

**Notice of a public meeting of
Shareholder Committee**

To: Councillors Widdowson (Chair) and D'Agorne

Date: Thursday, 4 March 2021

Time: 4.30 pm

Venue: Remote Meeting

AGENDA

1. Declarations of Interest

At this point in the meeting 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. Minutes (Pages 1 - 6)

To approve and sign the minutes of the last meeting of the Committee held on 5 November 2020.

3. Exclusion of Press and Public

To consider excluding the public and press from the meeting during consideration of the following items:

(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: Annual Business Plan 2021–22 (including performance update for 2020/21 to date). *(To follow)*
- Annex 2: Annual Budget 2021-22. *(To follow)*

- (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.
- (iv) 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 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.

4. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is **5:00pm on Tuesday 2 March 2021**.

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill out an online registration form. If you have any questions about the registration form or the meeting, please contact the relevant Democracy Officer, on the details at the foot of the agenda.

Webcasting of Remote Public Meetings

Please note that, subject to available resources, this remote public meeting will be webcast including any registered public speakers who have given their permission. The remote public meeting can be viewed live and on demand at www.york.gov.uk/webcasts.

During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

- 5. Veritau Limited Business Update** (Pages 7 - 30)
This report provides a business update and asks Members to note the company's performance in 2020/21 to date and the 2021/22 business plan.
- 6. City of York Trading Ltd Update** (Pages 31 - 34)
This report provides the Company's updated business plan for 2021/2022, (including performance update for 2020/21 to date and the Company's Annual Budget for 2021-22, *to follow*)
- 7. Yorwaste Trading Update** (Pages 35 - 46)
This report provides Members with a trading update for Yorwaste.
- 8. Make It York (MIY) - Managing Director's Report** (Pages 47 - 60)
This paper outlines MIY's work since the last Shareholder Committee meeting in November 2020 and provides detailed analysis of MIY's current financial position, together with a range of forecasts for future years.
- 9. YPO and YPO Procurement Holdings Ltd Finance Update** (Pages 61 - 76)
Members are asked to consider reports from YPO outlining the financial performance for the year ended 31st December 2020.

10. Shareholder Committee Work Plan to March 2022 (Pages 77 - 82)

This paper presents the future plan of reports expected to be presented to the Committee during the forthcoming year to March 2022.

11. Urgent Business

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

Democracy Officer:

Name: Louise Cook

Contact details:

- Telephone – (01904) 551031
- Email - louise.cook@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 میا کی جاسکتی ہیں۔ (Urdu)

 **(01904) 551550**

City of York Council

Committee Minutes

Meeting	Shareholder Committee
Date	5 November 2020
Present	Councillors D'Agorne and Widdowson
Apologies	Cllr Ayre, having declared a prejudicial interest in Agenda item 5, Veritau Limited.

1. 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 discloseable pecuniary interest that they might have in respect of the business on the agenda. None were declared.

2. Minutes

Resolved: That the minutes of the last meeting held on 17 December 2019 be approved and then signed by the Chair at a later date.

3. 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 and 8 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 would be discussed in public session and that the press and public be excluded from the meeting during consideration of:

- (i) Agenda item 5, Veritau Limited Business Update:
 - Annex A - 2019-20 Veritau Group Annual Report
 - Annex B - Veritau Business Plan 2020-23

- (ii) Agenda item 6, City of York Trading Ltd Update
 - Annex A: City Of York Trading Ltd Business Plan 2020/21
 - Annex B: City Of York Trading Ltd - Remuneration Committee Report
- (iii) Agenda Item 7, Yorwaste Trading Update and Reporting that SJB Recycling has Ceased Trading
- (iv) Agenda Item 8, Make It York Managing Director's Report
 - Annex A: Analysis of Make It York's current financial position
 - A range of forecasts for the coming five years.

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.

4. Public Participation

It was reported that there had been no registrations to speak under the Council's Public Participation Scheme and one written submission had been received.

The written submission had been received from Ms G Swinburn and had outlined her concerns that there had been a lack of oversight by the committee in that it had not received two reports a year from each of our remaining businesses as prescribed on the agreed Public Interest Report (PIR) action plan; and that it continued to arrange meetings without publishing an agreed work plan.

The Chair confirmed that an agreed plan of work would be included in the Agenda publication for the next meeting of this committee.

5. Veritau Limited Business Update

Shareholder Committee Members considered a business update from Veritau Limited. This had included a finance and performance update for 2019/20 and an update on various service developments and achievements during the year. It was reported that the 2019/20 accounts for both Veritau Limited and Veritau North Yorkshire limited had been approved and audited by their external auditors.

Members had also received the business plan which had set out the strategic aims of the Veritau group for the next three years to 2023, and the service priorities for 2020/21. The business plan had also included details of the group budget for 2020/21 and had set out the key priorities for 2020/21 which were to consolidate the customer base and to focus on developing the quality and scope of the current service offering.

During discussion of the business plan, the Chief Executive of Veritau Ltd. outlined the ways in which the business had adapted in response to covid. This had included reviewing their office premises; and broadening their customer base to mitigate constraints to budgets of partnering authorities. They had also acknowledged that devolution was a concern which would be reflected in their business plan, going forward.

Resolved: That the Shareholder Committee noted the company's performance in 2019/20 and the 2020/23 business plan.

Reason: To confirm that the Committee were content with Veritau Limited's performance in 2019/20 and its business plan for 2020/23, in the committee's capacity to monitor performance and financial delivery on behalf of the Executive.

6. City of York Trading Ltd Update

The Shareholder Committee considered a report which outlined the City of York Trading Ltd's annual audited accounts for 2019/20, together with a report containing the Company's business plan for 2020/21, the Company's Annual Budget for 2020/21 and performance information for 2020/21 to date, on which Karen Bull, Operations Director and Interim Managing Director addressed the Committee.

In addition, the Committee received a further report from the Company's Remuneration Committee. The report made recommendations in relation to the appointment of Executive Director. Cllr Ian Cuthbertson, Chairman of the Company's Board and Remuneration Committee, was in attendance to present this report and to respond to committee member's questions.

Members were asked to note that the updated Shareholder Agreement would be presented to a future meeting of the Executive for consideration and would be brought thereafter to the next Shareholder Committee for information.

Resolved: That the Shareholder Committee approved:

- (i) the Annual Business Plan 2020-21; and
- (ii) the Company's Remuneration Committee report and its recommendations for Executive Director appointment.

Reason: To confirm that the Committee were content with the Annual Business Plan 2020-21 for the City of York Trading Limited and to facilitate the successful recruitment to the post of Executive Director complicit with the Council's constitution and the City of York Trading's Articles of Association.

- (iii) Confirm the recommendation of appointment of Karen Bull as Managing Director of the Company; associated salary and participation in the Company's Profit Related Pay Scheme (based on the rate by which the Company exceeds the budget net profit for the financial year across all sectors of the business turnover).

Reason: To ensure business continuity and confirm the Remuneration Committees proposed successor to the temporary arrangements which had been in place.

7. Yorwaste Trading Update and Reporting that SJB Recycling has Ceased Trading

Yorwaste's Managing Director was in attendance to present a trading update report for Yorwaste. The report included a performance review for the financial year ending 31 March 2020, as well as a current year update.

The Managing Director outlined the challenges the business had overcome in response to covid, explaining that they had been able to furlough staff; and to delay the order of specialist bin chuck equipment which had allowed them to significantly reduce their overheads and remain within budget for the first half of the financial year. It was anticipated that this may prove increasingly challenging going forward.

It was also reported that SJB Recycling had ceased trading this had been due to higher operating costs which had pushed SJB from a profitable operation to a loss making one.

Resolved: That the Shareholder Committee noted:
(i) Yorwaste's performance review for 2019/20 to date; and
(ii) that SJB Recycling had ceased trading.

Reason: To confirm that the Committee were content with Yorwaste's performance for 2019/20 to date and to ensure that the committee were notified of the reasons why it had been decided that SJB Recycling should cease trading.

8. Make It York Managing Director's Report

The Committee received a report which outlined the performance of Make It York for the first half of this current financial year.

Resolved: That the Shareholder Committee noted the financial position of Make It York as set out in the officer report and requested a detailed rationale report which would set out both positive and worst case scenarios and provide options and solutions based on benchmarking and expertise.

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

Cllr A D'Agorne, in the Chair for this meeting
[The meeting started at 4.30 pm and finished at 6.55 pm].

CITY OF YORK COUNCIL SHAREHOLDER COMMITTEE**4 MARCH 2021****Veritau Limited Business Update****Introduction**

Veritau Limited is a local authority shared service company jointly owned by the City of York Council and North Yorkshire County Council. The company was established in 2009. The company has two subsidiary companies, Veritau North Yorkshire Limited and Veritau Tees Valley Limited, which are part owned by other councils. Together the companies form the Veritau Group.

The wider Veritau Group has 9 member councils but also provides services to a large number of multi-academy trusts and schools, housing associations and other public sector organisations. The group employs approximately 70 professional staff and offers a range of assurance services, including internal audit, counter fraud, risk management, and information governance. The majority of these services are delivered to organisations in the Yorkshire region although the group has clients across the United Kingdom.

Veritau delivers shareholder value to its member councils through:

- Economies of scale resulting in lower unit costs
- Increased efficiencies and flexibility – standard working practices ensure there is less duplication of effort and best practice is more easily shared
- Improved access to specialist resources (for example data analytics, risk management and counter fraud specialists) that would otherwise not be available to a small in-house team
- Increased resilience and the ability to accommodate changes in workload because of the larger pool of staff available
- Improved service continuity and less reliance on key members of staff for service delivery
- The ability to invest in new technologies and working practices

2020/21 Finance and Performance

Despite the challenges caused by the Covid-19 pandemic, Veritau is on track to achieve its target profit for 2020/21. The Group is also continuing to attract new clients with a number of academy schools and trusts signing up for services this year. Ad-hoc work has also been requested by a number of other clients. Client satisfaction and retention rates remain high. Staff satisfaction rates are also in line with the previous year.

All staff are set up to work from home and to deliver services remotely. The Group has created a new Information Access team to exploit a number of potential business opportunities. It is also operating a multi-disciplinary Covid-19 Response Team to help coordinate the fraud prevention support provided to its clients.

The Veritau Limited, Veritau North Yorkshire Limited and Veritau Tees Valley Limited boards of directors have each met twice during the year.

Debbie Mitchell replaced Ian Floyd as a director of Veritau Limited in November 2020.

Other service developments and achievements during the year have included:

- implementing a new case management system for our Information Governance team
- developing a new website and client portal (to go live in April 2021)
- completing a brand refresh (to be launched in April 2021)
- developing a new counter fraud offer to schools and re-designing the existing Data Protection Officer service offer
- extending the aspiring manager programme to our Information Governance and Corporate Fraud teams
- being shortlisted for the Tackling Economic Crime awards (TECA)

2021/22 Business Plan

The business plan sets out the strategic aims of the Veritau group for the next three years to 2024, and the service priorities for 2021/22. The business plan also includes details of the Group budget for 2021/22, as follows:

	£ (k) 2021/22	£ (k) 2020/21
Turnover	2,723	2,682
Cost of sales	2,441	2,431
Gross Profit	<u>282</u>	<u>251</u>
Overheads	215	196
Net Profit before tax	<u>67</u>	<u>55</u>

Capital expenditure of £14k is planned in 2021/22. This includes further upgrades to the website client portal, producing additional e-learning courses and further investment in data analytics and IT hardware.

The key priorities for 2021/22 are to consolidate the customer base and continue to focus on developing the quality and scope of the current service offering. We also aim to transform how we operate by using technology to support more agile working. This reflects the move to Office 365 and the changes in operating practices that have occurred as a result of the Covid-19 pandemic. The specific service priorities are:

- Internal Audit – to increase data analytics / IT audit capacity, and to promote internal audit services to academy schools
- Information Governance – to continue to promote DPO and related advisory services to schools and other clients, to develop an information / cyber security advice service and to promote the new information access service
- Counter Fraud – to continue to promote fraud services to housing associations and academy schools
- Risk Management – to be seen as the provider of first choice for existing member councils and other clients, and to develop risk management products and services for academy schools

A copy of the 2021/22 business plan is attached as **appendix A**. The business plan is confidential because it contains commercially sensitive information.

Recommendations

That the shareholder committee notes the company's performance in 2020/21 to date and the 2021/22 business plan.

Appendices

Appendix A – 2021/22 Veritau Group business plan (confidential)

Further Information

Contact: Max Thomas – Chief Executive max.thomas@veritau.co.uk

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

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CYC SHAREHOLDER SCRUTINY COMMITTEE
City of York Trading Ltd Update

Content

The Committee has before it a report containing the Company's updated business plan for 2021/2022 including performance summary information for 2020/21 to date and the Company's Annual Budget for 2021/22 on which Karen Bull, Managing Director will address the Committee. Both contain commercially sensitive information and are not for general circulation

Business Reporting Cycle

The City of York Trading Ltd business cycle has the following key elements:-

1. Annual Budget – approved by the City of York Trading Ltd Board of Directors and submitted to the Shareholder. This contains commercially sensitive information and is not for general circulation
2. Annual Business Plan – a summary of objectives approved by the City of York Trading Ltd Board of Directors (including performance summary of current year to date) and submitted to the Shareholder for approval. This contains commercially sensitive information and is not for general circulation.

Business Plan – Executive Summary

City of York Trading Ltd (trading as WorkwithYork, WorkwithSchools and WorkwithYorkshire) was formed in 2011 with the intention of supplying temporary staff to City of York Council (CYC), to schools (in and around the York area) and to other outside organisations. City of York Trading Ltd is a Teckal company wholly owned by CYC.

Through City of York Trading Ltd, the reductions in cost to CYC and the return of the profit achieved are designed to assist CYC's financial position. If CYC had to source staff in the open market, the cost would be substantially higher than current rates paid to the Company.

CYC receive an annual dividend payment based on the annual profits of City of York Trading Ltd and this will increase as the Company is able to grow further.



Key Company Matters 2020/21:-

The Board of Directors

Current

- The Board of Directors of the Company currently comprises Karen Bull (Managing Director – Executive Director) with Non-Executive Directors Cllr Ian Cuthbertson (Chair), Cllr Kallum Taylor, Cllr Simon Daubeney, John Dobson and Oliver Wright.

Company Performance

- CYT Board Meetings held monthly review both the Managing Director's Performance report and the monthly Accounts prepared by the Company's Management Accountant.
- Overall, the performance of the Company financially year-to-date has been affected by Covid-19 though remaining profitable.
- In total since April 2020, CYT has furloughed around 180 of its temporary staff owing to reductions in work mainly during the first lockdown. At 15th February 2021 just 16 of these staff remain furloughed (in most cases people with either underlying health issues or caring responsibilities) though the Company continues to keep this under review.
- WorkwithSchools, the Company's education division, has continued to provide supply staff to local schools, nurseries and colleges throughout the pandemic, but in much lower numbers than in 2019/20. More information is in the confidential performance summary information.
- WorkwithYorkshire, the Company's new commercial division had a challenging start the week after lockdown, though has continued to engage with local and regional businesses. The Company's existing commercial clients have also been affected by lockdown, with bookings again down on 2019/20 again details can be seen in the confidential performance summary.



- For WorkwithYork which mainly provides temporary staff to CYC, flexibility in the numbers and specialisms of staff supplied has been more critical than ever during the pandemic as local government responsibilities and responses have changed since April 2020. More details are in confidential documents.

- At 15th February 2021, WorkwithYork is providing over 160 Covid Testing Staff to CYC Public Health working within Lateral Flow Testing sites at York St John University, University of York and York Community Stadium. These staff have been critical in carrying out over 22,700* asymptomatic rapid lateral flow tests between 14th December 2020 and 8th January 2021 (with an average positivity rate of 1.38%* equating to 263* individuals who were then able to self-isolate).
**figures from CYC Public Health presentation 10th February 2021.*

- In addition 6 Covid Marshalls were recruited by WorkwithYork in November 2020 to support CYC Public Protection and Public Health in engaging with residents, visitors and businesses to promote Covid safety and compliance. Upto 27th January 2021 successes for these staff have included:-
 - 622 businesses spoken to #
 - 580 groups of individuals engaged with #
 - 131 items of ppe issued (face coverings, anti-bac gel) #
 - 735 discarded face coverings picked up #
 - 99% of people happy with the interaction #*# figures from CYC Public Health Presentation 8th February 2021*

- Key Performance Indicators are monitored on weekly and monthly basis.

- Marketing activities continue, including utilisation of the Company's websites and social media channels and the Company also advertises its roles on a range of job boards.

- Despite a challenging year with reduced revenue, the Company remains profitable however and plans to build on this into 2021/22. The 2021/22 business plan contains more detail but is commercially sensitive information and is not for general circulation.



Shareholder Approvals

Shareholder approval is being sought for the following:-

- Approval of Annual Business Plan 2021-22

Appendices

The following documents are not for general circulation:-

1. Annual Business Plan 2021–22 (including performance update for 2020/21 to date).
Commercially sensitive
2. Annual Budget 2021-22. **Commercially sensitive**

YORWASTE

1. How Yorwaste delivers shareholder value.

As a Teckal company, Yorwaste delivers shareholder value in a number of ways.

Directly through either a reduction in the cost of service provision to the shareholding authority or in the generation of profits which accrue to the shareholding authority. This value is enhanced by the operation of commercial activities which can offset operating costs to the authority or enhance the generation of profits.

Indirectly through the shareholders' investment in Allerton Waste Recovery Park (AWRP) by maximising their potential financial return from volume related contractual terms.

Intangibly in that, as a result of its shareholding ownership, additional ad-hoc services and assistance to the shareholding authority are provided at either cost or zero charge.

The challenge for Yorwaste is to balance the above factors to deliver a cost effective, tax efficient, value for money solution for the local taxpayer.

2. Review of performance to date for the current fiscal year to 31st March 2021.

Yorwaste has performed well in the current year. It has delivered a solid health & safety performance and is on target to meet the shareholders volume and gate price targets for AWRP. It has responded quickly and decisively to the COVID crisis, accelerating cost reduction plans, and providing operational support to its Authority customers.

Health & Safety

The Company has significantly reduced its injury incidence rate, seen a marked reduction in lost time injuries, and received the ROSPA Gold award. December saw the incidence rate reach a 5-year low.

The Company will complete the installation of fire deluge systems at all waste transfer stations by the end of the current fiscal year which will help mitigate the risk of waste fires.

Environment

The investment in the liquid treatment plant at Harewood has delivered a significant reduction in leachate head levels, which combined with drainage upgrades, has allowed Harewood MRF and Compost pads to continue to operate whereas in previous years localised flooding would have resulted in temporary closures and loss of stock value.

With the achievement of PAS 100 compost accreditation at Seamer in December all Yorwaste composting sites are now PAS 100 accredited.

Climate Change

The Company originally planned to achieve ISO 50001 Energy Management certification in 2020, however this was delayed due to COVID. The target is now to achieve this in 2021 as the first step towards a comprehensive carbon reduction strategy.

Covid Response

In terms of its COVID response the Company off-hired vehicles, utilised furlough for commercial employees, 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 provided operational support to CYC during the COVID crisis including supervisory cover when self-isolation resulted in a staffing shortage, and in the role out of the booking system for HWRCs. This was provided at no additional cost to the shareholder.

The Company also sought to support its commercial customer base by offering penalty free contract suspension during lockdowns.

Full Year Financial Estimate

In recent years the Company has reduced its management headcount by 50%, invested in new information systems and asset upgrades, and divested loss-making contracts and activities. These changes have enabled the business to react quickly and flexibly to the COVID crisis.

The Company was originally budgeted a return to a modest profit and is now forecasting to substantially exceed that target.

3. Business Plan 2021/22

Whilst current year financial performance has been strong, this has been driven by short-term cost optimisation in response to the COVID crisis, and many of those cost savings are not possible in a longer term “business as normal” scenario.

As a result, next year’s budget profit levels are not expected to continue at the same level, especially with the continuing reduction in landfill gas revenues. However, on the positive side the Company will deliver sufficient savings to fund next year’s aftercare costs without the need for additional revenue funding from the shareholders.

In addition, significant uncertainty remains around the performance of the regional economy over the coming year. The Company anticipates that commercial activity will continue to be negatively impacted by COVID restrictions throughout the fiscal Q1 period and this could put pressure on next year’s out-turn.

The Company remains confident in its ability to meet the volume and gate price targets for AWRP and this delivers significant value to the shareholders.

The Company has sufficient cash flow to meet its forecasted “business as normal” investment requirements without the need for further borrowing or shareholder equity injection.

4. Looking Forward

The outcome of the LGR and Government Waste Strategy consultation continues to have the potential to impact the operations of Yorwaste. The Company is performing well and in a strong position to support any outcome by continuing to provide a value for money service and by actively engaging with future Authorities to deliver the opportunities which might arise.

The Company has outline plans for solar and wind power at both Harewood and Seamer Carr closed landfills, as well as roof-based solar for Tancred and Thirsk. These plans are initially modestly scaled to meet a portion of each site’s energy requirements, and at Harewood and Seamer will be designed to support future expansion as planning and funding might allow.

SJB Recycling Wind-up

Shareholder Committee are formally requested to approve the winding up of SJB Recycling.

As reported to Shareholder Committee in November 2020, SJB Recycling ceased operations in March 2020. Since then the assets of the Company have been sold and there now remains a cash balance of c. £1.3m.

Management do not believe there is any residual value in the Company brand and are recommending to the shareholding authorities that the Company is wound up and the residual cash balance is paid as a dividend to the shareholders pro-rata to their shareholdings. North Yorkshire County Council Executive agreed to this proposal on 16th February 2021.

It is recommended that Shareholder Committee

- i) Approve the winding up of the company
- ii) Approve to the distribution of final reserves to be distributed to shareholders pro rata to the shareholdings.

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

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**CYC Shareholder Meeting – 4 March 2021
Make It York – Managing Director’s Report**

Introduction

This paper outlines MIY’s work since the last Shareholder Committee meeting in November 2020 and provides detailed analysis of MIY’s current financial position, together with a range of forecasts for future years.

The operating environment has remained extremely difficult for MIY, as it has for millions of businesses across the country, with core revenues from a range of sources continuing to be hit very hard. This led to a request from MIY’s Board to CYC for an investment package, to ensure the business’ commercial viability. This was approved by CYC in December 2020, linked to the agreement of a new Service Level Agreement. Discussions around the detail of this are ongoing.

Governance

Hybrid working model

With the exception of staff responsible for the Visitor Information Centre (VIC) and the Shambles Market, everyone else has been working from home for the last 12 months. While this can cause some localized delivery issues, corporate productivity has not been adversely affected.

As is the case across the economy, some employees have found adapting to the new working environment easier than others. While continuing to keep a careful eye on staff morale and wellbeing, we have also extended our cover with Benenden Health to include support with mental health issues.

With respect to the future requirement for office space, we continue to have an open mind and, not least for reasons of cost-savings.

Staffing

MIY is recruiting a new Markets Manager. The role is currently being advertised and will be filled as soon as possible.

The Head of Business, Network Innovation and Inward Investment has recently resigned. Consideration is currently being given as to how his role should be best covered in future.

Activity

MIY's Business Team

Business Week

The business team facilitated 25 Virtual events for York Business Week attracting over 1,000 delegates.

Website:

- 2,040 Users
- 8,115 Pageviews
- Traffic to the site during business week increased by 19% on the previous year
- Overall Reach: 295,420

York Tech Accelerator

The business team has been working with a number of key city stakeholders to articulate the need for a tech accelerator to stimulate innovation and support start-ups in the city. The steering group and York stakeholders have identified that the development of a business accelerator could promote York as an exciting and vibrant entrepreneurial city in the North and could enable and support tech start-ups to succeed in the city and attract additional high-value inward investment.

Key Account Management

The Make It York Key Account Management (KAM) programme is designed to gather business intelligence, to provide a link between the local authority and the top companies in York and, where appropriate, to offer and provide business support services. There were 54 KAM company engagements this quarter from a diverse sector range including rail, property development, transport and logistics, agricultural, IT and telecoms, product fulfilment and engineering and manufacturing.

Recent Trends: Most of the KAMs are looking beyond C19 now and looking to get back to generating sales and secure the business pipeline. Cash flow remains an increasing challenge, and we are helping businesses to unpick their processes, in particular, their process for lead generation, account management and CRM along with marketing. Other priority themes include, looking after staff welfare and exploring innovative ways to provide additional services/products to existing

customers. A lot of support has switched from Covid survival to post Covid recovery. We are no longer getting enquiries about purely Covid related issues, but a mix of investment support enquires for future growth. Recent conversations suggest there is some anxiety about the furlough scheme coming to an end in March.

MIY are working to analyse upcoming lease break points for city centre offices to easily identify office movements in response to remote working as well as rent collection rates. Although there has been a decline in office space demands, we have seen an increase in demand for industrial space on the outskirts of the city.

Business Support

- Provided general business support via the Growth Managers to 40 businesses.
- Supported 23 businesses for the £1-£3k digital grants from the LCR valued at over £38,000
- Delivered 2 coffee and connect virtual business support events attracting approximately 32 delegates

Inward Investment

MIY continue to work on Promoting York for Business and are exploring new ways of working with York & North Yorkshire LEP. There is ongoing work to develop pages on the MIY website to promote York as a place to do business, and include sector focus and case studies, major sites information, publications (e.g. Living in York refresh), and a soft-landing section.

MIY received 13 new enquiries from a mix of indigenous, UK and foreign owned business. Enquires ranged from start-up health, asset management, manufacturing, R&D and energy businesses.

Culture and Wellbeing Team

York Culture Strategy

The 2020 – 2025 Culture Strategy, York's Creative Future, was virtually launched on 3 December 2020 featuring a series of keynote speakers from across the cultural sector, including Dr Darren Henley, Chief Executive of Arts Council England in conversation with York Museums Trust Chief Executive, Reyahn King, and Jamie Njoku-Goodwin, Chief Executive of UK Music.

The strategy aims to boost cultural activity in the city and places culture at the heart of activities – from major capital developments to residents' wellbeing and cultural entitlement for every child. With inclusion and participation at its core, the strategy aims to ensure culture is relevant and accessible to everybody in York, regardless of age, background or postcode.

The Culture Strategy has the vision that by 2025, York will be known as a city where outstanding, renowned heritage comes together with a cutting-edge and contemporary approach to creativity – reflecting the city's rich history and its status as the UK's first UNESCO Creative City of Media Arts. It was taken by the Council's Executive Member for Culture, Leisure and Communities, Cllr Darryl Smalley, to formally adopt the strategy across all areas of the Council's work as part of the wider plan.

Both the Strategy and the video can be found on the new Culture Hub, <https://www.makeityork.com/culture/> hosted on Make It York's website, which already provides examples of cultural content showing the diversity of York's cultural offer focusing on:

- Culture in Lockdown
- Culture & Wellbeing
- Socially Distanced Culture
- York Festivals
- York's Culture Made Digital

The Culture & Wellbeing team are currently in the process of mapping out the strategy's priorities, working with key delivery partners on how and when they can be achieved by. Another key task is to review and formalise the governance structure of the Cultural Leaders group to enable clear management of implementing the strategy.

Culture sector update

The team are still working regularly with partners (CYC, Cultural Leaders Group) to raise awareness of the challenges facing the cultural sector in the city. Whilst many in the sector have innovated and found new ways of working during lockdown, there are still concerns around getting clear information regarding reopening and concern over public confidence. MIY provide a fortnightly e-news update to the Cultural Leaders Group in York, detailing current culture news, funding updates, and MIY news, which we encourage the sector to contribute to, to act as a further information channel. At present many are waiting for news in March of

funding from the Arts Council's Recovery Fund (round 3). Many key York venues and organisations were successful in the first two rounds in late 2020.

We are working with the Guild of Media Arts & CYC on the UNESCO Creative City of Media Arts designation with a view to raising its' profile at a national and international level.

Events

The MIY team are working with external partners (CYC & York BID) to address re-opening in the City Centre. We're currently reviewing a number of proposals for a summer long presence/event which reflects the need for making the best use of open spaces, factors in social distancing measures but also engages and encourages people to come into the city centre.

We have started the process of planning the Christmas Market - a tender has gone out for the food and beverage provision. We will again be working closely with CYC and Public Health in the planning stages to ensure we can provide a safe and reassuring environment in line with the relevant restrictions in place.

Planning for the Rugby League World Cup (Oct/Nov) continues with MIY project managing the promotion and engagement of the championships across the City, working with key partners (University of York, York St John's University, York Stadium, York City Knights Rugby Club, Queen Ethelburga's College and CYC)

The team are also in discussions with key third-party events (York Design Week, York Mystery Plays, Food & Drink Festival) as to how they can be supported and develop their events when faced with the current challenges.

An Event Strategy is being drafted in line with the Cultural Strategy's priorities, focusing on raising the profile of current events and how the event calendar can be developed to enable new or more ambitious events to take place in the city.

Marketing and Communications

Since 15th October 2020, we've continued to work closely with City of York Council on the tourism recovery marketing strategy and adapted

our campaigns and activities to reflect the ever-changing regional and national lockdown restrictions.

In December 2020, we established the reshaped Tourism Advisory Board to help inform the direction of the current tourism recovery marketing strategy, along with the development and delivery of a longer-term tourism strategy. The Advisory Board now meet monthly and also monitor the performance and progress of York's tourism strategy in achieving its aims and ensuring it is meeting the needs of all relevant stakeholders.

Leisure Marketing

We ran a national paid social media advertising campaign from mid-October onwards, promoting both Halloween in York and October half-term. This campaign resulted in visityork.org witnessing 110,211 users through October, a 43.7% year-on-year increase from October 2019.

Moving into November, we cancelled our planned 'Light and Dark' campaign as we moved into a month-long national lockdown. As such, we altered our focus to promoting virtual content from across the city in our 'York at Home' website hub, as well as focusing on promoting essential local traders, shop local content and food delivery and takeaway services. Overall, we managed to beat the total number of impressions on our social media channels from the previous two years with over 1.2 million impressions in November 2020.

With the physical Christmas market being cancelled, we launched our virtual Christmas market from late November onwards in conjunction with a virtual Christmas light switch-on and a #LightUpYork campaign. These campaigns ran across social media to promote individual businesses as they switched-on their own festive displays. We also ran a digital display campaign promoting both the virtual Christmas market and a strong shop local message that delivered over 3.4 million impressions.

Moving into January, we launched our celebratory #LoveYork campaign to champion the city's unique offer and promote York's diverse range of indie businesses and attractions. With a focus on 'shopping local', the campaign put a spotlight on some of York's best businesses and included a new 'Love York' virtual market. With over 35 local traders, the platform continues to offer a diverse selection of products from York's array of independent businesses. A new #KidsLoveYork hub for children

has also been launched, filled with fun activities, crafts and recipes from organisations across the city.

The hero activity within the Love York campaign is the virtual Love York awards. Covering 11 categories altogether, these awards have been all about lifting spirits and showcasing York's amazing leisure, tourism, hospitality and retail businesses. We wanted to highlight the great work these businesses have done over the last year, as well as looking to the future by asking people to vote for the experiences they are looking forward to returning to and experiencing again the most. After two weeks of online voting and over 6,400 votes being cast, we announced the winners and podium finishers across the Visit York Twitter and Facebook channels on 12th February with Gold, Silver and Bronze awards for each specific category. Over 25 different businesses received awards.

Business Marketing

With reference to the redeveloped business support pages on makeityork.com, we've continued to expand the EU Exit page to include international trade information and future opportunities from the Department for International Trade, as well as reworking the business support content on the Covid-19 support page with an accordion of sections to make it more user-friendly and easier to find relevant information.

We have continued to develop case study series on how businesses are working with MIY, as well as collating examples of York's world-class achievements, of current and past innovations and the pioneers behind these bold ideas and discoveries. The innovation content we are currently gathering will be used across our different platforms to share these stories, highlighting historical figures and inventions alongside the innovative research and products that are shaping the future.

We are also looking at ideas for future sector showcase events as part of wider planning around profile-raising for MIY / business support activity.

Digital and social media

From the period 15th October 2020 to 15th February 2021, the Make It York website received 16,900 page views by 7,004 users. New content has been added to the Make It York website to signpost businesses to the correct resources and provide insight from the team where

necessary. The Coronavirus Business Support page is the most viewed page after the home page during this period. Meanwhile, social media coverage on MIY platforms has resulted in 385,210 impressions and 6,248 engagements.

For the period 15th October 2020 to 15th February 2021, the Visit York website has seen 674,997 page views and 253,836 users, while our social media coverage on the dedicated Visit York platforms has produced 3.02 million impressions and 117,718 engagements.

PR and Communications

Over the period 15th October 2020 to 15th February 2021, we have seen 275 pieces of news coverage across a range of different topics including the virtual Christmas market/lights switch on, York Business Week, tourism marketing recovery, the culture strategy launch, our business support activity, the #LoveYork campaign and #LoveYork Awards. Overall, for the period the reach of our print/online coverage was 6.75 million.

Breakdown by month:

- In October, the reach of our print/online coverage was 1.1 million
- In November, the reach was 3.25 million
- In December, the reach was 1.44 million
- In January 2021, the reach was 2.96 million

This includes ongoing print/online coverage on York Press, York Mix, Yorkshire Post, BBC and additional broadcast interviews with our senior team on BBC Radio York, BBC Look North, ITV Calendar, Jorvik Radio and Greatest Hits Radio.

Throughout this period, we also worked with a range of national titles for features promoting York and businesses across the city – this included The Telegraph, National Geographic Traveller, Conde Nast Traveller, Sunday Mirror, Sunday Mail, The Independent and Yours Magazine.

Commercial and Revenue Generation

Visitor Information Centre (VIC)

The VIC has suffered due to tiered structures being re-introduced and the reimposition of lockdown. An eCommerce function has been

introduced, it is in the developmental stages but it will allow for the cross promotion of Shambles Market traders and York specific firms. We have been utilising campaigns for the city as a tie-in to promote product sales and drive awareness.

York Pass

Conversations with attractions are continuing, however, some have proved difficult due to furlough/lockdown. The York Pass is now fully digitised to allow it to be more cost effective and follow market demands. We are working with partners to help drive additional revenue and ensure visitors to York are buying into attractions/the city before travelling.

City Centre

Ongoing meetings take place on a weekly basis with York BID to discuss options around the reopening of the city, split between experiential and events to help promote the city centre. Staff from MIY have offered to attend Retail Forum meetings and we consulted with various stakeholders around late opening in the centre during the Christmas period.

A Pop-Up offering in Parliament Street, to mitigate for the cancellation of the Christmas Market, received positive feedback. This helped to support local businesses during lockdown. It also helped with the animation of Parliament Street during the Christmas period.

Shambles Market

Regular meetings with representatives continued. Commendation awards for representatives from NABMA have been secured, highlighting the excellent work carried out by YMTF and improving relations. Brisk trade was reported during the Christmas period by many traders and late opening, in conjunction with wider city retail offering, was explored, however, there was a poor take up.

The Shambles Market was kept open for essential traders during lockdown with a reduced rent of 50% offered.

A number of case studies have been produced to help promote the market and market traders. Social media containing new content/pictures has been updated.

MIY have supported YMTF in communicating access to funding/grants, liaising with Simon Brereton at CYC.

VY Membership

MIY have been proactive in contacting Visit York members. Regular updates have been broken down into sectors.

In November MIY conducted 17 zoom forums split by sector on support/sector updates. 2 training events, and 1 tasting session showcasing a York business.

In December MIY held a retail based zoom forum, 1 training event and 1 tasting session for a York based firm.

January included 1 zoom forum for the B2B sector, 1 training event on customer service and 1 cook along event with a York firm.

In February MIY continued the B2B forum, held a training event and one tasting event.

A Virtual market was established for York based businesses.

Membership costs were suspended during lockdown whilst continuing to help with the promotion of York businesses.

VY members who were at risk of flooding were contacted with any issues being escalated to CYC.

Online training events have been created to maximise a return on investment. Sector working groups have been established for any members who felt they needed a louder voice.

Retention rates of members has been relatively positive (in comparison with other cities). Our ability to retain and grow membership is directly linked to perceptions of VY/MIY and negative press does have an impact on membership.

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of the Local Government Act 1972.

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Shareholder Committee**4 March 2021**

Report of the Chief Finance Officer

YPO and YPO Procurement Holdings Ltd Finance Update**Purpose of Report**

1. To consider reports from YPO outlining the financial performance for the year ended 31st December 2020.

Recommendations

2. Note the reports from YPO and YPO Procurement Holdings Ltd attached at annexes A and B to this report.

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

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 activity of both companies is regularly reported to officers through the Strategic Officers Group which is attended by the Chief Finance Officer on behalf of the Council. There are also elected member representatives from the Council on the YPO Management Committee and the YPO Procurement Holdings Ltd Board.

6. The Council is one of 13 founder members and therefore does not have sole control over the company, but works in partnership with YPO and the other 12 Councils.
7. The YPO 2020 Performance Review is attached at Annex A and provides an update on the organisations performance in 2020. It reviews the full year results and outturn position against the budget.
8. The YPO Procurement Holdings Ltd Business and Trading Report is attached at Annex B to the report and provides an overview of the limited company's financial performance and highlights areas of under / over performance against the budget and assesses the financial position at 31 December 2020.

Risk Management

9. There are no specific risk issues arising from this report.

Implications

10. There are no financial, legal, HR, equalities, crime and disorder, information technology, property or other implications arising from this report.

Author:	Chief Officer responsible for the report:		
Debbie Mitchell Chief Finance Officer Tel: 01904 554161	Debbie Mitchell Chief Finance Officer		
	Report Approved	x	Date 15.2.21
Wards Affected: <i>All</i>			
<i>For further information please contact the author of the report</i>			

Annex A – YPO 2020 Performance Review

Annex B – YPO Procurement Holdings Ltd Business & Trading Report March 2021

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Shareholder Committee

4 March 2021

Report of the Chief Finance Officer

Shareholder Committee Work Plan to March 2022**Summary**

1. This paper presents the future plan of reports expected to be presented to the Committee during the forthcoming year to March 2022.

Background

2. There are to be a number of meetings of the Committee in a municipal year. To assist members in their work, attached as an annex is an indicative rolling work plan for meetings up to March 2022. This may be subject to change depending on any particular issues with council owned companies. A rolling work plan of the Committee will be reported at every meeting reflecting any known changes.
3. The Council owns, or part owns, a number of companies. Details of these companies are included in the council annual financial accounts and are listed in the table below.

Company name	Ownership details
Yorwaste & SJB Recycling	22.27% CYC 77.73% NYCC
Make It York	100% CYC
Veritau	50% CYC 50% NYCC
City of York Trading Ltd	100% CYC
YPO	1/13 th

4. The committee should consider, as a minimum, the business plan, a mid year performance update and the financial year outturn for each of the companies. In practice, it is likely that the performance reports may be brought at different times during the year and therefore, at this stage, the work plan contains an update from each company at every meeting.

Consultation

5. The work plan is subject to discussion by members at each meeting.

Options

6. Not relevant for the purpose of the report.

Analysis

7. Not relevant for the purpose of the report.

Council Plan

8. This report contributes to the overall effectiveness of the council's governance and assurance arrangements contributing to an 'Effective Organisation'.

9. Implications

- **Financial** - There are no implications
- **Human Resources (HR)** - There are no implications
- **Equalities** - There are no implications
- **Legal** - There are no implications
- **Crime and Disorder** - There are no implications
- **Information Technology (IT)** - There are no implications
- **Property** - There are no implications

Risk Management

10. By not complying with the requirements of this report, the council will fail to have in place adequate scrutiny of its internal control environment and governance arrangements, and it will also fail to properly comply with legislative and best practice requirements.

Recommendations

11. (i) The Committee's work plan for the period up to March 2022 be noted.

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

- (ii) Members identify any further items they wish to add to the work plan.

Reason: To ensure the Committee can seek assurances on any aspect of the council's internal control environment in accordance with its roles and responsibilities.

Contact Details

Author:

Debbie Mitchell
Chief Finance Officer
Telephone: 01904 554161

Chief Officer Responsible for the report:

Debbie Mitchell
Chief Finance Officer

**Report
Approved**



Date 15/02/2021

Specialist Implications Officers None

Wards Affected: Not applicable

For further information please contact the author of the report

Background Papers: None

Annex:

Annex 1: Shareholder Committee Work Plan to March 2022

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Shareholder Committee Draft Work Plan to March 2022

Training/briefing events will be held at appropriate points in the year to support members in their role on the Committee.

Item	Lead officers	Other contributing Organisations	Scope
6 September 2021			
Veritau business plan	Max Thomas	Veritau	To receive an update on performance of the company
Make it York business plan	Neil Ferris	Make it York	To receive an update on performance of the company
Yorwaste / SJB Recycling business plan	Neil Ferris	Yorwaste	To receive an update on performance of the company
City of York Trading Ltd business plan	Trudy Forster	CYT Ltd	To receive an update on performance of the company
YPO business plan	Debbie Mitchell	YPO	To receive an update on performance of the company
22 November 2021			
Veritau performance update	Max Thomas	Veritau	To receive an update on performance of the company
Make it York performance update	Neil Ferris	Make it York	To receive an update on performance of the company
Yorwaste / SJB Recycling performance update	Neil Ferris	Yorwaste	To receive an update on performance of the company
City of York Trading Ltd performance update	Trudy Forster	CYT Ltd	To receive an update on performance of the company
YPO performance update	Debbie Mitchell	YPO	To receive an update on performance of the company

28 March 2022			
Veritau outturn	Max Thomas	Veritau	To receive an update on performance of the company
Make it York outturn	Neil Ferris	Make it York	To receive an update on performance of the company
Yorwaste / SJB Recycling outturn	Neil Ferris	Yorwaste	To receive an update on performance of the company
City of York Trading Ltd outturn	Trudy Forster	CYT Ltd	To receive an update on performance of the company
YPO outturn	Debbie Mitchell	YPO	To receive an update on performance of the company