

Notice of a public meeting of

City of York Trading Shareholder Group

- To:** Councillors Boyce, Cuthbertson (Chair) and Gates
- Date:** Wednesday, 13 January 2016
- Time:** 4.30 pm
- Venue:** The Thornton Room - Ground Floor, West Offices (G039)

AGENDA

1. **Declarations of Interest**

At this point, Members are 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. **Exclusion of Press and Public**

To consider excluding the public and press from the meeting during consideration of annexes to agenda item 6 (City of York Trading Ltd Board Report) on the grounds that it is classed as exempt under Paragraph 3 (Information relating to the financial or business affairs of any particular person, including the authority holding that information).

3. **Minutes**

(Pages 1 - 6)

To approve and sign the minutes of the meeting held on 30 September 2015.

4. Public Participation

At this point in the meeting members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Group's remit can do so. Anyone who wishes to register or requires further information is requested to contact Sarah Bentley on the contact details listed at the foot of this agenda. The deadline for registering is **Tuesday 12 January 2016 at 5.00pm.**

Filming, Recording or Webcasting Meetings

Please note this meeting may be filmed and webcast or audio recorded and that includes any registered public speakers, who have given their permission. The broadcast can be viewed at <http://www.york.gov.uk/webcasts> or, if sound 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 Sarah Bentley (whose 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/6453/protocol_for_webcasting_filming_and_recording_council_meetingspdf

5. City of York Trading Ltd Performance Update (Pages 7 - 10)

General update from management on City of York Trading Ltd's progress and strategic direction since the Group's last meeting on 30 September 2015.

6. City of York Trading Ltd Board Report (Pages 11 - 38)

Update and consideration of matters reported to the Board of City of York Trading Ltd at its last meeting held on 17 December 2015 (including performance, competitive position update, review of new sectors for development) and decision as to any consequent recommendations.

7. Urgent Business

Any other business which the Chair considers urgent.

Name: Sarah Bentley

Contact Details:

- Telephone: 01904 552909
- Email: sarah.bentley@york.gov.uk

For more information about any of the following please contact Sarah Bentley:

- 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	City of York Trading Shareholder Group
Date	30 September 2015
Present	Councillors Boyce, Cuthbertson and Gates
In attendance	Councillor Rawlings, Ian Floyd, Karen Bull, Carolyn Clarke
Apologies	Andy Docherty, Pauline Stuchfield

1. Declarations of Interest

At this point in the meeting Members were asked to declare any personal, prejudicial or disclosable pecuniary interests that they might have had in the business on the agenda.

No interests were declared.

2. Election of Chair

Cllr Cuthbertson was nominated by Cllr Gates and there were no other nominations.

Resolved: That Cllr Cuthbertson be elected Chair of the Group.

3. Minutes

Ian Floyd reported on the appointment of external Directors. From an early stage, it had been intended to recruit two external Directors but only one of the two candidates first put forward had been able to take up the appointment. Hence it was agreed at the last meeting that this first candidate for external Director be appointed. A candidate for the second external Director position had not yet been identified.

Resolved: That the minutes of the last meeting of the CYT Shareholder Group held on 11 January 2015 be signed and approved as a correct record.

4. Public Participation

As the meeting had not been arranged as a public meeting, there had been no registrations to speak under the Council's Public Participation Scheme.

5. Resignation of Directors

Ian Floyd advised that Andy Docherty and Pauline Stuchfield had both resigned from the Board of CYT Ltd and would not therefore be attending this meeting.

6. City of York Trading Ltd - Background and Update

Ian Floyd and Karen Bull gave a presentation describing the background to CYT from its formation in 2011 and the progress of its development to date.

Key points were that the company has grown successfully not simply by supplying temporary staff to CoYC, but to schools (within and outside the York area) and to outside organisations. While a proportion of the profit comes from non-CoYC activity, the reductions in cost to CoYC and the return of the profit to the Council achieved through CYT are helping it navigate the difficult waters caused by tight financial constraints. It was stressed that CYT is not a *sole supplier* to CoYC although it retains preferred supplier status.

Throughout the life of CYT, improvements to the administration have continued; a new website was launched over the summer and a new payroll system is due to start running from October.

Carolyn Clarke added some details of developments in CYT's marketing activity. There is an aim to generate more awareness of Work With York and it has been featured in the new website. An online marketing campaign has been running with The Press and better ways of using social media are being planned.

Staff had been provided for several new summer events and venues.

7. Governance of CYT

7.1 CoYC staff member resignations from CYT Board

Members noted the resignations of members of CoYC staff that had already been advised. It was also noted that the arrangements for involving CoYC staff in the Board of CYT had been the subject of comment and personal criticism on social media.

The Chair asked Ian Floyd to pass on to both Pauline Stuchfield and Andy Docherty the gratitude of the Group for the work that they had done in setting up the Company and in developing its operations to its current stage.

Ian Floyd stated that he wished to relinquish the post of Managing Director; however, in view of the need for the role, he was prepared to continue on an unpaid basis with a view to being released from it in the near future.

Resolved: That the Group:

Note the resignations of Pauline Stuchfield and Andy Docherty and thank them for their hard work in setting up the Company and developing its operations to the current stage;

Refer the comments and personal criticism on social media to the Chief Executive for consideration of any further action thought appropriate;

Supports the acceptance, with thanks, of Ian Floyd's offer to continue without remuneration from CYT until a replacement Managing Director is appointed in the near future.

Ian Floyd and Karen Bull left the room.

7.2 CYT Board Structure

Cllr Rawlings commented further on the growing success of the Company since its formation. He observed that, without it, COYC would have been paying more both for temporary staff contracts and permanent staff appointments; profits made by

CYT are also being coming back into public funds. The company has the ability to build on its success to date and to grow further.

He then reported that, with officers, he had led a mini-review of CYT governance over recent weeks. As a result, a number of matters are proposed for the consideration of the Group.

Cllr Rawlings proposed that governance of CYT should be altered to reflect the change in circumstances since its formation and to ensure that there is transparency in the operation of both the Board and the Shareholder Group. From the formation of the new administration in May until this point, he has been the only elected Member on the Board, other members being Ian Floyd (Managing Director), Pauline Stuchfield (Executive Director), Paul Gibson (non-Executive Director), Andy Docherty and Tracey Carter (both CoYC officers acting as non-Executive Directors). The proposed new composition is two elected Members (i.e. cross-party representation), two external non-Executive Directors and one officer non-Executive Director; a full-time Managing Director would also be employed to drive the company forward. The employment of a full-time Managing Director was expected to result in a short-term drop in profitability but should result in long-term gain for the Company. If the proposal is accepted, it should be operational by April 2016 – Ian Floyd has agreed to stay as Managing Director until then and to provide a handover at that point.

The proposals mean that no payment will be made by CYT in future to Board members other than to the full-time Managing Director and any agreed nominal amount paid to external Directors. The two elected Members would be appointed on the basis of proportionality; they would currently comprise one Member each from the Labour and Conservative groups.

The question of whether CYT required an Audit Committee comprising Board members was raised; this matter was deferred for discussion at agenda item 8.

After discussion and debate, members of the Group agreed that the proposals put forward by Cllr Rawlings should be accepted.

Resolved: That the Group support the changes to the CYT Board structure as outlined by Cllr Rawlings.

7.3 Transparency - CYT Board and Shareholder Group

Being a private limited company, there is no requirement for minutes of CYT Board meetings to be published, but it is proposed that they will be made public as a matter of transparency.

There is no proposal to change the composition of the CYT Shareholder Group. As a committee or working group of the Council, it is proposed that CYT Shareholder Group meetings are held in public; COYC's public participation scheme will operate and minutes will also be made public. The Council's rules for reporting and discussion of confidential and exempt business will operate (e.g. reports and/or discussions relating to performance analysis, competitive situation analysis, commercially sensitive information and confidential or contractual information etc).

Members discussed the transparency proposals presented by Cllr Rawlings and agreed that the proposals put forward should be accepted.

Resolved: That the Group support the changes to transparency for both the CYT Board and the CYT Shareholder Group as proposed by Cllr Rawlings.

8. Creation of Audit Committee

The Group discussed the question of the creation of an Audit Committee raised by Cllr Rawlings. Members accepted that, while there is a need for an internal audit function, advice is needed as to whether the function can be provided by this Group or whether a separate Audit Committee is required.

Resolved: That the question of the provision of an internal audit function and any requirement for an Audit Committee be referred to Legal Services before reconsideration by this Group.

9. Changes to current remuneration of Executive Directors

The Group discussed and agreed proposals for the current remuneration of Executive Directors presented by Cllr Rawlings at 7.2 above.

Resolved: That the Group:

Support the cessation forthwith of the current arrangements for payment to CoYC officers who were and remain Directors;

Support acceptance of the offer made by CoYC officers who were and currently remain Directors to forego all payments that had not yet been made;

Recommend to the Executive that any CoYC officers who may in future be appointed as Directors have job descriptions amended to include their CYT responsibilities, have their pay reviewed accordingly under the normal pay review rules, such appointments also to be considered in any management structure review;

Support the setting in hand of arrangements to recruit a Managing Director to commence April 2016.

Reason: To ensure that the conflicts of interest are avoided in both the management of CYT and the remuneration of any CoYC officers employed in future as Directors.

10. Date of Next Meeting

To be agreed.

11. Any Other Business

None.

Councillor I Cuthbertson, Chair

[The meeting started at 5.00 pm and finished at 7.00 pm].



CYT Shareholder Group**13 January 2016**

Report of the Operations Manager, City of York Trading Ltd.

City of York Trading Ltd Performance Update**Summary**

1. This report presents members of the Group with an update on the company's progress since the Group's last meeting.

Background

2. City of York Trading Ltd (CYT) was formed in 2011 with the intention of supplying temporary staff to City of York Council (CoYC), to schools (within and outside the York area) and to other outside organisations.
3. Through CYT, the reductions in cost to CoYC and the return of the profit achieved are helping the Council navigate the difficult waters caused by tight financial constraints.
4. While CYT is not a *sole supplier* to CoYC, it has preferred supplier status; without it, CoYC would have been paying more both for temporary staff contracts and permanent staff appointments.
5. Benefits to CoYC would increase if the company is able to build on its success to date and to grow further.
6. This report implements the reporting approach agreed at the last meeting of the Group.

Company Performance

7. The period August to December followed a similar profile to last year in terms of turnover, with August being relatively quiet owing to holidays and no work in schools, and there being a peak in October (more sickness as well as an increase in other demands).

8. Turnover throughout this period was 6% up on the same months in 2014.
9. Within CYC the company provided staff across all directorates and a wide range of specialisms.
10. School bookings also followed the usual seasonal profile and the company secured bookings from a number of new school clients.
11. The company has taken new bookings from four new external (non-school) clients.
12. Conversations are taking place with a number of other local authorities to explore future ways of working.

Systems

13. The company's new booking and payroll system went live in October.
14. The company implemented weekly pay in November and also started auto-enrolment into our workplace pension scheme in November.
15. Phase 2 of the company's website is now live with new slider pictures on the home screen and a search facility for job vacancies.
16. The company has also added much more client and candidate feedback to the site.
17. Some analysis of visits and visitors to the site are being carried out to optimize its use.

Marketing

18. In September a Macmillan coffee morning was held for candidates and clients and for other businesses and raised £190.
19. Between September to November company staff attended a number of jobs fairs and business events to promote the company brand and recruit new staff.

20. In December events were held at the company's offices for new and existing teachers.

21. The company has refreshed some of its marketing material and has produced new promotional items to distribute to existing and potential customers.

Consultation

22. None.

Options

23. No options for consideration and accompanying recommendations are presented in this report.

Analysis

24. None.

Council Plan

25. The report contents are not directly relevant to the Council Plan.

Implications

26. The report has no direct implications under any of the following standard sub-headings:

- **Financial** (Contact – Director of Resources)
- **Human Resources (HR)** (Contact – Head of HR)
- **Equalities** (Contact – Equalities Officer)
- **Legal** (Contact – Head of Legal and Democratic Services)
- **Crime and Disorder** (Contact - Senior Partnerships Support Officer, Community Planning & Partnerships)
- **Information Technology (IT)** (Contact – Head of IT)
- **Property** (Contact – Property)
- **Other**

Risk Management

27. There are no known risks arising from this report.

Recommendations

28. Members of the Group are asked to consider the contents of the report and, if thought necessary, to make any appropriate recommendations to the Executive and/or to the Board of City of York Trading Ltd

Reason: To ensure that the interests of City of York Council as shareholder are considered and any appropriate representations deemed necessary are made by this Group to decision-makers.

Contact Details

Author:

Karen Bull
Operations Manager
WwY@CYT Ltd
01904 554675

For further information please contact the author of the report

Background Papers:

None

Annexes

None

Abbreviations

CYT- City of York Trading Ltd
CoYC - City of York Council



CYT Shareholder Group

13 January 2016

Report of the Operations Manager, City of York Trading Ltd to the Company's Board.

City of York Trading Ltd Board Report

Summary

1. This report presents members of the Group with details of the report made to the Company's last Board meeting.

Background

2. City of York Trading Ltd (CYT) was formed in 2011 with the intention of supplying temporary staff to City of York Council (CoYC), to schools (within and outside the York area) and to other outside organisations.
3. Through CYT, the reductions in cost to CoYC and the return of the profit achieved are helping the Council navigate the difficult waters caused by tight financial constraints.
4. While CYT is not a *sole supplier* to CoYC, it has preferred supplier status; without it, CoYC would have been paying more both for temporary staff contracts and permanent staff appointments.
5. Benefits to CoYC would increase if the company is able to build on its success to date and to grow further.
6. This report implements the reporting approach agreed at the last meeting of the Group.

Report to the Company's Board

7. The report made to the Board at its last meeting (held 17th December 2015) and accompanying verbal update from the Company's Operations Manager is presented as an exempt item

(Annex 1) of business owing to the commercially confidential nature of its contents in relation to the Company's operating, financial and marketing performance and strategies.

Consultation

8. None.

Options

9. No options for consideration and accompanying recommendations are presented in this report.

Analysis

10. None.

Council Plan

11. The report contents are not directly relevant to the Council Plan.

Implications

12. The report has no direct implications under any of the following standard sub-headings:

- **Financial** (Contact – Director of Resources)
- **Human Resources (HR)** (Contact – Head of HR)
- **Equalities** (Contact – Equalities Officer)
- **Legal** (Contact – Head of Legal and Democratic Services)
- **Crime and Disorder** (Contact - Senior Partnerships Support Officer, Community Planning & Partnerships)
- **Information Technology (IT)** (Contact – Head of IT)
- **Property** (Contact – Property)
- **Other**

Risk Management

13. There are no known risks arising from this report.

Recommendations

14. Members of the Group are asked to consider the contents of the report to the Company's Board and, if thought necessary, to make any appropriate recommendations to the Executive and/or to the Board of City of York Trading Ltd

Reason: To ensure that the interests of City of York Council as shareholder are considered at Board decision level and that any appropriate representations deemed necessary are made by this Group to decision-makers.

Contact Details

Author:

Karen Bull
Operations Manager
WwY@CYT Ltd
01904 554675

For further information please contact the author of the report

Background Papers:

None

Annexes:

Annex 1- Confidential
WorkwithYork - Monthly Performance Report

Abbreviations:

CYT - City of York Trading
CoYC - City of York Council

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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