

**AGENDA MANAGEMENT SHEET**

**Name of Committee** Regulatory Committee

**Date of Committee** 27 February 2007

**Report Title** Consortium of Local Authority Special Projects (CLASP) Trading Company - SCAPE System Build Limited

**Summary** A report regarding the proposed change to the Council's appointment to the Board of Directors for the publicly controlled trading company of CLASP.

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**Would the recommended decision be contrary to the Budget and Policy Framework?** No.

**Background papers** Cabinet Report of: 22<sup>nd</sup> February 2007  
17<sup>th</sup> November 2006

**CONSULTATION ALREADY UNDERTAKEN:-**

Details to be specified

- Other Committees
- Local Member(s)
- Other Elected Members
- Cabinet Member  Cllr Alan Cockburn - report commended to the Regulatory Committee
- Chief Executive
- Legal  Sarah Duxbury – comments incorporated
- Finance
- Other Chief Officers  David Carter  
David Clarke – comments incorporated
- District Councils
- Health Authority

Police

Other Bodies/Individuals

**FINAL DECISION**

**YES**

**SUGGESTED NEXT STEPS:**

Details to be specified

Further consideration by  
this Committee

To Council

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

## Agenda No

### Regulatory Committee – 27 February 2007

#### Consortium of Local Authority Special Projects (CLASP) Trading Company - SCAPE System Build Limited

#### Report of the Strategic Director of Resources

##### Recommendations

That Committee

- 1) Notes the resignation of Councillor Alan Cockburn from the Board of Directors of SCAPE System Build Limited.
- 2) Approves the proposed appointment of the Head of Property as the Council's nominated Director to sit on the Board of Directors of SCAPE System Build Limited and the proposal that the Head of Property nominate an Alternate Director as required in his absence.

##### Background

1. At a meeting of the Cabinet held on the 17<sup>th</sup> November 2005 it was agreed:
  - (1) That approval be given to the Council's participation in the new company proposed by the Consortium of Local Authority Special Projects (CLASP) with its interest being represented by Councillor Alan Cockburn.
  - (2) That the County Solicitor and Assistant Chief Executive, the County Treasurer and the Director of Property Services be instructed to undertake such actions necessary to establish the company referred to at (1) above.
  - (3) That the Council's continued membership of the Consortium of Local Authority Special Projects (CLASP) Management Committee be approved, with the Director of Property Services or a nominee representing the interests of the Council.
2. The company SCAPE System Build Limited was registered on 21 December 2005. The company shareholders are Derby City, Derbyshire County, Gateshead, Nottingham City, Nottinghamshire County and Warwickshire County Councils. Each shareholder purchased shares using £75,000 from the Consortium's reserves giving a total capital value of £450,000.
3. SCAPE System Build Limited is a Local Authority controlled company and a Contracting Authority and Central Purchasing Body under the EU Procurement

Directives. SCAPE will act as the trading company for CLASP. As such CLASP has licensed the use of its intellectual property to SCAPE.

4. The recommendations of this report were also considered at Cabinet on the 22<sup>nd</sup> February 2007.

### **Issues of Governance**

5. Under the Shareholder's Agreement each shareholder can nominate someone to represent the Council's interests at shareholder's meetings. Cabinet on 22 February 2007 authorised the Strategic Director of Resources to fulfil this role. Under the terms of the Shareholder's Agreement each shareholder may also nominate a Director to the Board. Directors are required by law to act in the interests of the company.
6. Cllr Cockburn is the County Councils nominated director on the company board. However, the Board membership is changing to an officer led group which requires a nominated Director with the appropriate property and construction background to act in the interest of the company, having due regard to the nature of the companies business. Other Councils represented on SCAPE are appointing property officers as directors to the Board.
7. In consultation with Councillor Cockburn it is seen to be appropriate to nominate the Head of Property to the Board of Directors, and therefore replace Cllr Cockburn as the Councils nominated director.
8. The company documentation entitles each director to appoint an alternate director to attend board meetings in their absence. It is proposed that the Head of Property is able to nominate an alternate director to act as the Council's nominated director in his absence.
9. The Board of Directors needs to have cohesion so that the decisions can be made effectively and the business moved forward. It also needs to operate in the manner of a company board rather than a Local Authority committee. The responsibilities and duties of a company director are significant and quite different to those of a Local Authority Councillor or officer. Therefore Director training is being provided.
10. These changes to the Governance of SCAPE System Build Limited on the part of the Council are needed to ensure the appropriate technical representation is in the correct place in order to fulfil the responsibilities of the shareholder authority.
11. It is recommended that the Strategic Director of Resources and Strategic Director of Performance and Development be instructed to undertake such actions necessary to establish these revised governance arrangements with the company.

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