

**Director of Governance and Monitoring Officer**

Portfolio of the Executive Member for Finance, Performance, Major Projects, Human Rights, Equality, and Inclusion

**City of York Trading Limited and Work With York Limited  
– Appointment of Director and Chair Nominations**

**Introduction**

1. This report seeks approval on three proposals,
  - a. to nominate Councillor Claire Douglas as Chair of the Board of Directors of City of York Trading Ltd. (“**CYT**”);
  - b. to appoint the Council’s representative on the Board of Directors of Work with York Limited (“**WWY**”), for the continued provision of agency workers to the Council; and
  - c. to nominate Councillor Claire Douglas as Chair of the Board of Directors of WWY.

**General context and Background**

*City of York Trading Limited*

2. Councillor Claire Douglas was nominated as one of the CYC Representatives of CYT at Full Council on 22<sup>nd</sup> May 2025. This report seeks approval for Councillor Douglas to be the Chair of CYT as detailed at paragraph 16.

*Work with York Limited*

3. Work With York is established as what has been referred to historically as a “*Teckal* company.” This enabled the Council to take advantage of the exemption contained under Reg 12(1) of the Public Contract Regulations 2015 (“**the Teckal Exemption**”) and

the arrangements under Schedule 2, Part 1, Para. 2 of the Procurement Act 2023 (also called “**Vertical Arrangements**”), to award long-term contracts to the company for the supply of services without the requirement to undertake a public procurement exercise, **PROVIDED THAT** all of the following three conditions are met:

- i. the Council, either on its own or jointly with other contracting authorities, exercises a similar degree of control over the WWY as it does over its own departments (in other words, the Council exercises a decisive influence over both strategic objectives and significant decisions of the Company) (the “**Control Test**”);
  - ii. WWY must be inwardly, not outwardly focussed, in that more than 80% of the work undertaken is for the benefit of the Council or for other organisations controlled by the Council (averaged over 3-years) (the “**Function Test**”); and
  - iii. there is no direct private capital participation in the WWY except for no controlling and non-blocking forms of private capital participation required by national legislative provisions, which do not exert a decisive influence on the company.
4. The governance arrangements for WWY are set out in the articles and a shareholders’ agreement, dated 1<sup>st</sup> April 2021. These are drafted to reflect local authority control and the *Teckal* Exemption and/or the *Teckal* Exemption and/or the requirements for Vertical Arrangements under the Procurement Act 2023.
  5. The shareholders’ agreement includes a number of provisions including the appointment of Directors and the chair, the frequency of board meetings, and the requirement to prepare an annual business plan and budget.
  6. The agreement also includes a number of reserved matters which require prior approval of the Council as WWY’s sole shareholder.

7. The WWY Board of Directors currently comprises:

Name	Position
Cllr Ian Cuthbertson	Chair and Non-Executive Director
Cllr Kallum Taylor	Non-Executive Director
Cllr Jason Rose	Non-Executive Director
Ann Vickers	Non-Executive Director
Lisa Wood	Non-Executive Director
Chloe Kerridge-Phipps	Non-Executive Director
Karen Bull	Managing Director

8. The Council also has arrangements in place to maintain oversight over the strategic direction and performance of WWY. They also ensure that the company's purpose and aims continue to be aligned to their own priorities.
9. This oversight involves the approval of WWY's company business plan and annual budget by the Council Shareholder Committee and the periodic reporting of performance including the submission of audited financial statements and an annual report.
10. Together with the articles and shareholders' agreement, these arrangements help the Council to demonstrate the degree of control required to satisfy the *Teckal* Exemption and/or the *Teckal* Exemption and/or the requirements for Vertical Arrangements under the Procurement Act 2023.
11. In order to meet the requirements of the Control Test under the *Teckal* Exemption and/or the *Teckal* Exemption and/or the requirements for Vertical Arrangements under the Procurement Act 2023, the Council is required to have a presence on the Board of Directors for the Company to make sure the member authorities take part in the operational day-to-day decision making and management of WWY.
12. The Council needs to appoint a representative to the board of WWY in order to have a voice in the decision making and operation and management of the company.

## *Proposals*

13. The following three proposals (paragraphs 14, 15 and 16) have been presented to Shareholder Committee on 23<sup>rd</sup> June 2025, and were approved in principle subject to agreement by Staffing Matters Committee. This is in accordance with Article 12 of Council's Constitution, paragraph 1.4a which states that non-executive directors (non-salaried) are appointed by the Shareholder committee in conjunction with the Council's Staffing Matters and Urgency Committee.
14. It is therefore, proposed that Councillor Claire Douglas is appointed to the Board of Directors of WWY as a Non-Executive Director. In addition, to this it is requested to approve the delegated authority to the Managing Director of WWY to make all the necessary filings with the Registrar of Companies at Companies House and necessary updates to the statutory registers and local administration in relation to this appointment.
15. On approval of appointment of Councillor Douglas as Director, it is proposed to nominate Councillor Douglas as Chair of the Board of Directors of WWY, following the stepping down of the previous chair, Councillor Ian Cuthbertson. Councillor Cuthbertson will continue as a Non-Executive Director on the Board
16. As noted in paragraph 2, Councillor Douglas was appointed as the Council's representative for CYT at Full Council on 22<sup>nd</sup> May, 2025. It is further proposed to nominate Councillor Claire Douglas as Chair of the Board of Directors of CYT, following the stepping down of the previous chair, Councillor Ian Cuthbertson. Councillor Cuthbertson will continue as a Non-Executive Director on the Board.

## **Recommendations and Reasons**

17. It is recommended that the Staffing Matters and Urgency Committee:
  - a. approve the appointment of Councillor Claire Douglas to represent the Council on the Board of Directors for City of York Trading Limited and Work With York Limited (*paragraph 14*);
  - b. approve the delegated authority to the Managing Director of

Work with York Limited to make all the necessary filings with the Registrar of Companies and necessary updates to the statutory registers and local administration in relation to this appointment (*paragraph 14*);

- c. approve the appointment of Councillor Claire Douglas to act as Chair on the Board of Directors for Work With York Limited (*paragraph 15*); and
- d. approve the appointment of Councillor Claire Douglas to act as Chair on the Board of Directors for City of York Trading Limited (*paragraph 16*),

For the following reasons:

- i. to ensure that City of York Trading Limited and Work With York Limited meets the requirements of the Control Test under the *Teckal* Exemption under contained under Reg 12(1) of the Public Contract Regulations 2015 and the requirements for Vertical Arrangements under Schedule 2, Part 1, Para. 2 of the Procurement Act 2023.

## **Financial Implications**

- 18. There are no financial implications arising from this report.

## **HR Implications**

- 19. There are no HR implications arising from this report, however, should a conflict of interest arise between the Council and the Company then any appointee of the Council's would need to declare this. Further, any appointee would need to declare their Directorship on the Declaration of Interest form.

## **Legal Implications**

- 20. Article 20.2 of the articles of association for both companies (which are on identical terms) states that each company shall procure that the Directors shall appoint the Council Non-Executive Directors recommended by the Council (acting as sole shareholder of each company), and that the Council shall recommend for appointment a replacement Council Non-Executive Director should the number of Council Non-Executive Directors fall below the agreed number

specified in the Shareholders Agreement

21. Clause 7.1 in both:

- a. the Shareholders Agreement between the Council and CYT dated 1<sup>st</sup> April 2021; and
- b. the Shareholders Agreement between the Council and WWY 24<sup>th</sup> November 2024,

states that the minimum number of Directors for each company shall be six (6), of which at least three (3) Directors should be elected Members or officers of the Council, appointed by the Council as Non-Executive Directors.

22. Clause 7.6 of both Shareholders Agreements states that each company shall procure that its Board of Directors shall appoint the Council Non-Executive Directors recommended by the Council's Shareholder Committee, and the Shareholder Committee shall recommend for appointment a replacement Council Non-Executive Director should the number of Council Non-Executive Directors fall below the number specified in Clause 7.1.
23. Clause 7.7 of both Shareholders Agreements requires that each company shall procure that its Board of Directors shall appoint the Council Non-Executive Director recommended by the Shareholder Committee as Chair.
24. Paragraph 1.4(a) of Article 12 (**Shareholder Committee**) of the Council's Constitution requires that any Council Non-Executive Directors appointed by the Shareholder Committee in accordance with the Articles and/or Shareholder Agreement of the Company must be done so in conjunction with the Council's Staffing Matters and Urgency Committee.
25. Paragraph 5.2 of Article 12 (**Shareholder Committee**) of the Council's Constitution goes further and states that any decision to approve the appointment, dismissal, and terms and conditions of Council Non-Executive Directors (including where applicable the Chair of the Company) are reserved exclusively to the Staffing Matters and Urgency Committee. Therefore, any recommendation from the Shareholder Committee to approve the appointment, dismissal, and terms and conditions of Council Non-Executive

Directors (including where applicable the Chair) is subject to the decision of the Staffing Matters and Urgency Committee. The appointment of Councillor Claire Douglas as a Council Non-Executive Director for both CYT and WWY, as well as the proposal for Councillor Claire Douglas to act as Non-Executive Chair for both companies, was approved in principle by the Shareholder Committee on 23<sup>rd</sup> June 2025, subject to the decision of the Staffing Matters and Urgency Committee.

26. Any decision to appoint, or not to appoint, any particular individual to the board of either company must be taken with regard to matters set out under (**Guidance to Councillors and Officers Appointed to Outside Bodies**) of the Council's Constitution (in particular, but not limited to, paragraph 2.1 of Appendix 18), with any particular concerns referred to Monitoring Officer before any decision is taken.
27. The appointment by the Council of Directors to Board of Directors of both of these companies will help to enable both companies to meet the requirements of the *Teckal* Exemption.

The *Teckal* Exemption under Regs 12(1), 12(4) and 12(5) of the Public Contract Regulations 2015 requires (*inter-alia*) that:

- a. each contracting authority exercises jointly with other contracting authorities a control over that legal person which is similar to that which they exercise over their own departments; and
- b. for the purposes of (a) above, contracting authorities are deemed to exercise joint control over a legal person where all of the following conditions are fulfilled:
  - i. the decision-making body of the controlled legal person (i.e., the Board of Directors) is composed of representatives of all participating contracting authorities;
  - ii. the contracting authorities are able to jointly exert decisive influence over the strategic objectives and significant decisions of the controlled legal person.

Schedule 2, Part 1, Para. 2 of the Procurement Act 2023 requires (*inter-alia*) that:

- a. no person other than the authority, or authorities, exerts a decisive influence on the activities of the person (either directly or indirectly); and
- b. in the case of joint control, each of the contracting authorities is represented on the person's board, or equivalent decision-making body.

With this in mind, appointment by the Council of a Non-Executive Director to the boards of CYT and WWY will help to ensure that both companies will remain compliant with the *Teckal* Exemption under Regs 12(1), 12(4) and 12(5) of the Public Contract Regulations 2015 Schedule 2, Part 1, Para. 2 of the Procurement Act 2023.



## Contact Details

**Author:**

Helen Whiting  
Chief Officer – HR and Support  
Services  
Helen.whiting@york.gov.uk

**Chief Officer Responsible for the report:**

Helen Whiting  
Chief Officer – HR and Support Services  
Helen.whiting@york.gov.uk

**Report****Approved**☒**Date** 27 June 2025**Specialist Implications Officer(s):** List information for all**Financial:** Debbie Mitchell – Director of Finance**Legal:** Dan Moynihan - Senior Lawyer**HR:** Helen Whiting - Chief Officer – HR and Support Services**Wards Affected:** List wards or tick box to indicate all**All**☒**For further information please contact the author of the report****Background Papers:**

Shareholder Committee Report 23 June 2025 - City of York Trading  
Limited and Work With York Limited Update

<https://democracy.york.gov.uk/documents/s184054/CYT%20and%20WWY%20Update%20June%202025.pdf>

Full Council Supporting Documents Further Update – Formal Business of  
Council – Committee Arrangements, Allocation of Seats and  
Appointments to the Council Structure and other Bodies 2025/26 – 22  
May 2025

<https://democracy.york.gov.uk/documents/s183348/Further%20Update%201%20-%20Appointments%20to%20Committees%20and%20Outside%20Bodies%202025.pdf>

**Annexes:**

None.