

Meeting	Shareholder Committee
Date	15 June 2022
Present	Councillors Widdowson (Chair) and D'Agorne (left at 5:53pm)
In Attendance	Councillor Douglas (from 4:31pm)
Officers Present	Dan Moynihan, Senior Solicitor Contract and Commercial (City of York Council (CYC)) Patrick Looker, Head of Service, Finance (CYC) Helen Whiting, Head of Human Resources & Organisational Development, (CYC)(Remotely) Max Thomas, Chief Executive (Veritau) Sandy Boyle, Managing Director (Yorwaste) Simon Hill, Managing Director (YPO) Karen Bull, Managing Director (CYT)

1. Declarations of Interest (4:30pm)

Members were asked to declare, at this point in the meeting, any disclosable pecuniary interests or other registerable interests they might have in respect of business on the agenda, if they had not already done so in advance on the Register of Interests. None were declared.

2. Minutes (4:31pm)

Resolved: That the minutes of the last meeting held on 28 March be approved and signed by the Chair as a correct record, subject to changing the word 'reduce' to 'increase' in point 28, second bullet point.

3. Exclusion of Press and Public (4:32pm)

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

classified 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 8, City of York Trading Ltd Update:-
- Annex A– CYT Performance Update June 2022
 - Annex B – Report of the City of York Trading Ltd Remuneration Committee

4. Public Participation (4:32pm)

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

5. Veritau Limited Business Update (4:32pm)

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

The Chief Executive of Veritau provided an overview and confirmed that the Group had continued to gain new contracts and client retention remained strong. The 2021/22 accounts were currently being audited and profit was above target.

Members commended the trainee internal auditors who had completed their professional qualifications and progressed to become internal auditors. The Chief Executive responded to questions raised regarding the client satisfaction surveys and confirmed that the low rating received in Information Governance (IG) had been linked to a Freedom of Information (FOI) request, which had been addressed.

The Group's procurement activity and sustainability objectives were discussed and in answer to questions raised, Officers confirmed they would:

- Investigate if the Company was a member of the Good Business Charter.
- Consider expanding their sustainability and procurement approaches across their workforce, customers and supply chain.

The Chief Executive was thanked for his report.

Resolved: That the Group's performance, since the last business update report, be noted.

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

6. Yorwaste Ltd Finance Update (4:41pm)

Members considered a report from Yorwaste that provided a trading update for the 2021/22 financial year as well as early trading information for 2022/23.

The Managing Director of Yorwaste noted that the Company was carrying out its annual audit process and just over £1m profit before tax was likely to be achieved. The budget for the current year (2022/23) and cost inflation challenges were discussed including the annual review of the restoration aftercare liability and higher operating costs (including red diesel and annualization of HGV pay increases). It was confirmed that HGV drivers were well stocked but that there remained some recruitment issues.

During discussion and in answer to questions raised, it was noted that:

- The Company supported the United Nations Sustainability Development Goals.
- Commercial customer prices had increased in line with the market and options for cost reduction and/or other mitigations would be sought.
- The Company were still investigating moving its fleet of vehicles from diesel to electric but for the geographical area covered, the move to electric heavy plant vehicles was not currently suitable and recharging times had become a concern when considering transitioning its fleet of smaller vehicles to electric.
- The Green Energy Parks report had identified viable green energy options at both Harewood and Seamer, however there were some wider grid infrastructure issues which required further investigation.
- As part of its ISO 50001 process, the Company was reviewing the energy efficiency of its buildings with a view to identifying investment projects which would both

mitigate the impact of higher energy costs whilst contributing to management of the Company's carbon footprint.

- The Company continued to collaborate with the council on the range and quality of services.

Members welcomed the United Nations Sustainable Development Goals and suggested that all Shareholders should consider this blueprint.

The Managing Director was thanked for his report.

Resolved: That the report from Yorwaste Ltd, attached at Annex 1 to the report, be noted.

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

7. YPO Ltd Finance Update (5:02pm)

Members considered a report from YPO that outlined the latest financial performance.

The Managing Director of YPO provided an update noting the global cost of living increases that had affected product and operating costs. The adoption of a new price benchmarking software system had helped in determining pricing levels, which were still competitive and good value for money. YPO was determined to ensure no profiteering results and was committed to striking the on-going balance between competitive pricing and surplus for member authorities. A full mid-year budget review was underway to identify areas where costs could be controlled or reduced, without restricting capacity available for long term growth.

The Managing Director highlighted their procurement and sustainability strategies, noting that they were operators of national procurement regulations and had achieved re-accreditation to the ISO 14001 Environmental Standard with no non-conformances. They had also employed a new Health & Safety Manager and the first of the electric delivery vehicles, sourced through a government funded trial, had been delivered.

During questions, the Managing Director provided a detailed background to the Company and confirmed:

- Their sustainability and procurement approaches could be disseminated through their supply chain to ensure continued value for money.
- Recruitment was a challenge, particularly in sourcing qualified drivers, as a result of this they had trained some internal staff.
- Schools were under significant financial pressures and the Company were forecasting for the shift in product ranges and changes from traditional learning techniques to online learning.

The Managing Director was thanked for his update.

Resolved: That the report from YPO and YPO Procurement Holdings Ltd, attached as an annex to the report, be noted.

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

8. City of York Trading Ltd Update (5:17pm)

Members considered a report that provided a City of York Trading Ltd. performance update, including the draft final outturn for 2021/22 and budget 2022/23.

The Managing Director provided an overview and noted that:

- The draft financial outturn for 2021/22 was positive with both turnover and profit above budget, however the Company's accounts were currently subject to audit and so statutory accounts had not yet been prepared.
- WorkwithSchools enquiries had increased.
- They had moved into new offices and the building had undergone a programme of repair and refurbishment and a Green Energy supplier would be sourced.
- Plans to recruit more staff were underway and the Company was investing in staff training and development.

The Managing Director was thanked for her update and was invited to:

- explore the United Nations Sustainability Development Goals, and

- enhance and disseminate the Company's procurement and sustainability policies across their clients.

Questions on the exempt Annexes were put and responded to in private session.

Resolved: That the performance update from City of York Trading Ltd, attached at Annex A to the report, be noted.

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

Resolved: That the recommendation from City of York Trading Ltd.'s Remuneration Committee, attached at Annex B of the report, be delegated to Officers to approve, in consultation with the Committee, subject to:

- (i) The Committee Members and Head of HR receiving further clarification surrounding the proposal from City of York Trading Ltd.'s Remuneration Committee; and
- (ii) Clarification from the Monitoring Officer and Legal Services regarding the correct approval procedure under Article 12 of the Constitution.

Reason: To ensure the Company appropriately and fairly remunerates its staff.

[5:53pm, Councillor D'Agorne left the meeting].

9. Work Plan (5:53pm)

Resolved: That the work plan be noted and that future reports highlight the Companies sustainability actions, noting how they will be disseminated through their workforce, customers and supply chain.

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

Cllr Widdowson, Chair

[The meeting started at 4.30pm and finished at 5.53pm].