

### Non-Executive Directors Person Specification

The following information has been compiled to assist the council in selecting suitable representatives for the role of non-executive director on companies to which it makes nominations.

Unlike the role of councillor where there is very limited personal liability, the role of Director does involve personal liability and can involve criminal prosecution.

#### Legal Requirements

An individual is barred from being a Director (without the courts permission) if they are or have:

- Undischarged bankrupts
- Failed to pay under a County Court administration order
- Been disqualified after a company investigation
- The auditor of the company
- The secretary of the company (if they would be the sole trader)

Directors operate within a strict legal framework. There are 7 legal duties placed on a Director by virtue of the Companies Act 2006 these are to act within powers, to promote the success of the company, to exercise independent judgement, to exercise reasonable care, skill and diligence, to avoid conflicts of interest, not to accept benefits from third parties and to declare interests in proposed transactions within the company.

Directors must not pay bribes or receive bribes which are criminal offences under bribery Act 2010 for which Directors are liable for prosecution. Directors also have duties imposed on them by legislation in the areas of taxation, health, safety, the environment and employment.

A Director can be disqualified from being a Director on the following types of grounds for between 2 and 15 years:

- General misconduct; being convicted of an indictable offence in connection with a company; being persistently in default in delivering any sort of document or notice to the Register of Companies; being guilty of fraudulent trading.
- Unfitness; being a director of a company that has become insolvent, or the High Court considers it is in the public interest to make a disqualification order.
- Wrongful trading; being personally liable to contribute to a company's assets because of fraudulent or wrongful trading.

### Role

- The supportive role – the director acts as counsellor, advisor, supporter or listener to any aspect of board business.
- The creative role – the director acts as a problem solver, ideas generator, and opportunity organiser or creator.
- The political role – the director acts as a questioner, probe, observer and monitor. Providing constructive critical oversight and challenge.
- The know-how role – the director provides expertise and knowledge of the company and of external contracts.
- The know-what role – the director provides relevant information and facts that help the company.
- The know-who role – the director brings useful personal contacts.
- The influencer and ambassador role – the director is influential because of his or her reputation and standing, or through their ability to influence other people or organisations.

*(From IOD, Role of the Director and the Board)*

### Behaviours

- Inspiring shared purpose – create a shared purpose for individuals doing different work, inspiring them to believe in shared values.
- Evaluating information – are open and alert to information, investigating what is happening now so that they can think in an informed way about how to develop proposals for improvement
- Connecting services – understand how things are done in different teams and organisations; they recognise the implications of different structures, goals, values and cultures so that they can make links, share risks and collaborate effectively.
- Sharing vision – convey a vivid and attractive picture of what everyone is working towards in a clear, consistent and honest way, showing a high level of commitment to the company.
- Engaging the team – promote teamwork and a feeling of pride by valuing contributions and ideas.
- Holding to account – create clarity about their expectations and what success looks like in order to focus people's energy, give them freedom to manage

## Appendix 2

within the demands of their job, and deliver improving standards of service.

- Developing capability – champion learning and capability development so that they and others gain the skills, knowledge and experience they need to meet the future needs of the service, develop their own potential, and learn from both success and failure.
- Influencing for results – build networks of influence and plan how to reach agreement about priorities, allocation of resources or approaches to service delivery.
- Championing the standards of conduct – uphold the highest standards of conduct and displaying the principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- Exercising independent judgement - demonstrating independence, impartiality and acting as a sounding board and external view point on strategy, resources, performance, risk and financial controls.

*(Adapted from NHS Leadership model)*

### Knowledge and Experience

- Experience as a non-executive Director in the private or public sector
- Experience of working in a commercial environment
- Experience of Business relations
- Experience of law and/or corporate governance
- Experience of financial management
- Experience of audit and risk management
- Experience of Sales and Marketing
- Experience of public relations
- Experience as a representative of shareholders/ stakeholders
- Experience of operations management
- Experience of leadership and strategic decision making
- Experience within the relevant business sector of the company

### Time commitment

The time commitment for a Non-executive Director will vary based on the company to which they are appointed, their role on the board and the committees to which they are appointed. However, generally speaking and on average a Non-Executive Director would be expected to attend monthly meetings of around 2 hours duration which are generally held in working hours or at other times at the discretion of the board. Additionally, 2 – 3 days per month outside of meetings. An indication of the how this time commitment might be spent is set out in Appendix 1.

The person specification as set out above can be used to evaluate and assess individuals who are willing to serve as Directors in order to ensure that they are eligible to serve and also to ensure that they have the required availability, skills, knowledge and experience in order to ensure the success of the companies to which they are appointed.

It is intended that such an assessment would be carried out by an appropriately skilled third party organisation in order to ensure objectivity, impartiality and objectivity.

### Appendix 1

The following is an indicative list of how Directors might spend their 2 to 3 days per month.

- Serving on committees such as Audit Committee
- Attending Board meetings
- Attending meetings on behalf of the board
- Attending meetings with Directors and Senior managers
- Reading papers and reports
- Attending sales and marketing events
- Attending training and development activities
- Attending company promotional events
- Making site visits
- Carrying out research on behalf of the company
- Providing advice to the company
- Meeting and engaging staff
- Taking part in promotional activities
- Attending fact finding visits