



Notice of a public

Decision Session - Executive Leader (incorporating Finance & Performance)

To: Councillor Gillies (Executive Leader)

Date: Monday, 14 January 2019

Time: 3.00 pm

Venue: The King Richard III Room (GO49) - West Offices

AGENDA

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democratic Services by **4:00 pm on Wednesday 16 January 2019.**

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any items that are called in will be considered by the Customer and Corporate Services Scrutiny Management Committee (Calling In).

Written representations in respect of items on this agenda should be submitted to Democratic Services by **5:00pm on Thursday 10 January 2019.**

1. Declarations of Interest

At this point in the meeting, the Executive Leader is asked to declare:

- any personal interests not included on the Register of Interests
 - any prejudicial interests or
 - any disclosable pecuniary interests
- which they may have in respect of business on this agenda.

- 2. Minutes** (Pages 1 - 2)
To approve and sign the minutes of the Decision Session held on 19 November 2018.

- 3. Public Participation**
At this point in the meeting, members of the public who have registered to speak can do so. The deadline for registering is **5:00pm on Friday 11 January 2019**. Members of the public can speak on agenda items or matters within the Executive Leader's remit.

To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.

Filming, Recording or Webcasting Meetings

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including any registered public speakers who have given their permission. The broadcast can be viewed at <http://www.york.gov.uk/webcasts> or, if recorded, this will be uploaded onto the Council's website following the meeting.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at

https://www.york.gov.uk/downloads/file/11406/protocol_for_webcasting_filming_and_recording_of_council_meetings_20160809

- 4. Digital City Programme update and expanding access to York's WiFi connectivity platform** (Pages 3 - 10)
This report provides an update on some of the progress made within City of York Council's Digital City Programme with a focus on the city's free Wi-Fi and an expansion proposal including Clifford's Tower, Coppergate and the new Community Stadium complex as

part of future proofing the stadiums digital connectivity links as we have done with many buildings and areas of the city.

5. Variation of Shareholders Agreement relating (Pages 11 - 18) to YPO Procurement Holdings Limited

This report seeks approval to proposed changes to the Shareholder Agreement with YPO Procurement Holdings Ltd, specifically to reduce the number of decisions reserved for unanimous agreement and add a new schedule of items reserved for agreement by requisite majority.

6. Urgent Business

Any other business which the Executive Leader considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Angela Bielby

Telephone: 01904 552599

Email: a.bielby@york.gov.uk

For more information about any of the following, please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 **(01904) 551550**

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City of York Council

Committee Minutes

Meeting	Decision Session - Executive Leader (incorporating Finance & Performance)
Date	19 November 2018
Present	Councillor Gillies (Executive Leader)

15. Declarations of Interest

The Executive Leader was invited to declare, at this point in the meeting, any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, which he have in the business on the agenda. No additional interests were declared.

16. Minutes

Resolved: That the minutes of the Executive Leader (incorporating Finance & Performance) Decision Sessions held on 16 July 2018 and 17 September 2018 be approved and then signed by the Executive Leader as a correct record.

17. Public Participation

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

18. Release of Restrictive Covenant on the Tramways Working Men's Club, 1 Mill St, York

The Executive Leader considered a report that detailed a proposal to release a restrictive covenant which applied to the site of the working mans' club known as Tramways Club on Mill Street, York. This was identified on the plan in Appendix A.

Subject to the restrictive covenant being released, a developer had agreed to purchase the site from Tramways Club. The developer was considering redeveloping the site for either a residential sale or senior living/ care scheme which would be subject to obtaining planning permission. A

financial formula had been agreed with the developer whereby the Council (as the party with the benefit of/ right to enforce the restrictive covenant) would share in any uplift in value the site on realisation of its completion after deducting the new scheme's development costs.

Resolved: That agreement be given to release the restrictive covenant on the site of the Tramways Club, Mill Street to enable the site to be developed for either a residential for sale scheme or for senior living/care accommodation, subject to obtaining planning permission.

Reason: To enable the sale of the site of the Club to proceed as it has no viable future, whilst providing an opportunity for the site to be regenerated in line with the Castle Gateway vision and afford the Council with a potential future capital receipt.

Cllr I Gillies, Executive Leader

[The meeting started at 4.30 pm and finished at 4.31 pm].



**Decision Session – Executive Leader
(incorporating Finance and Performance)**

14 January 2019

Report of the Deputy Chief Executive & Corporate Director of Customer & Corporate Services

**Digital City Programme update and expanding access to York’s
Wi-Fi connectivity platform**

Summary

1. This report provides an update on some of the progress made within City of York Council’s Digital City Programme with a focus on the city’s free Wi-Fi and an expansion proposal including Clifford’s Tower, Coppergate and the new Community Stadium complex as part of future proofing the stadiums digital connectivity links as we have done with many buildings and areas of the city.
2. It is noted that as this is part of our wider and continual evolving Digital City Programme, there will be potential other future requirements, and these will need to be considered as part of the capital programme.

Recommendations

3. The Executive Leader is asked to:
 - 1) Note the progress being made within the Digital City Programme.

Reason: To provide an update on the key and enabling Digital City Programme with an emphasis on the cities digital connectivity landscape.
 - 2) Approve the proposal to extend access to the cities free Wi-Fi into Clifford’s Tower & Coppergate.

Reason: To be a part of the evolving Digital City Programme.

- 3) To provide the digital connectivity links into the new Community Stadium complex and expand its Wi-Fi coverage.

Reason: To be a part of the evolving Digital City Programme and future proof the Stadiums complex digital links.

- 4) Approve total funding of £308,000 from the existing ICT Capital budget.

Reason: To fund the recommendations contained within this report.

- 5) Note the current mixed position with schools, endorse further discussions with schools regarding Wi-Fi provision, and to receive a further report on this including funding options in coming months.

Reason: To approve the work to explore and undertake further discussions that are required to take this recommendation forwards.

Background

4. Access to free external and internal Wi-Fi services was identified as one of the key themes within our initial and evolving work programme as part of our aspiration and desire to become a well-connected digital city through a blend of significant private and public sector funding streams.
5. This included our successful bids to secure funding from Department for Digital, Culture, Media & Sport (DCMS) and their super connected city programme, where we secured £2.16m to deliver a number of key projects with the majority of them being focused on establishing and also expanded the Wi-Fi connectivity landscape within our communities and city centre by building upon and utilising the fibre network within the City.
6. City of York Council's internal and external Wi-Fi services has become a very prominent feature of the City's digital connectivity landscape, with external coverage across most of the city centre, within its key open spaces and some of its urban shopping areas, and also on its park and ride and regional bus services that was then extended by First across its York fleet.
7. And with internal access being available from most of the Councils buildings including but not restricted to; our Community Hubs,

Children Centres, Explore Centres and Libraries, Residential Care homes, Mansion House, Park and Ride Terminuses, West offices, Hazel Court, Registry Office and Crematorium.

8. As there is within other cities and towns, there is also access to range of none City of York Council external and internal Wi-Fi services across the city including within some of our schools.
9. The council provides a filtered broadband/internet access to all its schools and telephony services to around 50 schools that also makes use of the schools broadband link back to West Offices.
10. The other elements of ICT services within schools are provided by from within the school and or through other service providers and this includes Wi-Fi for some of the schools who looked to have this service.
11. We will explore the possibilities, options and implications as this could require investment in the local network infrastructure within the schools as part of being able to offer Wi-Fi services within those schools that don't currently have it as part of our going work with them.
12. Access to free Wi-Fi is now part of our everyday lives as we have seen digital connectivity become referred to and known as the 4th utility, and having access to the many different network layers that are required to manage the existing and future demands is a vital ingredient for any city, town or place.
13. City of York Council has a proven and successful profile within and beyond the UK in terms of its ability to secure continuing levels of interest and private and public sector investment that have combined to significantly change York's digital connectivity landscape, and provide a key enabling platform for the city.
14. The council's ICT Digital Team continues to engage with both residents and businesses to promote the multiple regional and national voucher schemes that City of York Council are part of and which provides access to external funding.
15. This is enabling us to secure a range of digital services and packages for York's Small and Medium-sized Enterprises (SMEs)

and residents including improving broadband speeds, and we have secured in excess of £300K to date through these schemes.

16. In terms of supporting our rural communities, progress has been made through the Superfast West Yorkshire and York programme and its deployment of superfast broadband to some of our rural villages.
17. Since last August, a further 5x Openreach cabinets have been upgraded resulting in another 200 further premises being able to benefit from having access to superfast broadband, and there are further upgrades planned for 2019/20.
18. York is leading the way in terms of its current high levels of premises that have access to ultrafast broadband that continues to be expanded and is funded by significant private sector investment into the city, and that coupled with its coverage of access to free Wi-Fi, contributed to York being named the “Best connected City within the UK” earlier this year.
19. However, City of York Council needs to continue to build on this, and ensure that we provide digital services in all key areas of the city, and areas where there is significant footfall, dwell time and where educational benefits may be obtained.
20. York’s Wi-Fi service is already being used to provide a number of other services including supporting York’s traffic management team, providing safe and secure direct access into higher education and other public sector organisations in addition to providing general access to the internet, and we will continue to explore other opportunities that it can and will be used for including within some of our schools.
21. It is therefore, and as part of Digital City Programme, important that that we consider extending our free Wi-Fi service as we look to further future proof York’s digital connectivity landscape.
22. Its important to note and as mentioned earlier every city, town or place requires a number of different network layers, and York is no different, and we have recently added to the cities digital connectivity layers through the Department for Transport (DfT) funded transport programme by establishing a new wireless layer

that will support some of our Digital Services programme, that is complimentary to the fibre and Wi-Fi networks.

23. We are also exploring the opportunities of bringing 5G and Small cell services to York given the blend of our compact size and density, the current and expanding fibre & Wi-Fi networks and our open for business approach in terms of facilitating further investment into the city that may require the use of or managed access to our city and or our street & building assets.
24. We have already seen the benefit of our layered approach, as we have moved services from one layer to another or add additional services to a layer as this allows the evolving and growing demand to be managed effectively.
25. It is essential that York retains and adds to these layers as our changing needs and emerging opportunities will rely on them being in place as we look to harness the potential of being a well connected city.

Community Stadium Complex & costs for wider Wi-Fi expansion

26. The Stadium complex is currently under construction and is scheduled to be open summer 2019 and there is an existing requirement on the GLL consortium to deliver public Wi-Fi but only within limited areas of the complex as part of the contracted works schedule.
27. There is the opportunity to make sure that we future proof the new Community Stadium complex by extending the fibre network that will used to provide access to free Wi-Fi and others services as part of our wider and continual evolving Digital City Programme.
28. The costs for City of York Council to create the network and extend its free Wi-Fi coverage across the new Community Stadium complex would be £250,000.
29. In respect of Coppergate and Cliffords Tower both these areas receive very high levels of footfall each year, which has increased since the reopening of the Viking Centre attraction and the substantial growth in its visitor numbers.
30. The costs to extend access to the existing city centre and open space free Wi-Fi it into Coppergate and Cliffords Tower would be

£58,000, and this would provide a platform for other services to be enhanced or extended into these areas.

31. The existing ICT Capital programme makes provision for significant investment in the Council's Digital Services Programme and due to some delays/deferrals in respect of other schemes, existing capital funding for this proposal is available.

Options

32. The principal options relate to simply either making the investment as set out, or not making the investment. If the investment is not made for the Community Stadium now, whilst it could be considered at a future date, as set out in the risks section the costs are likely to be significantly higher.
33. Not investing in both schemes will provide a poorer visitor experience and it would not be reflective or in line with the ambition within our Digital City Services Programme.

Implications:

Financial – Covered within the report.

Human Resources (HR) – None.

Equalities, Crime and Disorder and ICT – Covered within the report.

Legal – None.

Property – None.

Other – None.

Risk Management – Stadium costs

34. The available window to instruct any additional ducting and containment works with the main building contractor is very tight in terms of the council raising a formal contract change ahead of the wiring work starting within the main East Stand of the stadium.

35. This does not prevent the enhanced works happening at a later date and alongside the final construction phases, however and as previously identified, it is highly likely the containment costs will increase due to the additional costs for having to go back and re-wire areas they have already completed.
36. These works could be undertaken at any point in the future, once the stadium is complete, but it is important to note though, that in this scenario, there would be very significant costs to re-open closed works and repair any damage and disruption caused. There would also be greater cost in contracting a party to just deliver this work, without the cost savings of including the work in the current construction package with our main building contractors.

Contact Details

Author:

Roy Grant
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for York and Harrogate
01904 551966

Chief Officer Responsible for the report:

Ian Floyd
Deputy Chief Executive & Corporate Director
of Customer & Corporate Services

Report **Date** 03.01.19
Approved

Wards Affected: All

For further information please contact the author of the report

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Decision Session – Executive Leader (incorporating Finance and Performance) 14 January 2019

Report of the Deputy Chief Executive & Corporate Director of Customer & Corporate Services

YPO Procurement Holdings Ltd Shareholder Agreement

Summary

1. This report seeks approval to proposed changes to the Shareholder Agreement with YPO Procurement Holdings Ltd, specifically to reduce the number of decisions reserved for unanimous agreement and add a new schedule of items reserved for agreement by requisite majority.

Recommendations

2. The Executive Leader is asked to approve the proposed amendments to the Shareholders Agreement as set out in Annex A.

Reason: To allow the company to be able to respond quickly to market conditions.

Background and analysis

3. YPO (formerly known as the Yorkshire Purchasing Organisation) was established as a joint committee of Local Authorities in 1974 and the Council is one of 13 founder member authorities.
4. YPO Procurement Holdings Ltd was incorporated in 2014 as a subsidiary of YPO and was formed so that YPO would be able to transact with the private sector for the first time and to open up new markets, but also to enable it to act in a more commercial fashion, with a governance structure more aligned to a commercial business than a local authority.
5. The Shareholder Agreement currently in place was proposed by legal advisors as part of setting up the company and the governance arrangements. It includes a schedule of decisions reserved for unanimous agreement of the shareholders.
6. The first time a decision was required which fell under the Reserved Items schedule took place in August 2018. Feedback from some members following this decision making process has initiated a review of the Reserved Items

schedule to establish whether it is still fit for purpose, having now gained practical experience of the type of commercial challenges and opportunities facing the business.

7. The review has revealed that a number of items which, at face value, offer tighter governance protections, may potentially restrict a majority of members who hold either governance concerns, or who support a commercial initiative from being able to properly exercise their will through majority voting.
8. All decisions in the YPO Joint Committee require a 2/3 majority for approval. The requisite majority in YPO Procurement Holdings Ltd for all decisions not reserved for unanimous agreement is also 2/3.

Consultation

9. This proposal has been agreed by all member authorities at the YPO Procurement Holdings board meeting.

Options

10. The review has generated a number of proposed changes and these are listed at annex A, along with the rationale for their amendment.
11. It is proposed that removal of any decision from Schedule 1 – Items Reserved for Unanimous Agreement of the Shareholders, automatically reverts such decision to a new Schedule 2 – Items Reserved for Agreement by Requisite Majority of the Shareholders. The Requisite Majority is defined as 2/3 of shareholders. All other decisions not listed on either schedule require a simple 2/3 majority of Directors present at a meeting (assuming quoracy is achieved).
12. Approval of these changes would require unanimous agreement of the shareholders, in line with the existing agreement and this decision should be implemented through a Deed of Variation.

Risk Management

13. There are risks associated with both approval and non-approval of the recommendation. Approval poses the risk that individual shareholders may find themselves outvoted on decisions where previously the requirement for unanimity would have prevented this. Non-approval poses the risk that a majority of shareholders are unable to implement their wishes, or express their governance concerns due to dissent from a single shareholder. This is a judgement which shareholders are required to make in deciding whether to approve the recommendation

Implications

14. **Financial** - There are no specific financial implications resulting from the recommendation. However, future financial investment decisions may be taken in a different manner if the recommendations are approved.
15. **Legal** - Approval of the recommendation requires unanimous agreement of all shareholders and must be implemented through a Deed of Variation.
16. There are no HR, One Planet, crime and disorder, information technology, property or other implications.

Contact Details

Author:

Debbie Mitchell
Corporate Finance &
Procurement Manager
Tel: 01904 554161

Chief Officer responsible for the report:

Ian Floyd
Deputy Chief Executive & Corporate
Director of Customer & Corporate
Services

Report
Approved



Date 03/01/19

Wards Affected: *All*

For further information please contact the author of the report

Annexes

Annex A – Shareholders Agreement – Proposed Changes

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SCHEDULE 1 - UNANIMOUS CONSENT OF THE SHAREHOLDERS

- 1 Changing the Company's name or any Group Company's name.
- 2 Making any variation to the Articles of Association of the Company or any Group Company which would affect the economic rights of the Shareholders.
- 3 Any amalgamation, reconstruction or merger of the Company or any Group Company with any other company, business or undertaking ***[or the acquisition of any shares in any company or any business or undertaking of any person, the establishment of any Subsidiaries or the participation by the Company or any Group Company in any legal partnership or joint venture (whether incorporated or not) or entry into any scheme of arrangement.]***
 - **Propose:** Move highlighted wording to a new clause in Schedule 2
 - **Rationale:** Any commercial proposal such as that described which has support of a 2/3 majority should be permitted to proceed.
- 4 ***[Making any petition or resolution to wind-up the Company or any Group Company or any application for administration or giving any notice of intention to an administrator unless in any case the Company or the Group Company is at the relevant time insolvent and the Directors reasonably consider (taking into account their fiduciary duties) that the Company or the Group Company ought to be wound-up.]***
 - **Propose:** Move entire clause to Schedule 2
 - **Rationale:** If 2/3 of shareholders hold concerns serious enough to require this action, then it should be permitted to proceed
- 5 Appointing and/or varying the terms of appointment of directors of the Company or any Group Company (excluding the appointment of directors appointed by any party under the terms of this Agreement or the Articles).
- 6 Making any payment to directors of the Company or any Group Company other than properly incurred expenses in the ordinary course of business.
- 7 ***[Undertaking any business other than the Business or ceasing any aspect of the Business.]***
 - **Propose:** Move entire clause to Schedule 2
 - **Rationale:** If a commercial opportunity for diversification arises and is supported by 2/3 of the shareholders, then it should be permitted to proceed.

- 8 Increasing or decreasing or cancelling the authorised or issued share capital of the Company or any Group Company or agreeing to allot any of the share capital of the Company or any Group Company or otherwise reorganise, consolidate, sub-divide or convert any of the shares of the Company or any Group Company, or vary any rights attaching to any shares.
- 9 ***[Materially amending or terminating the Management Services Agreement.]***
- **Propose: Move entire clause to Schedule 2**
 - **Rationale: This would be necessary to reflect any change in business activity resulting from changes to the business plan or investments.**
- 10 ***[Appointing an Independent Director.]***
- **Propose: Move entire clause to Schedule 2**
 - **Rationale: If 2/3 of shareholders feel that this is necessary to strengthen governance, then it should be allowed to proceed.**
- 11 ***[Raising finance or incurring any indebtedness in the nature of borrowing, the aggregate of which is in excess of the borrowing limit set out in the then current Business Plan (other than trade credit in the normal course of business).]***
- **Propose: Move entire clause to Schedule 2**
 - **Rationale: May be required to support commercial activities agreed through 2/3 majority.**
- 12 Giving any guarantee or indemnity or security in respect of the obligations of any person, firm or company (not being a Group Company), or permit any such guarantee, indemnity or security to subsist or vary any such guarantee or indemnity or security or provide any credit (other than any such guarantee, indemnity or security which is implied by law or normal trade credit on commercially reasonable terms in the ordinary course of the Company's (or relevant Group Company's business)).
- 13 Creating or causing or permitting to be created or to exist any mortgage, charge, lien (other than liens arising in the ordinary course of business) or other encumbrance whatsoever over the whole or any part of the Company or any Group Company or any of its undertaking, property or assets.

- 14 ***[Other than to another Group Company, making any loan or advance in excess of the limit set out in the then current Business Plan (excluding trade credit in the normal course of business).]***
- **Propose: Move entire clause to Schedule 2**
 - **Rationale: May be required to support commercial activity agreed through 2/3 majority as above.**
- 15 Selling, transferring, assigning, pledging, charging or otherwise disposing of any share or any interest in any share in the Company or any Group Company (otherwise that in accordance with clauses 15 and 17 of this Agreement).
- 16 ***[Allowing the Company or any Group Company to enter into any contract or arrangement which is outside the ordinary course of business unless provided for in the then current Business Plan.]***
- **Propose: Move entire clause to Schedule 2**
 - **Rationale: May be required to support commercial opportunities which arise within the business plan period.**
- 17 ***[Other than with Group Companies or with the YPO Joint Committee, allowing the Company to enter into any contract or arrangement otherwise than on arm's length terms.]***
- **Propose: Move entire clause to Schedule 2**
 - **Rationale: May be required to support commercial opportunities which arise within the business plan period.**
- 18 Changing the accounting reference date of the Company or any Group Company.
- 19 ***[Any application by the Company or any Group Company to the Secretary of State to appoint one or more inspectors to investigate its affairs.]***
- **Propose: Move entire clause to Schedule 2**
 - **Rationale: If 2/3 of shareholders hold concerns serious enough to require this action, then it should be permitted to proceed**
- 20 Selling, transferring, leasing, licensing or in any way disposing of the whole or a substantial part of the Company's business, undertaking or assets or the whole or a substantial part of any Group Company's business, undertaking or assets whether by a single transaction or a series transactions.
- 21 Parting with control of any company which is a Group Company.

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