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## Urgency Committee

3<sup>rd</sup> August 2007

Joint report of the Chief Executive and the Director of City Strategy

## Science City York Limited: Interim Governance of Company Limited by Guarantee

### Reason for Report

1. The council's representative and director of the newly formed Science City York Company Limited by Guarantee (CLG) is the Chief Executive who is shortly to retire from the council. It is therefore urgent that a temporary replacement be made pending the longer term governance protocols being developed. This report therefore recommends an interim replacement be made.
2. The report also makes a recommendation on the role of Chair of the new CLG Board and proposes that this be taken by a private sector representative, Richard Gregory, who has been chairing the "Stakeholder Group" during the transitional period from an informal partnership to a CLG.

### Background

3. At a meeting of Urgency Committee on 28<sup>th</sup> February 2007 the Council agreed to the formation of a Company Limited by Guarantee (CLG) to take over the management of Science City York (SCY).
4. The proposal was that the Science City CLG be owned and directed by the two York stakeholders: City of York Council and University of York. In the immediate term the function of the company is to employ the Chief Executive and give initial guidance on the way forward within this new framework.
5. In the interim the management and direction of the wider Science City programme has remained with the existing 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. During this Interim period the formal decisions of the CLG are taken by the two Directors representing the Council and the University as the owners of the company.

### Current Position and Proposal

6. The new SCY Chief Executive, has now been appointed and he is expected to take up the role at the end of August. He is to be employed directly by the SCY CLG from the beginning of his appointment, rather than rely upon a period of temporary employment by one of the stakeholders, which it was felt would introduce uncertainty into the contractual arrangement.

7. During this intermediate period pending the arrival of the new SCY Chief Executive and the subsequent formulation of longer term proposals for governance of the CLG, Members agreed that the Council's Chief Executive should fulfil the role of the Council's representative and Director of the company. With the impending departure of David Atkinson there is a need to nominate a replacement with the company and thereby ensure continuity. The Director of City Strategy has been involved throughout the process of setting up the new company and the recruitment of the new SCY Chief Executive. It is therefore proposed that this interim role of company representative and Director be taken by the Director of City Strategy.
8. At the recent meeting of the Stakeholder Group on 10<sup>th</sup> July it was decided to recommend to the owners of the company that a chair of the new Board was now required. This would be the start of the future structure of the company's governance and aid decision making during this interim period prior to moving to a longer term governance structure. It would also enable a clear line of accountability to be established between the new Chief Executive of the CLG and its board through the new chair.
9. During the period of transition between the very successful informal SCY partnership and the new CLG, there has been a Stakeholder Group which has been both promoting the new CLG approach and providing interim direction and management of SCY. This group consists of the Council's Chief Executive, the University Vice Chancellor, an Executive Director from Yorkshire Forward, the Chair of the advisory SCY Strategy Board and is independently chaired by Richard Gregory, a prominent Yorkshire businessman and Chair of Yorkshire Science which was instrumental in the development the Regional Innovation Strategy. The Stakeholder group unanimously agreed at their meeting to recommend that Richard Gregory be appointed as the chair of the new board of the CLG.
10. The role of chair of the new board will require a considerable level of commitment both inside and outside of board meetings. In recognition of this it is proposed that the chair should be remunerated with the cost of remuneration being met from existing SCY budgets. The level of remuneration is proposed at £10,000 per year plus reasonable expenses in carrying out the role. This is the same as the remuneration paid to the chair of the York Central board, which requires a similar level of time commitment by a private sector representative.

### **Consultation**

11. As stated above, consultation has taken place with the Science City York Stakeholder group.

### **Options**

12. If the proposals set out in this report are not supported, then it will be necessary to return to negotiations between stakeholders.

## Analysis

13. Science City York has proved itself as a partnership and has been successful in developing knowledge based business in order to diversify and strengthen the local economy. It is recognised by Yorkshire Forward in terms of its contribution to local, regional and national economies. Members have previously recognised and approved arrangements for taking the Science City York initiative forward through the establishment of a Company Limited by Guarantee. The proposals set out in this report enable the company to make short term decisions necessary in formulating proposals on the longer term governance.

## Corporate Priorities

14. 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

15.

- **Financial** The cost of the proposed remuneration of the chair of the CLG board will be met from existing budgets within SCY.
- **Human Resources (HR)** The detailed HR implications will be determined as part of the discussions to define and agree the longer term governance arrangements for the CLG.
- **Equalities** There are no equalities implications.
- **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

16. 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

17. 1) To approve the appointment of the Director of City Strategy as representative of the City Council and Director on the Science City York Company Limited by Guarantee.

Reason: To enable the company to make the short term decisions necessary in formulating proposals on the longer term governance.

2) To approve the appointment of Richard Gregory as the Chair of the Board of the new Company Limited by Guarantee at an annual remuneration of £10,000 plus reasonable expenses incurred in the carrying out of that role, to be funded by Science City York.

Reason: To recognise the importance of Science City York to developing the local, regional and national economy.

## Contact Details

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### Chief Officer Responsible for the report:

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Report Approved ✓ Date 31/7/07

### Specialist Implications Officer(s)

Financial – Patrick Looker  
HR – Janet Neeve  
Others – Report Author

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

All ✓

For further information please contact the author of the report

### Background Papers:

Report to Urgency Committee 28<sup>th</sup> February 2007

Annexes: None