
Meeting of the Executive

28th February 2007

Report of the Director of City Strategy

Science City York Limited: Membership of Company and Nomination of Representative

Summary

1. The City Council is a partner, along with the University of York, and with Yorkshire Forward, in Science City York (SCY), a programme to expand the number of knowledge-led competitive businesses within York. At present SCY is an unincorporated partnership. The Council has agreed in principle to the creation of a Company Limited by Guarantee (CLG) to take over the management of SCY, and to the creation of a new post of Chief Executive for SCY. A CLG is in the process of being registered and the Urgency Committee is now asked to agree to the City of York Council becoming a member of that company, and to nominate someone to represent the City Council on the CLG. The decision is required urgently so that the company is in a position to appoint a chief executive after the 6th March.

Background

2. The City Council and its stakeholder partners, the University of York and Yorkshire Forward, have for some months been discussing the future direction and governance of Science City York. They have agreed that, in order to enable SCY to widen the scope of its activities, and to have greater impact, management should be transferred to a Company Limited by Guarantee. This was approved by the Executive Member on 11th September 2006. A CLG is a form of private company, without shareholders, and owned by members. Any profits or financial surpluses made by the company are not distributed to shareholders, but retained within the company, and available to support its activities.
3. The Council also agreed to support the creation of a new post of Chief Executive of the SCY CLG. Yorkshire Forward has offered grant funding to fully cover the cost of this post for three years. The City Council is managing the recruitment process on behalf of the partners. Final interviews have been arranged for the 6th March.

Consultation

3. The proposals to establish the CLG, and to recruit a Chief Executive, have been discussed between the stakeholders; within the wider Science City partnership; and have been reported to the Economic Development

Partnership Board, and to the Executive. The stakeholders have further discussed the more detailed proposals in this report.

Options

4. Members are asked to agree to the Council becoming a member of the SCY CLG, together with the University of York. This will enable the company to be formally established, and to employ the Chief Executive, who will be appointed after interviews on the 6th March.

Analysis

5. Members have already agreed to the setting up of a CLG to manage SCY in the longer term. This will give the legal, financial and management flexibility to enable SCY to develop in the ways required to maintain the competitiveness of York as a location for knowledge-led businesses. Detailed discussions will be required between stakeholders and partners to define and agree the governance arrangements for the company in the longer term. The advice of the new Chief Executive will be important in taking forward these discussions.
6. However, the recruitment and employment of the chief executive will be considerably facilitated if he or she are employed directly by the SCY CLG from the beginning of their appointment, rather than rely upon a period of temporary employment by one of the stakeholders, which introduces uncertainty into the contractual arrangement. A Science City York company is, therefore, currently being formally registered. This will enable the chief executive appointment to be offered by the company after the 6th March.
7. The proposal is that the Science City CLG will be owned and directed by the two York stakeholders: City of York Council and University of York. Members are, therefore, requested to agree to the City Council becoming a member of the company. In the immediate term the sole function of the company will be to employ the Chief Executive. Management of the wider Science City programme will remain with the Stakeholder Group until such time as decisions are reached on the future activities of the company, and the required governance protocols are agreed and put into place.
8. As well as approving membership of the company members are asked to nominate the representative of the City Council who will become a director of the company.
9. These decisions are needed urgently so that the company can be properly established in time to offer a contract of employment to the Chief Executive, after interviews on the 6th March.

Corporate Priorities

6. The importance of Science City York in achieving the Council's objectives for the modernising of the city's economy is included within the Thriving City theme; in Corporate objective 3 "Strengthening York's Economy"; as one of the thirteen corporate priorities; and in the approved 2006/07 Economic development programme.

Implications

- **Financial** The full costs of setting up the Company Limited by Guarantee, and of employing the Chief Executive are covered by approved grant from Yorkshire Forward. No other additional costs are expected.
- **Human Resources (HR)** The detailed HR implications will be determined as part of the discussions to define and agree the governance arrangements for the CLG. Nevertheless, the proposal in paragraph six that the Chief executive of SCY be employed by the CLG is consistent with advice given earlier to the Chief Executive on this matter.
- **Equalities** The recruitment process organised for the Chief Executive post has been consistent with equal opportunity principles.
- **Legal** The legal implications will be determined as part of the discussions to define and agree the governance arrangements for the company in the longer term. These discussions will be undertaken in consultation with the Head of Civic, Democratic, and Legal Services. If there are any proposals which would have significant legal implications for the Council these will be the subject of a further report to members.
- **Crime and Disorder** There are no implications.
- **Information Technology (IT)** There are no implications.
- **Property** There are no implications.
- **Other**

Risk Management

8. There are no significant financial risks to the City Council in this first stage activity of the new SCY CLG in employing the Chief Executive. The longer-term financial risks will be considered as part of the discussions to define and agree the governance arrangements for the company in the longer term.

Recommendations

9. 1) To approve City Council membership of Science City York Limited, a Company Limited by Guarantee.

Reason: To enable the company to be established in order to employ the Chief Executive.
- 2) To nominate the person to represent the City Council on the company.

Contact Details

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Wards Affected: *List wards or tick box to indicate all*

All ✓

For further information please contact the author of the report

Background Papers: None

Annexes: None