPORT OF DIRECTOR, GOVERNANCE & LEGAL SERVICES

MILLENNIUM STADIUM PLC – APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Reason for the Report

1. To appoint one independent representative to serve as a Non-Executive Director of Millennium Stadium plc.

Background

2. The appointment of Members to serve on outside bodies is a Local Choice function under the Local Authorities Executive Arrangements (Functions and Responsibilities) (Wales) Regulations 2001, as amended. The Constitution provides that this matter is reserved for Council which will, from time to time, receive nominations and make these appointments.
3. Millennium Stadium plc is owned by the Welsh Rugby Union (WRU), but the Council has a number of rights, as the Special Shareholder in the Company, which are set out in the Company's Articles.
4. The Company's Articles provide that the Board of Directors shall have a maximum of eleven Directors. The WRU is entitled to appoint a maximum of six Directors; and the Council, as the Special Shareholder, is entitled to appoint a maximum of five representatives to serve as non-executive Directors on the Board of the company. To date, the Council has appointed one elected member (usually the Leader of the Council or a Cabinet Member), one officer (usually the Chief Executive) and three independent persons following a public appointment process for these positions. The term of office of the three previous Council-appointed independent Non-Executive Directors expired on 25 April 2017.
5. The Council agreed previously on 25 May 2017 to delegate authority to the Corporate Director (Resources) and the Director of Governance and Legal Services and Monitoring Officer to proceed with the advertising and appointment for the independent Non-Executive Director positions on the board of Millennium Stadium plc. The Council also agreed to establish a politically balanced Member Appointment Panel for the purpose of the

appointment process (based on three Labour; one Liberal Democrat and one Conservative Members).

Issues

6. Further to this decision, discussions have taken place between the Council and WRU about the future status and governance of Millennium Stadium plc, including proposed changes to the number of Directors to be appointed to the company. This formed part of a wider review by the WRU of its various governance structures and arrangements, as well as those of other entities within the WRU Group, including Millennium Stadium plc. For example, the WRU Board has agreed a number of changes to its governance, including a reduction in the number of WRU Board Members from 20 to 12.
7. Similarly, in order for the Board of Millennium Stadium plc to be agile and properly-functioning, the Council and WRU agreed to reduce the size of the Board by not currently appointing all of the maximum of eleven Directors permitted currently under the Company's Articles. Instead, the Council and WRU agreed in late 2018 to reduce the size of the Millennium Stadium plc Board of Directors (from eleven) to seven Directors; by reducing the number of Directors to be appointed by Cardiff Council (from five) to three (including the Leader/Cabinet Member, Chief Executive and one independent appointment), with a corresponding reduction in the number of Directors to be appointed by the Welsh Rugby Union (from six) to four. A delegated officer decision on this matter was taken by the former Corporate Director Resources & Section 151 Officer in October 2018 (Ref: SMT/1819/34).
8. The vacant position of the one independent Non-Executive Director position appointed by the Council to the Board of Millennium Stadium plc was advertised in September 2019. The shortlisting and interview processes were undertaken during November 2019 by a politically balanced Member Appointment Panel comprised of Councillors Boyle, Bradbury (Chair), Jones-Pritchard, Mackie and Weaver. The panel was supported by the Corporate Director (Resources) and Deputy Monitoring Officer.
9. Following completion of the appointment process and subject to the receipt of satisfactory references, the Panel's agreed nomination for appointment as the one Council-appointed independent representative as a Non-Executive Director to Millennium Stadium plc for a 3-year term is Mr Sameer Rahman. The proposed 3-year term is in line with that of the independent Non-Executive Directors appointed by the WRU.
10. The other two Council-appointed Non-Executive Directors to the Board of Millennium Stadium plc are currently the Leader of the Council, Councillor Huw Thomas, and the Chief Executive.

Legal Implications

11. The legal implications are contained within the body of the report.

Financial Implications

12. There are no direct financial implications arising from this report.

RECOMMENDATION

Council is recommended to approve the appointment of Mr Sameer Rahman as the nominated independent representative as a Non-Executive Director to Millennium Stadium plc for a term of 3 years, subject to the receipt of satisfactory references.

DAVINA FIORE

Director of Governance & Legal Services and Monitoring Officer

22 November 2019