
Meeting	Shareholder Committee
Date	28 March 2022
Present	Councillors Widdowson (Chair) and D'Agorne
In Attendance	Councillor Kilbane

23. 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. None were declared.

24. Minutes

Resolved: That the minutes of the last meeting held on 22 November 2021 be approved and signed by the Chair as a correct record.

25. Exclusion of Press and Public

Resolved: That the press and public be excluded from the meeting during any discussion arising on the following documents, on the grounds that they contain information relating to the financial or business affairs of particular persons (including the authority holding that information), which was 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:

- (i) Agenda Item 5, Veritau Limited Business Update
 - Appendix 1 – Veritau group profit and loss account 2021-22 (quarter 3)
 - Appendix 2 – Veritau Limited balance sheet at 31/12/21
 - Appendix 3 – Variances against budget (quarter 3)

- Appendix 4 Veritau business plan 2022-23
 - Appendix 5 – Veritau Group budget 2022-23
- (ii) Agenda Item 6, Yorwaste Ltd Finance Update
- Annex 2 - Yorwaste Headline Performance Review
- (iii) Agenda Item 8, City of York Trading Ltd Update
- Annex B – CYT Performance Update March 2022
 - Annex C – CV of proposed Independent Non-Executive Director
- (iv) Agenda Item 9, Make It York Update
- Annex H - MIY Forecast Cash flow
 - Annex I - MIY Summary Profit and Loss

26. Public Participation

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

27. Veritau Limited Business Update

Members considered a report that provided an update on Veritau Group's finance and performance to date.

The Chief Executive of Veritau provided an overview and confirmed that the Group:

- Were on track to exceed its target profit for 2021/22.
- Had continued to gain contracts and expand the business.
- Had introduced new hybrid working arrangements for staff and continued to invest in new management systems.
- Were expecting 2022/23 to be more financially challenging, due to rising inflations in overheads and pay cost pressures but there was sufficient reserves to cover this eventuality.
- The local government reorganisation (LGR) in North Yorkshire would be a significant challenge for a number of

member councils and would remain a service priority for the Group.

In answer to questions raised regarding the impact of the LGR and cost inflations, the Chief Executive confirmed that the Group did not anticipate the LGR to be a significant risk to the business over the next few years, but following the transitional period, it was inevitable that there may be some reductions in services. Staff recruitment and retention continued to be an issue and pay increases were not possible. However, a number of trainee internal auditors had been recruited through the Group's own graduate trainee programme.

Members thanked the Chief Executive for his report and commended the Group's current financial position.

Resolved: That the Group's performance to date in 2021/22 be noted.

Reason: To ensure the Council was updated on the performance of Veritau Ltd.

28. Yorwaste Ltd Finance Update

Members considered a report that provided a Yorwaste trading update for the 2021/22 financial year, as well as the Business Plan for 2022/23.

The Managing Director of Yorwaste highlighted how they delivered shareholder value and in answer to questions raised regarding health and safety, carbon emissions and the strategic priorities for the 2022/23 Business Plan, the Managing Director confirmed that:

- The Company had achieved the Royal Society (RoSPA) for the Prevention of Accidents Gold award and all senior managers had passed the NEBOSH Health and Safety Leadership Excellence course. Frontline supervisors and managers had also received additional training and operational managers had received one to one on the job coaching by external health and safety consultants.
- The Company were examining solutions to further increase energy efficiencies in its buildings and where practical, to transition its fleet of smaller vehicles from diesel to electric. HGV's could possibly use hydrogen but the network availability to refuel was limited.

- The report on options for Green Energy Parks at one, or both of the closed Harewood and Seamer landfill sites was almost complete and details could be shared at the next Shareholder Committee.
- A business case for upgrading Harewood Whin to meet shareholder's needs, under the new Resource and Waste Strategy recycle collection policy, would be developed and depending on the market, it could be possible to recycle more from this site.

The Chair thanked the Managing Director for his report and commended Yorwaste for their ongoing achievements and profits made over the last year.

Resolved: That the report be noted.

Reason: To ensure the Council was updated on the financial performance of Yorwaste.

29. YPO Ltd Finance Update

Members considered a report that outlined YPO's and YPO Procurement Holdings Ltd latest financial performance.

The Managing Director of YPO provided an update and confirmed that:

- The published accounts and Annual Report for 2020 showed the impact of the Covid pandemic, which closed schools for a significant period of the year and included the losses incurred on the procurement of personal protective equipment (PPE) on behalf of the public sector.
- 2021 was targeted as a year of recovery, returning to more normal trading levels and despite the continued closure of schools in the first quarter of 2020, the recovery ambition was achieved with an indicative profit of £3.7m.
- The budget for 2022 had been established based on 2019 trading levels and the company were on track to achieve the targets.
- Pension liability had increased significantly and the costs could be managed in a number of ways. The Company did not anticipate the inflations to be a significant risk to the business.
- YPO's Health and Safety Committee was jointly chaired by the Managing Director and the Unison Branch

Secretary. The Committee was responsible for agreeing and monitoring the Health and Safety Policy and for reviewing all incidents, to establish continued improvements.

- The role of the Health and Safety Manager was currently being strengthened through an internal restructure.
- YPO was a collaborative procurement organisation and all local government framework contracts and products were priced under public contract regulations.
- Small and medium-sized enterprises (SMEs) were given the chance to participate in public sector contracts and a number of collaborative events had taken place to promote participation and to provide advice and guidance.
- YPO was actively supporting its members in meeting their obligations under the Social Value Act.
- YPO had an active apprenticeship programme which started in 2011 and had recruited 80 apprentices.

In answer to questions raised regarding utilities contracts and the procurement policies, it was noted that:

- There was no exposure to Gazprom or Russian owned assets.
- All of YPO procurement was governed by an Energy Industry Steering Group, which had representation from around 70 local authorities. The Steering Group determined the Ethical Procurement Policy and the risk profile.
- Bolton Council and Manchester City Council had registered with YPO, which would increase the overall procurement spend and would reinforce and support the levelling up agenda in the north of England.

The Chair thanked the Managing Director for his report and welcomed an update on the Ethical Procurement Policy at the next meeting.

Resolved: That the update be noted.

Reason: To ensure the Council was updated on the financial performance of YPO

30. City of York Trading Ltd Update

Members considered a report that highlighted City of York Trading's (CYT) performance update and the appointment of a new Independent Non-Executive Director.

The Managing Director of CYT Ltd confirmed that:

- The Company's financial performance for 2021/22 year to date was positive with both turnover and profit above budget.
- The Company had provided a large volume of temporary staff to City of York Council (CYC) to support York's Covid response and due to the change in restrictions, CYT would work on retaining the staff affected.
- Owing to other business commitments, a Non-Executive Director had resigned in February 2022. The Company advertised for another Independent Non-Executive Director and the Board conducted interviews with shortlisted candidates in March 2022.
- The Company planned to move to a new building, leased from CYC, in June 2022. The building was currently undergoing repair and refurbishment.
- The Company planned to further expand its staff numbers later in 2022 and subject to capacity, it was anticipated that at least one role would be suitable as an apprenticeship opportunity.

In answer to questions regarding short term roles and the recruitment of staff, the Managing Director confirmed that certain sectors continued to use temporary staff and LinkedIn access had been expanded to recruit and target people for specialist roles. Second tier agencies were also used when recruiting Social Workers.

The Managing Director was thanked for her update.

Resolved:

- (i) That the statutory accounts for City of York Trading Ltd for the financial year 2020/21, be noted.

Reason: To ensure the Council was updated on the financial status of City of York Trading Ltd.

- (ii) That the report from City of York Trading Ltd, be noted.

Reason: To ensure the Council was updated on the performance of City of York Trading Ltd.

- (iii) That the appointment of a new Non-Executive Director, be approved.

Reason: To ensure the Company had a Board of Directors with two Independent Non-Executive Directors in accordance with the Shareholders Agreement.

31. Make It York Update

Members considered a report that provided an update on Make It York's (MIY) performance, the business plan and the Scheme of Delegation.

The Managing Director of MIY provided a presentation on the business plan and she highlighted the processes in place, including the key priorities and values that had been set for the next three years.

During discussion, it was noted that Make It York:

- Was valued by key partners.
- Would be more transparent and clear.
- Would increase partnership working.
- Would continue to provide a visitor information centre in York.
- Would focus on activities for York residents in the business plan.
- Had a tender process in place for all events and activities.

The Chair welcomed the progress made and in answer to questions raised regarding key performance indicators (KPI's), Markets, sustainability and vacant shop premises, the Managing Director confirmed that:

- Tenders could be submitted on MIY's website and the Scheme of Delegation summary could be emailed to Committee Members.
- A researcher had been appointed to monitor the KPI's and they would be measured through evaluation of events and feedback from consumers and members.

- A Market Strategy would be produced to help define further scope and responsibilities of all Markets that fall within MIY's remit.
- A Sustainable Policy was under consideration which would set out actions that could be taken to protect the environment through carbon reduction in activities MIY managed.
- Sustainability would also be measured through the tender process and terms and conditions for participation in the Christmas Market would include the banning of single-use plastics.
- A Tourism Strategy was under consideration which would work support the hospitality sector to develop a more ecological friendly city, including encouraging a more sustainable way to travel to York
- A York Create Fund was being considered to generate funding for local artists to produce and present their work.
- MIY were aiming to achieve the Good Business Charter. Once attained, they would encourage other businesses to sign up and could mandate this in their tendering process.
- There was a range of measures in place to encourage people to take up vacant retail premises.
- Street cleaning was not within MIY's remit but they would support actions taken to improve the public realm.

The Committee supported the banning of single use plastics at the Christmas Market and commented that they would welcome this approach across more events. They agreed a shared partnership vision and ambition for the Shambles Market was required and the Managing Director was commended on what she had achieved so far.

Resolved:

- (i) That MIY's performance to date in 2021/22, be noted.
- (ii) That MIY's business plan for 2022/23, be approved.
- (iii) That MIY's Scheme of Delegation, be approved.

Reason: To ensure sound governance of the company.

32. Work Plan

Members considered the Committee's work plan for 2021/22 and 2022/23.

Resolved: That the work plans be noted.

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

Cllr Widdowson, Chair

[The meeting started at 4.30pm and finished at 5.45pm].