Meeting	Shareholder Committee
Date	22 June 2026
Present	Councillors Lomas (Chair) and Kilbane
In Attendence	Councillor Ayre (Leader of the Lib Dem Group)
Officers Present	Helen Whiting – Chief Human Resources and Support Services Officer Patrick Looker – Assistant Director of Finance Dan Moynihan – Senior Lawyer (Contracts and Commercial)
External Visitors	Sandy Boyle – Managing Director (Yorwaste Ltd) Sarah Jollands – Management Accountant (City of York Trading Ltd and Work with York Limited) Max Thomas – Chief Executive (Veritau Ltd)

33. Apologies for Absence (4:30pm)

No apologies for absence were received.

34. 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.

35. Minutes (4:31pm)

Resolved: That the minutes of the last meeting held on Monday, 2 February 2026 were approved and then signed by the Chair as a correct record.

36. Exclusion of Press and Public (4:31pm)

Resolved: That the public and press be excluded from the meeting during consideration of Agenda Item 7, Annex B and Agenda Item 8, Annex C, on the grounds that they contained information relating to the financial or business affairs of any particular person (including the authority holding that information).

This information 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.

37. Public Participation (4:31pm)

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

38. Yorwaste Ltd Finance Update (4:32pm)

The Managing Director, Yorwaste Ltd provided the committee with a financial performance update:

It was noted that:

- Being owned by two authorities (City of York Council and North Yorkshire Council) as sole stakeholders, there was a risk of a "wooden dollars" argument about the value of the report in terms of where costs or profits resided.

- It had been a good year for the business, despite continuing pressures bringing profits down from £1.65 million to £0.95 million. The key reason for the fall was the loss of some third-party recycling business halfway through the year and a conscious decision to absorb costs arising from National Insurance and living wage increases to avoid passing on inflationary rate increases to the authorities.

- Members asked for further details on the loss of the third party arrangements, The Managing Director, Yorwaste Ltd discussed that Yorwaste had been bringing in significant cashflow for managing a commercial customer's aluminium and cans, but that this customer had moved elsewhere for commercial reasons. This was a price sensitive market, and the customer could not have been retained since this was not put to tender. Yorwaste could not have retained the customer unless it went outside margins, due to price competitiveness.

- There had been a couple of Reports of Diseases and Dangerous Occurrences Regulations (RIDDORs). Members asked about the type of incidents incurring the RIDDORs: The Managing Director, Yorwaste Ltd clarified that these were not severe occurances, comprising a twisted ankle and time off for back pain due to lifting.

- A Fiber Optic Sensing (FOS) system had been fitted to the heavy plant operating area, which further mitigated one of the single biggest areas of risk to pedestrians in the working area on key sites. The business had been awarded the RoSPA Gold award for the third year in a row, as well as an investors in people silver award.

- Members asked about the reduction in landfill aftercare provision and amortisation detailed in the report – the Managing Director, Yorwaste advised that the business had certain obligations over 20-30 years maintaining landfill sites, and the higher the gilt rate (or cost of government borrowing) the lower the amortisation rate (or cost needed on the balance sheet) to meet long term expectations. If government borrowing were to drop significantly this could result in the business having an additional cost via this mechanism; it was not to do with the actual cost of maintaining the landfill, it was the discount or reverse interest rate.

- The business was at breakeven budget, with both authorities being under significant cost pressure. Nevertheless, they wouldn't have to go into any borrowing. There was potential they may just dip into loss in the coming year, depending on the direction of the fuel crisis.

- Members discussed the reduced profits of the business and the Managing Director, Yorwaste Ltd responded that he recognised the authorities were struggling, and it was not beneficial for company to go up in profit now. Members asked whether he felt without action on the part of authorities the business would become loss making. The Managing Director, Yorwaste responded that he did not believe either authority intended to allow this and he predicted £0.5 million to £1 million profit in the next 3-5 years.

- The Head of Service Finance, CYC asked how much authorities charge Yorwaste to put their own commercial waste into Allerton Park, since £200k-300k additional revenue was coming to CYC here, which if Yorwaste was to keep would show more profitability for the business. The Managing Director, Yorwaste Ltd answered that they needed to find the right level for this.

- Options were discussed on various Deposit Return Schemes (DRS). All presented options would happen over next few years but had not yet come to fruition. If DRSs were a success, the income currently produced by dealing with this waste would disappear from council revenue stream. This would be coupled with the risk of the council choosing to commit £12-16 million on a new Materials Recovery Facility.

- Members asked if the cited 2/3 value was lost via DRS, how much this would amount to. The Managing Director, Yorwaste Ltd stated that based on figures from Ireland where this was currently in place, we could be looking at a reduction of 60% in recycle rates. Even if a significant number of houses didn’t want to bother taking their recyclables to the bins to collect a deposit, there would likely be enterprising members of the community who would be more than happy to claim the deposit on their behalf. Members expressed concern that market conditions in the UK may differ significantly from the Republic of Ireland where they pay directly for waste to be collected (not via council tax) but the Managing Director of Yorwaste said he could not comment on that at this stage.

- Members clarified that these schemes would just be for plastic and cans, and not glass. The Managing Director, Yorwaste clarified that nobody wants glass, or cardboard which significantly loses value if it gets wet.

[The Managing Director, Yorwaste Ltd left the meeting at 4:48pm]

Resolved: To note the reports from Yorwaste Ltd.

Reason: To ensure the Council is updated on the financial performance of Yorwaste Ltd

39. Veritau Limited Business Update (4:48pm)

Members considered an update from the Chief Executive of Veritau on performance and trading activities of Veritau Limited and Veritau Public Sector Limited (VPS) since the last meeting of the committee.

It was noted that:

- Veritau Public Sector (VPS) was owned by the six member councils, including CYC and was run as a not for profit company. This aimed to cover costs delivering a service to the member councils.

- Veritau Ltd was the commercial business and was set up to generate a profit – all staff were employed by VPS and those staff worked on behalf of Veritau Ltd, and VPS recharged cost of this to Veritau Ltd.

- 2025/26 had been a year of consolidation following the above restructure in 2024/25. During this year they had found the financial position more challenging. They had gained a number of new clients and contracts, but also lost a major contract with mid-Kent Audit Partnership, meaning their external fee income was lower than expected. They had also been subject to inflationary pressures and the employers National Insurance increase, and the pay award was slightly greater than they had budgeted for.

- The businesses had made changes to the grading structure to maintain capacity at the top end, out of step with the rest of the market; this had been done to ensure senior staff were retained. They had generally been aiming for 0-100k margin to minimise profit and avoid overcharging member councils.

- During the year a contract was gained with Leicester City Council, who added fraud protection to internal audit, and overall with additional work, fee income had increased by about 12.7%.

- At the same time, the businesses costs had gone up by a similar amount, meaning they were looking at a loss for the first time this year.and were trying to eliminate as much as possible to ensure value for money was being provided.

- There had been a restructure of the Senior Leadership Team due to retirement or plans to retire. This had not been done to reduce cost, although this was a small side effect.

- Staff satisfaction survey response was down to 71%. On the plus side, fewer respondents had indicated that they were dissatisfied.

- Members asked about relationship between the two companies – with VPS at a loss, and the commercial arm in profit, when might this become unacceptable to balance and require the businesses to be looked at separately. The Chief Executive answered that staffing costs were too high to councils, and this was more of a squeeze on the commercial arm than on VPS. There had been no one cause for move – rather a combination of small factors.

- Members acknowledged that they cancelled each other out but asked for clarification that there would be no additional cost to authorities? The Chief Executive confirmed every effort would be made to ensure this, but that it may ultimately become necessary to increase costs ever so slightly.

- Members asked whether Veritau Ltd should increase fee income from commercial customers, if it was the commercial arm making the loss, and VPS was performing adequately. They had gained one contract since the start of year but the income from VPS mustn't wipe this out. They needed to revisit unit cost of member councils. To deliver to member councils including York was costing the business more. Hit to Veritau Ltd should really have been across the board.

- Members asked whether Veritau Ltd should be in a position to cross-subsidise councils.The Chief Executive said that it should, but what was not yet evident was the profit element.

Resolved: To note the performance of both Veritau Limited and Veritau Public Sector Limited since the last business update report

Reasons: To enable members to assess the performance of Veritau in 2025/26 and the current financial year.

40. Work Plan (5:01pm)

[The Chief Executive, Veritau Ltd left the meeting at 5:01pm]

Members considered the committee's work plan for the upcoming municipal year.

Resolved: That the committee's draft work plan for 2026/27 be noted.

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

41. Work with York Ltd Update (5:01pm)

The Management Accountant, Work with York Ltd (WWY) provided the committee with a finance and performance update for the company.

It was noted that:

- This had been WWY's first year of trading after splitting the companies, the business reported a profit, though there was still a loan to be repaid. The company had also moved from Castlegate to West Offices.

- Revenue was ahead of budget, year to date. Looking forward, the Employment Rights Act was due on the agenda for August, and the business hoped to continue to review KPIs and Good Business Review.

- Members asked why the business termed their staff “candidates”. The Management Accountant answered that this was just a turn of phrase used by the business for their temporary staff.

- Members asked what the average contract length for candidates/temporary staff at WWY was. The management accountant didn’t have this information to hand but advised she would provide members with it in due course.

Resolved:

i. To note the Performance Update from Work with York Ltd.

Reason: To ensure the Council is updated on the performance of and plans for Work with York Ltd.

ii. To note the Finance Update from Work with York Ltd.

Reason: To ensure the Council is updated on the 2025/26 draft outturn and 2026/27 budget for Work with York Ltd.

42. City of York Trading Ltd Update (5:05pm)

The Management Accountant, City of York Trading Ltd (CYT) provided the committee with an update on the performance of the company.

It was noted that:

- City of York Trading Ltd (CYT) had successfully tendered for a Government Commercial Agency (GCA), replacing Crown Commercial Service (CCS), pending IT separation. This was in the process of passing and the Department for Education intended to mandate the framework from September, which increased its importance.

- CYT's Association of Professional Staffing Companies (APSCo) membership had been renewed for another year, mandating CCS/GCA membership.

- The business had moved from Castlegate to West offices in April and recent Google reviews/feedback for the business had all been very positive and there were growing client and candidate numbers.

- There were no questions in public session.

Resolved: To note the Brand Information Update for City of York Trading Ltd June 2026, the Shareholder Value Update for City of York Trading Ltd June 2026, and the confidential Performance and Finance Update for City of York Trading Ltd June 2026.

Reason: To ensure the Council is updated on the performance and finance of City of York Trading Ltd.

Cllr K Lomas, Chair
[The meeting started at 4.30 pm and finished at 5.38 pm].