

Meeting	Shareholder Committee
Date	4 March 2021
Present	Councillors Widdowson (Chair) and D'Agorne

9. Declarations of Interest

Members were asked 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 that they might have in respect of the business on the agenda.

Cllr D'Agorne raised a personal non prejudicial interest in Agenda Item 8, Make It York – Managing Directors Report, in that his partner, Cllr Craghill, was a Director of Make It York.

10. Minutes

Resolved: That the minutes of the last meeting held on 5 November 2020 be approved and then be signed by the Chair, as a correct record, at a later date.

11. Exclusion of Press and Public

Members considered the exclusion of the press and public from the meeting for discussion and decision for the exempt annexes to agenda Items: 5,6,7,8 and 9 on the grounds that each contained information relating to the financial or business affairs of any particular person (including the authority holding that information).

Resolved: That as much of each item set out below be discussed in the public session and that the press and public be excluded from the meeting during consideration of:

(i) Agenda item 5, Veritau Limited Business Update:

- Appendix A: 2019-20 Veritau Group Annual Report

- (ii) Agenda item 6, City of York Trading Ltd Update
 - Annex 1: Business Plan Update 2021–22 (including Performance Update for 2020/21).
 - Annex 2: Budget 2021-22.
- (iii) Agenda Item 7, Yorwaste Trading Update
 - Yorwaste CYC Shareholder Review
- (iv) Agenda Item 8, Make It York (MIY) - Managing Director's Report
 - Appendix A: Current and forecast position for the business between now and March 2025.
- (v) Agenda Item 9, YPO and YPO Procurement Holdings Ltd Finance Update
 - Annex A: YPO 2020 Performance Review
 - Annex B: YPO Procurement Holdings Ltd Business & Trading Report March 2021

On the grounds that these reports and annexes contain information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under Paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to information) (Variation) Order 2006.

12. Public Participation

It was reported that there had been one registration to speak under the Council's Public Participation Scheme.

Ms Swinburn raised concerns relating to the content of the agenda, the lack of information provided in the public domain and that most of the reports provided were in non-standard format. She expressed her preference for a more standard approach with peer checked and chief officer signed off reports that should be presented by staff who were not conflicting Directors.

She raised further concerns regarding the democratic oversight aspects of how Teckal business was reported through to this Committee and the transparency of this reporting, the shortcomings regarding Freedom of Information, the transparency code and Teckal protocols and she suggested that the governance and transparency of the companies required oversight by Audit and Governance.

The Chair thanked the speaker for her comments and confirmed that she would address some of her specific concerns in writing.

13. Veritau Limited Business Update

Members considered a business update for Veritau Limited. This had included a finance and performance update for 2020/21 to date and the 2021/22 business plan

The Chief Executive and Deputy Chief Executive of Veritau were in attendance to provide an update and answer any questions.

The Chief Executive explained how the business had adapted in response to Covid-19, noting that all staff were working from home, which had necessitated an investment in additional laptops and other equipment. Despite the challenges caused by the pandemic, Veritau had continued to attract new clients, with a number of academy schools and trusts signing up for services.

Members noted the company's service developments and achievements, as highlighted in the report and that overall Veritau expected to meet its financial target for 2020/21.

The Chief Executive confirmed that there had been a change to the composition of the Board and that the City of York Council's Chief Finance Officer had replaced the Chief Operating Officer as a Director of Veritau Limited in November 2020.

During the discussion of the business plan, the Chief Executive gave a brief summary of their priorities over 2020/21. He confirmed that profit looked to increase slightly and that they

would be developing the quality and scope of their current service offerings.

In answer to Members questions regarding devolution, the Chief Executive acknowledged that this was a concern but that the services they offered would be important in implementing any changes.

The Chair thanked the Chief Executive for his report.

Resolved: That the company's performance in 2020/21 and the 2021/22 business plan be noted.

Reason: To confirm that the Committee were content with Veritau Limited's performance in 2020/21 and its business plan for 2021/24, in the committee's capacity to monitor performance and financial delivery on behalf of Executive.

14. City of York Trading Ltd Update

Committee Members considered a report that outlined the City of York Trading (CYT) Ltd's updated business plan for 2021/2022, including performance summary information for 2020/21 and the Company's Annual Budget for 2020/21.

The Managing Director of City of York Trading Ltd was in attendance to present the report and answer questions.

She provided a general overview and highlighted CYT's performance during the pandemic and the affects Covid-19 had on the business and its financial position. She confirmed that

- WorkwithSchools enquiries had started to increase.
- WorkwithYorkshire had a challenging start but they had continued to engage with local and regional businesses.
- WorkwithYork had provided staff to work within lateral flow testing sites at York St John University, The University of York and York Community Stadium and six Covid Marshalls were recruited to support the council's Public Protection and Public Health teams in engaging with residents, visitors and businesses.
- Marketing activities continued, including utilisation of the Company's websites and social media channels.

The Chair thanked the Managing Director for her report and for the support CYT had provided throughout the pandemic.

Resolved: That the Annual Business Plan 2021/22, (including the performance update for 2020/21 and the Company's Annual Budget for 2021/22) be approved.

Reason: To confirm that the Committee were content with the Annual Business Plan 2021/22 for City of York Trading Limited.

15. Yorwaste Trading Update

Members considered a report that provided them with a Yorwaste trading update.

The Managing Director of Yorwaste was in attendance to provide an update and answer any questions. He explained how Yorwaste did comply with Teckal protocols and were independently verified on an annual basis. He highlighted how local authorities could dictate their day to day operations and that their governance arrangements had been recently reviewed, with recommendations already being implemented.

He provided an overview of their performance for the current fiscal year to 31 March 2021, stating that:

- Yorwaste had performed well in the current year.
- The Company had delivered a solid health & safety performance and had achieved the ROSPA Gold award due to significantly reducing its lost time injuries.
- The Company had almost completed the installation of fire deluge systems across all waste transfer stations.
- The investment in the liquid treatment plant at Harewood had delivered a significant reduction in leachate head levels, which combined with drainage upgrades had allowed Harewood MRF and Compost pads to continue to operate.
- The target was to achieve an ISO 50001 Energy Management certification in 2021.
- Solar panels had been installed at their head office and they were looking to install solar panel systems across their landfill sites and suitable transfer stations.
- During the pandemic the company had off-hired vehicles, utilised furlough for commercial employees only, made further reductions in management positions, reduced non

effective cover by ensuring staff continued to take holiday during lockdown, postponed non-essential maintenance, accelerated other cost saving plans and ensured Covid safe working practices across all sites and in vehicles.

- The Company had provided operation support to the council during the crisis and had also offered support to its commercial customer base by offering penalty free contract suspension during lockdowns.
- The Company was originally budgeted a return to a modest profit and was now forecasting to substantially exceed that target but that next year's budget profit levels were not expected to continue at the same level. The company would deliver sufficient savings to fund next year's aftercare costs without the need for additional revenue funding from the shareholders.

The Chair thanked the Managing Director for his report and for all their support throughout the pandemic. She congratulated him on achieving a ROSPA Gold award.

Members noted that SJB Recycling ceased operations in March 2020 and since then the assets of the Company had been sold leaving a cash balance of around £1.3m, which was to be paid as a dividend to the shareholders pro-rata to their shareholdings.

Resolved:

- (i) That the report and annexes be noted.
- (ii) That the winding up of SJB Recycling and the distribution of the final reserves be paid as a dividend to the shareholders pro-rata to their shareholdings, be agreed.

Reason: To confirm that the Committee were content with Yorwaste's performance for 2020/21 to date and that the winding up of SJB Recycling was approved in accordance with the constitution.

16. Make It York (MIY) - Managing Director's Report

The Committee received a report which outlined the work of Make It York (MIY) since the last Shareholder Committee

meeting and provided an analysis of MIY's current financial position, together with a range of forecasts for future years.

The Managing Director was in attendance to present his report and answer any questions. He provided an overview of MIY's activity over the last year stating that the operating environment had remained extremely difficult, which had led to a request from MIY's Board to City of York Council for an investment package. This was approved in December 2020 and was linked to a new Service Level Agreement.

He highlighted their day to day operation noting that with exception of staff responsible for the Visitor Information Centre and the Shambles Market, which had remained open, all other staff had been working from home for the last 12 months. The Managing Director also highlighted MIY's activities noting that the 2020-2025 Culture Strategy, York's Creative Future, was virtually launched on 3 December 2020 and an Event Strategy was being drafted in line with the Cultural Strategy's priorities.

The Managing Director answered Members questions regarding Business week, EU exits, York Tech Accelerator and inward investment, where he confirmed that Business Week was a city wide venture that had been supported by the council, as had York Tech Accelerator and he stated that MIY would continue to promote York as a place to do business.

The Managing Director outlined their post Covid recovery and confirmed they were liaising with various partners to support the sector.

Resolved: That the report and annexes be noted and that an extraordinary Shareholder Committee meeting be arranged to enable the Committee to consider Make It York's financial position.

Reason: To ensure Make It York's commercial viability.

17. YPO and YPO Procurement Holdings Ltd Finance Update

Members considered a report that provided them with an overview of YPO's and YPO Procurement Holdings Ltd financial performance for the year ended 31 December 2020.

The Manager Director of YPO was in attendance to provide an update and answer any questions.

He highlighted the background to both companies noting that YPO was established as a joint committee of local authorities and that York Council was one of the 13 founder member authorities and that YPO Procurement Holdings Ltd, had the same shareholders but was a separate organisation that had no employees and was used as a trading mechanism to trade with private bodies which fell outside of the local government goods and services act.

He explained how the trading activity had been significantly impacted by the pandemic, particularly with the closing of schools and he discussed the company's financial implications for the financial year 1 January to 31 December 2020.

He noted their recovery plan and that they were investing heavily in digitalisation programs.

The Chair thanked the Managing Director for his update.

Resolved: That the reports from YPO and YPO Procurement Holdings Ltd, attached as Annexes A and B to the report, be noted.

Reason: To ensure the Council was updated on the financial performance of both YPO and YPO Procurement Holdings Ltd.

18. Shareholder Committee Work Plan to March 2022

Members considered the Committee's draft work plan and the Director of Governance & Monitoring Officer confirmed that she was now the lead officer for Veritau.

The Director confirmed that along with the Chief Finance Officer, Senior Solicitor (Contracts and Commercial) and Legal Manager (Projects & Governance) they would work with Committee Members to improve the governance arrangements around this Committee and generate a more robust work plan, that would enable the companies to report at the most appropriate time.

Resolved: That the work plan arrangements be noted

Reason: To ensure the Committee receives regular reports in accordance with the functions of an effective Shareholder Committee.

Cllr Widdowson, Chair

[The meeting started at 4.30pm and finished at 6.52pm].