

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

To: Councillors Widdowson (Chair) and D'Agorne

Date: Monday, 28 March 2022

Time: 4.30pm

Venue: The George Hudson Board Room - 1st Floor,
West Offices (F045)

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 - 10)

To approve and sign the minutes of the last meeting of the Committee held on 22 November 2021.

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 1 – Veritau group profit and loss account 2021-22 (quarter 3)
 - Appendix 2 – Veritau Limited balance sheet at 31/12/21
 - Appendix 3 – Variances against budget (quarter 3)
 - Appendix 4 Veritau business plan 2022-23
 - Appendix 5 – Veritau Group budget 2022-23

- (ii) Agenda Item 6, Yorwaste Ltd Finance Update
 - Annex 2 - Yorwaste Headline Performance Review

- (iii) Agenda Item 8, City of York Trading Ltd Update
 - Annex B – CYT Performance Update March 2022
 - Annex C – CV of proposed Independent Non-Executive Director

- (iv) Agenda Item 9, Make It York Update
 - Annex H - MIY Forecast Cash flow
 - Annex I - MIY Summary Profit and Loss

On the grounds that these contain information relating to the financial or business affairs of any particular persons (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. The deadline for registering at this meeting is at **5.00pm on Thursday 24 March 2022.**

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 Democracy Officer for the meeting whose details can be found at the foot of the agenda.

Webcasting of Public Meetings

Please note that, subject to available resources, this public meeting will be webcast including any registered public speakers who have given their permission. The public meeting can be viewed 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 11 - 54)
To receive an update on Veritau Group's finance and performance to date in 2021/22.
- 6. Yorwaste Ltd Finance Update** (Pages 55 - 106)
To consider reports from Yorwaste providing a trading update for the 2021/22 financial year as well as the Business Plan for 2022/23.
- 7. YPO Ltd Finance Update** (Pages 107 - 174)
To consider a report from YPO outlining the latest financial performance.
- 8. City of York Trading Ltd Update** (Pages 175 - 198)
To consider the City of York Trading Ltd's performance update.
- 9. Make It York Update** (Pages 199 - 338)
This report provides an update from Make It York (MIY) on the company's performance since the report to this committee in November. A business plan for 2022/23 is set out for approval together with a new Scheme of Delegation for the company.
- 10. Work Plan** (Pages 339 - 342)
To consider the Committee's Work Plan for the 2021/22 and 2022/23 municipal year.
- 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 مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550

City of York Council

Committee Minutes

Meeting	Shareholder Committee
Date	22 November 2021
Present	Councillors Widdowson (Chair) and D'Agorne

11. 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 interests that they might have in respect of the business on the agenda. None were declared.

12. Minutes

Resolved: That the minutes of the last meeting held on 6 September be approved and then signed by the Chair as a correct record.

It was noted that at the last meeting it was agreed that all Companies should highlight, within all future reports, their actions relating to climate emergency. The Chair agreed to consult with the Companies to ensure this was actioned.

13. Exclusion of Press and Public

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 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:

- (i) Agenda Item 6, Make It York Finance Update:
 - Annex 2, Make It York forecast cashflow November 2021

- Annex 3, Make It York summary profit and loss to 30 September 2021
- (ii) Agenda Item 8, City of York Trading Ltd Update:
 - Annex A, CYT Performance Update November 2021
- (iii) Agenda Item 9, Veritau Limited Business Update:
 - Appendix, 1 – 2021/22 (quarter 2) Veritau Group management accounts
 - Appendix 2, – Veritau Limited balance sheet at 30/9/21
 - Appendix 3, – Variances against budget (quarter 2)
- (iv) Agenda Item 10, YPO and YPO Procurement Holdings Ltd Finance Update:
 - Annex A, – YPO Financial Performance Review
 - Annex B – YPO Procurement Holdings Ltd Business & Trading Report
 - Annex C – Update on Ed-Tech
 - Annex D – Schools update

14. Public Participation

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme.

Ms Swinburn spoke on the governance and transparency related to City of York Council businesses and shareholdings. She noted that some information within the reports was confidential but she felt there was much that could be published. She would welcome a standard format report with required appendices at future meetings to ensure public assurances that businesses were viable and providing a return. She also sought assurances to instigate improved democratic oversight of the Companies, with at least one annual scrutiny of each company, an annual report to Executive and a combined annual report on the finance and governance of all the shareholdings to the Audit and Governance Committee.

15. Yorwaste Update

Members consider a report that updated them on Yorwaste's performance.

The Managing Director (Yorwaste) and the Finance Manager (City of York Council, (CYC)) were in attendance to provide an update and answer questions.

The Managing Director confirmed:

- Annual reports were publicly available and could be provided as appendices at future meetings.
- Yorwaste was overseen by CYC and North Yorkshire County Council (NYCC) and had specific Local Authority Councillors on the Board.
- Apprentice levies had been used and some roles within Yorwaste were available through the Kickstart Scheme.
- There was an aspiration to raise the number of female employees within the industry.
- The HGV driver shortage had stabilised but management would continue to monitor this risk, as well as the broader employment market, as it had been harder to recruit across a range of roles.
- As Covid restrictions reduced and with the return to more normal operations, the injury incident rate had started to climb slightly and the Company was investing in additional training to mitigate this.
- The Company was progressing its work to support ISO 5001 Energy Management Certification and was currently conducting a feasibility study into the potential Green Energy Parks at one, or both, of the closed Harewood and Seamer landfill sites.
- Yorwaste delivered shareholder value in a number of ways and continued to perform well both operationally and financially.
- The Company was still in the process of finalising their budget for 2022/23.
- The Government Resource and Waste Strategy consultation had the potential to impact the operations of Yorwaste but overall the Company was in a strong position to support any outcome.

Members were informed that Yorwaste's fleet of vehicles for operational managers/supervisors were due to be replaced over the next year and a move to electric vehicles was under

consideration. The Chair confirmed that CYC were also investigating this move and she suggested that the Managing Director contacts CYC's Head of Programmes and Smart Place.

The Chair thanked the Managing Director for all the improvements made over the last year and Members questions, relating to procurement processes and renewable energy were answered. It was noted that:

- An independent procurement review had taken place to ensure processes were fair, transparent and achieved the correct outcomes.
- The Green Energy Parks feasibility study would be completed by the end of the current fiscal year.

The Managing Director was thanked for his update.

Resolved: That the report be noted.

Reason: To enable the Council to be kept updated on the performance of Yorwaste Ltd.

16. Make It York Finance Update

Members considered a report that provided an update on Make It York's (MIY) financial performance and the mitigations that MIY were seeking from the council, in light of Covid, in order to ameliorate its financial position.

The Head of Marketing and Communications (MIY), the Managing Director (MIY) and the Finance Manager (City of York Council (CYC)) were in attendance to present the report and answer any questions.

The Finance Manager provided a brief overview and the Chair confirmed that the totals varied slightly throughout the report but that the correct figures were noted within paragraph 8.

Members noted that the three potential areas MIY were seeking financial assistance/mitigation included:

- Relief on the business rates paid in respect of the Museum Street shop (a cost to the council of £6.4k based on the days it was closed over 2020/21 and 2021/22);

- A reduction in the revenue stream required from MIY commensurate with the reduction in cashflow experienced by the company in April when the Shambles market was closed (a cost to the council of £14.3k); and
- Support with the cost of counter terrorism measures required during the Christmas Market (a cost to the council of £78.9k).

In answer to questions raised, it was confirmed that a procurement policy was being developed and would be presented at the next Shareholder Committee and during discussion it was:

Resolved:

- (i) That the final contract price, as set out in paragraph 8 of the report, be noted.
- (ii) That the report and annexes be noted.
- (iii) That the financial assistance/mitigation requested by Make It York be referred to Executive.
- (iv) That the procurement policy be overseen by the Chair before the next Shareholder Committee meeting.
- (v) That arrangements be made for Committee Members to discuss with MIY their sustainability agenda, particularly the removal of single use plastics across all events and the energy supplies across all the activities across the city.
- (vi) That the Chair be invited to attend the Visit York Tourism Conference in January 2022.

Reason: To ensure that the Council was updated on the financial performance of Make It York.

17. Amendment to Articles of Association of Make it York Limited

The Committee considered a report that provided background and information on the proposed amendment to the Articles of Association of Make It York Ltd to increase the authorised rate of remuneration for officers of or consultants to the company.

The Head of Marketing and Communications (MIY) and the Managing Director (MIY) were in attendance to present the report and following discussion it was:

Resolved: That the increased limit for inclusion in the amended Articles of Association be referred to Executive for consideration, including Annex A to the report.

Reason: To enable Executive to agree the appropriate levels of remuneration for officers of or consultants to the Company.

18. City of York Trading Update

Members considered a report that provided an update on City of York Trading Ltd's performance.

The Managing Director of City of York Trading (CYT) and the Interim Head of HR (City of York Council (CYC)) were in attendance to present the report and answer questions.

The Managing Director provided a brief overview, noting that:

- CYT had attended a number of events and job fairs and were experiencing a challenging market at the moment.
- Monthly reports were provided to CYC, as well as regular meetings taking place with officers.

In answer to questions raised on retaining staff, it was noted that CYT only supported the Council's temporary recruitment opportunities. It was rare for a temporary member of staff to not stay for the original duration of the assignment and CYT and CYC agreed they would continue discussions on accelerating the recruitment process.

Officers were thanked for their update.

Resolved: That the report be noted.

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

19. Veritau Limited Business Update

Members considered a report that provided a business update.

The Chief Executive (Veritau) and a Senior Solicitor (City of York Council) were in attendance to provide an update and answer any questions.

The Chief Executive confirmed that the Group:

- was on track to achieve its target profit for 2021/22 and there were no significant variances against the budgets.
- continued to bid for contracts.
- continued to offer services to schools within the region and had developed two new specialist services offering risk management and whistleblowing.
- had retained its Investors in People (IIP) accreditation for another year.

Members commended the Group for their achievements over the last year and in answer to questions on devolution, the Chief Executive confirmed he did not see any particular risk to the business over the next few years.

Resolved: That the Group's performance to date in 2021/22 be noted.

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

20. YPO and YPO Procurement Holdings Ltd Finance Update

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

The Managing Director (YPO) and the Finance Manager (City of York Council (CYC)) were in attendance to provide an update and answer any questions raised.

The Managing Director confirmed:

- YPO was established as a joint committee of Local Authorities and CYC was one of the 13 founder member authorities.
- Trading activity had been impacted by the national lockdown imposed during 2020 and the closure of schools but since schools returned, the financial analysis had improved and a trading surplus should be met.
- Cash resources, stock availability and price stability was continually reviewed.

- A Contracts for Schools offer had been developed which provided a broad spectrum of support for educational establishments.
- YPO Procurement Holdings Ltd purchased a 30% shareholding of EdTech Impact Ltd, which was designed to assist with online learning. The remaining 70% of the shares were held by the founder of the business, who was currently looking for potential co-investors. Any potential co-investor also required the explicit agreement of YPO, to ensure that the overall shareholding remained on the same ethical footing as YPO.
- Schools were increasingly moving away from large bulk orders to fragmented purchases throughout the year, with next day delivery rising as a requirement. YPO were required to urgently adapt to these changing circumstances.
- A 3 year strategy had been drafted which proposed investment in rapid digitalisation and the move to fixed prices for 12 months.
- Previous initiatives with member authorities to carry out branded marketing campaigns had proved successful and it was suggested that this could be a potential future activity for YPO and CYC.

In answer to questions raised regarding PPE, the Managing Director confirmed the loss was contained within the 2020 financial year and that publicly available accounts would be attached to future reports. It was also noted that the challenges within the supply chains were being investigated.

The Managing Director was thanked for his comprehensive report and update.

Resolved:

- (i) That the report and annexes from YPO and YPO Procurement Holdings Ltd be noted.
- (ii) That the Assistant Director of Policy and Strategy be contacted to discuss potential marketing campaigns.
- (iii) That the Chair be provided with further information on Edtech Impact Ltd, particularly the online services to schools.

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

21. Municipal Bonds Agency

Members considered a report that presented an overview of the Municipal Bonds Agency (MBA).

The Finance Manager was in attendance to provide an update and answer questions.

He informed Members that:

- The MBA was owned by the Local Government Association.
- The Council had contributed £40k to the agency in 2014 and was one of 56 Councils to have done so.
- It provided Councils with an alternative source of borrowing, other than the Public Works Loan Board (PWLB) that had historically been the main route to secure borrowing.
- MBA's current rates were marginally below PWLB.
- The agency was yet to make a profit but had started lending more widely.
- CYC had not yet borrowed from the agency but this would be a consideration when borrowing as part of the treasury management strategy.

In answer to questions raised, it was confirmed that there was an audit trail for the initial investment of £40k and without that investment the Council would not have the option to borrow from the MBA.

Resolved: That the report be noted.

Reason: To provide the Committee with information on the Municipal Bonds Agency.

22. Work Plan

Members considered the Committee's work plan for the remainder of the municipal year.

Resolved:

- (i) That the work plan be noted.
- (ii) That all Companies provide their publicly available accounts in future reports.

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

Cllr Widdowson, Chair

[The meeting started at 4.30pm and finished at 6.08pm].



Shareholder Committee

28 March 2022

Veritau Limited Business Update**Introduction**

1. 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.
2. 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.
3. 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

2021/22 Finance and Performance Update

4. The Group is on track to achieve its target profit for 2021/22. There are also no significant variances compared to the approved budget at this stage in the year.
5. Since the last meeting of the Shareholder Committee on 22 November 2021, the Group has gained contracts to provide internal audit services to a number of public authorities and has started providing data protection services to another council.
6. A copy of the 2021/22 Group management accounts (for the 9 months to 31 December 2021) is attached as **appendix 1**. A copy of the balance sheet for Veritau Limited is attached as **appendix 2** for information. Details of variances against budget are included in **appendix 3**. The management accounts are confidential because they contain commercially sensitive information.
7. Veritau has commenced discussions with member councils in preparation for local government re-organisation across North Yorkshire which is being treated as a business priority alongside the continued delivery of a number of services including internal audit, counter fraud, information governance and risk management.
8. Veritau has also implemented new hybrid working arrangements for its employees which it is believed will further enhance and support the effective delivery of services to its clients.
9. Veritau has provided further details in their Business Update Report attached.

Recommendations

10. That the Shareholder Committee notes the Group's performance to date in 2021/22.

11. Implications

Financial

None directly arising from this report.

Human Resources (HR)

None directly arising from this report.

Equalities

None directly arising from this report.

Legal

None directly arising from this report.

Crime and Disorder, Information Technology and Property

None directly arising from this report.

Contact Details

Author responsible for the report:

Janie Berry, Director of Governance, City of York Council

janie.berry@york.gov.uk

Max Thomas
Veritau Chief Executive
max.thomas@veritau.co.uk

Report Approved **Date:** 10 March 2022

Wards Affected: All

For further information please contact the author of the report

Annexes

Annex 1 - Veritau Update Report 28 March 2022

Appendices (Confidential)

- Appendix 1 – Veritau group profit and loss account 2021-22 (quarter 3)
- Appendix 2 – Veritau Limited balance sheet at 31/12/21
- Appendix 3 – Variances against budget (quarter 3)
- Appendix 4 Veritau business plan 2022-23
- Appendix 5 – Veritau Group budget 2022-23

CITY OF YORK COUNCIL SHAREHOLDER COMMITTEE

28 March 2022

Veritau Limited Business Update

Introduction

- 1 Veritau Limited is a local authority shared service company jointly owned by the City of York Council (CYC) and North Yorkshire County Council (NYCC). 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.
- 2 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 over 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.
- 3 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

2021/22 Finance and Performance Update

- 4 The Group is on track to exceed its target profit for 2021/22. There are also no significant variances compared to the approved budget at this stage in the year.

- 5 Since the last meeting of the Shareholder Committee on 22 November 2021, the Group has continued to gain contracts to provide internal audit and data protection services to schools and other public sector organisations.
- 6 Recruitment and retention however continues to be an issue with a number of positions remaining vacant, particularly at more senior levels. Support is now being provided by NYCC Resourcing Solutions to help promote these job opportunities. During the period we have recruited 3 trainee internal auditors to our graduate training programme. Another trainee has completed her professional qualifications and progressed to become an internal auditor.
- 7 Staff sickness (for the group) is currently 8.6 days per FTE as at 31 December 2021 (2020/21 – 2.8 days). A number of cases of long-term sickness during the year have caused this higher than average level of absence.
- 8 Meetings have been held with the Harrogate Borough Council internal audit and counter fraud team in preparation for local government reorganisation in North Yorkshire.
- 9 New hybrid working arrangements have been introduced from 14 February. The principal objectives of the new arrangements are to:
 - increase flexibility and choice for employees in when, where and how they work
 - reduce travel to lessen our environmental impact, to be more efficient and reduce costs
 - open up all of the offices for use by any Veritau employee to improve choice and increase opportunities to work alongside colleagues from other teams.
- 10 Continued use of homeworking and the remote delivery of services are essential components of the new arrangements. To support the changes to working practices, a new desk booking system has been implemented.
- 11 A new case management system is also being implemented in the Counter Fraud team. The new system is expected to go live in April 2022.
- 12 A copy of the 2021/22 Group management accounts (for the 9 months to 31/12/21) is attached as **appendix 1**. A copy of the balance sheet for Veritau Limited is also attached as **appendix 2** for information. Details of variances against budget are included in

appendix 3. The management accounts are confidential because they contain commercially sensitive information.

Business Plan

- 13 The business plan sets out the strategic aims of the Veritau group for the next three years to 2025, and the service priorities for 2022/23. The business plan also includes details of the Group budget for 2022/23, as follows:

	2022/23	2021/22
	£ (k)	£ (k)
Turnover	2,990	2,723
Cost of sales	2,694	2,441
Gross profit	296	282
Overheads	254	215
Net profit before tax	45	67

- 14 Capital expenditure of £30k is planned in 2022/23 (2021/22 - £14k). This includes further upgrades to the website client portal, producing additional e-learning courses, and further investment in our core case management systems, data analytics and IT hardware.
- 15 The key business priorities for 2022/23 include the continued expansion of the customer base and a focus on developing the quality and scope of the service offering. Transforming how we operate by using technology to support more agile working will also remain a priority.
- 16 Local government reorganisation in North Yorkshire also represents a significant challenge for a number of our member councils and for the business itself. From April 2023, a new unitary council for North Yorkshire will replace NYCC and the district councils. This will result in the number of member councils reducing from nine to four.
- 17 We will provide support to our member councils through the change process but the scale and complexity of the work required may result in other planned service developments being delayed. The changes are also likely to impact on the business with the likelihood of staff transfers from some of the existing district councils and changes to the structure of the group as a result of Veritau North Yorkshire Limited ceasing to trade.

- 18 In addition to local government reorganisation, the following service priorities have been identified for 2022/23:
- Internal audit – to complete the re-design of the service and launch the new internal audit strategy, to increase data analytics / IT audit capacity, and to promote internal audit services to academy schools
 - Information governance – to consolidate the existing customer base, to continue to promote DPO services to schools and other clients, and to promote the information access service to councils
 - Counter fraud – to promote counter fraud services to councils and housing associations, and launch the new whistleblowing service to academy schools
 - Risk management – to be seen as the provider of first choice for member councils and other clients, and to promote risk management products and services for academy schools
- 19 Other specific service development / improvements priorities for 2022/23 are set out in the business plan.
- 20 A copy of the 2022/23 business plan is attached as **appendix 4**. The detailed Group budget for 2022/23 is also attached as **appendix 5** for information. The business plan is confidential because it contains commercially sensitive information.

Recommendations

- 21 That the shareholder committee:
- notes the Group's performance to date in 2021/22
 - approves the 2022/23 business plan

Appendices (Confidential)

- Appendix 1 – 2021/22 (quarter 3) Veritau Group management accounts
- Appendix 2 – Veritau Limited balance sheet at 31/12/21
- Appendix 3 – variances against budget (quarter 3)
- Appendix 4 – 2022/23 Veritau Group business plan
- Appendix 5 – 2022/23 Veritau Group profit and loss account

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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Shareholder Committee

28 March 2022

Report of the Chief Finance Officer

Yorwaste Ltd Finance Update**Purpose of Report**

1. To consider reports from Yorwaste providing a trading update for the 2021/22 financial year as well as the Business Plan for 2022/23.

Recommendations

2. Note the reports from Yorwaste Ltd attached at Annex 1 and confidential Annex 2 to this report.

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

Background and analysis

3. Yorwaste was established as a Local Authority Waste Disposal Company owned fully by North Yorkshire County Council in 1991 to manage the council's landfill sites. In 1996 as part of Local Government Review City of York Council became a 22.27% shareholder of the company. The company provides services to York relating to Transfer Stations, processing recyclates, garden waste and management and transport of waste at the two Household Waste Sites. They also provide similar services within North Yorkshire County Council.
4. The Yorwaste board is made up of council representatives of the two authorities and also independent board members. The representatives from City of York Council are currently Cllr A. Waller and the Corporate Director of Place, Neil Ferris. The company is a Teckal company whereby over 80% of its revenues come from its local authority owners.
5. The latest trading update for the company is shown at Annex 1. This report also highlights key issues around the Business Plan for 2022/23 as well as challenges facing the company over the coming years

6. More detailed financial information is provided as part of the private and confidential report as Annex 2.
7. The annual report and accounts for 2020/21 is shown for information at Annex 3.

Risk Management

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

Implications

9. 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:			
Patrick Looker Head of Service Finance Email: patrick.looker@york.gov.uk	Debbie Mitchell Chief Finance Officer			
	Report Approved	x	Date	16 March 2022
Wards Affected: All				
For further information please contact the author of the report				

Annexes:

Annex 1 – Yorwaste Headline Performance Review

Annex 2 - Yorwaste Headline Performance Review (Confidential).

Annex 3 - 2020-21 Annual Report and Accounts

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, because 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. Annual Reports

As discussed at the previous shareholders meeting a copy of the Annual Report and Accounts for Yorwaste for the year-ending March 2021 have been included in an appendix to this report.

Going forward the Company will include published annual accounts with the shareholder report once they have been filed with Companies House.

3. Update on current trading

The Company continues to perform well and is on track to exceed budget. This has been driven by higher revenues from landfill gas rates and better performance in the Company's commercial activities. However, this has been offset by higher fuel prices, HGV driver salary increases, as well as wider inflationary pressures which the Company has absorbed rather than pass on to its authority client. As a result, the full year profit before tax is expected to be in the range of £0.8m to £1m.

The Company is still on target to deliver the maximum shareholders volume and target gate price for AWRP.

Health & Safety

Unfortunately, the Company had two Lost Time Incidents in November, both of which resulted from employees undertaking activities they were not supposed to. This is regrettable and detracts from the wider improvements the Company has made. The Company continues to have safety as its top priority and a critical area for continual improvement.

Environment & Climate Change

The Company has achieved ISO 50001 Energy Management Certification as the first step towards a comprehensive carbon reduction strategy.

The Company is keen to reduce its carbon emissions and is examining how it can improve the energy efficiency of its buildings and the potential to transition fixed plant from diesel to electric where practical.

Most of the Company's emissions come from its transport operations, almost all of which are HGV related. Whilst the current development of Electric Vehicle technology does not provide a realistic alternative for these types of vehicles (especially in rural locations), the current and forward views of pump prices are focusing management attention on how we can drive further fleet efficiencies.

The report on options for Green Energy Parks at one, or both of, the closed Harewood and Seamer landfill sites is almost complete and will be shared with the Company's shareholders.

3. Business Plan 2022/23

Whilst the Company has delivered two years of reasonable profit under its new operating model (i.e. post landfill), next year will be a significant challenge, made greater by the economic impact of the current geopolitical instability.

The Business Plan process begins in October in order to feed into the Authority-shareholder's wider budgeting process. At that point CPI inflation was 4.2% and this rate was used as a basis for agreeing the authority funding for the coming year. Since then, inflation has

increased with the latest reported CPI of 5.5% and with market forecasts predicting further increases up to 8%.

This is starting to bleed through to in-bound operational costs as upstream suppliers also feel the pinch from wage, energy, and commodity price increases. It is also fair to say that the global supply chain has still not recovered from covid, and the Company and its suppliers continue to encounter problems in securing spare parts for machinery and vehicles.

Whilst the continuing high gas prices will provide some protection, next year's budget had already accounted for much of that benefit. It should also be noted that landfill gas volumes will continue to decline year-on-year.

With pump prices increasing by 10% in the space of a week it is unrealistic to forecast with any degree of accuracy how the current events will impact on next year's out-turn, however the Company is in a strong position to respond to these uncertainties.

The recent positive profit performance of the Company has generated sufficient cash balances to meet its day-to-day operations, its medium-term investment plans, and its obligations under its shareholder loan agreements.

Strategic Priorities for Business Plan 2022/23

The following are the strategic priorities for the coming year:

- 1) Continued focus on Health & Safety as the number one priority.
- 2) Ongoing optimisation of the current business both in terms of operating costs and commercial customer base.
- 3) Development of business case for solar on closed landfills to help deliver the shareholders Net Zero vision
- 4) Development of business case for upgrading Harewood MRF to meet the shareholders needs under the new Resource and Waste Strategy recycle collection policy.

The Company remains compliant with Teckal guidelines with over 80% of billed revenue accruing to client activities. This is expected to be the case through Budget 2022/23.

4. Looking Forward

With the increased volatility generated by external events the focus of the Company over the next few months will be to mitigate their impact where possible. Management is focused on “weathering the storm” or “transitioning to a new normal” depending on the length, depth, and severity of the potential economic impacts coming down the road.

That said, the Company must also look beyond the current challenges with a view to the longer-term future. Here the Company is continuing to develop plans to meet the challenges and opportunities of the future Resource and Waste Strategy, as well as identifying how it can contribute to the authority-shareholders’ wider net zero ambitions.

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

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YORWASTE LIMITED

YORWASTE LIMITED

Registered Number: 2666908

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021



YORWASTE LIMITED**YEAR ENDED 31 MARCH 2021****CONTENTS OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS**

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YORWASTE LIMITED

Company Registration No. 2666908

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

COMPANY STRATEGY

The Company's objective is to maximise shareholder value whilst operating to high standards of health and safety, environmental compliance, and customer service.

The Company is wholly owned by two Local Authorities; North Yorkshire County Council (NYCC) (77.3%) and City of York Council (CYC) (22.7%) (jointly referred to as the Controlling Authority); and operates on a Teckal exemption basis. To operate under the Teckal exemption the Company complies with the following conditions:

1. The Controlling Authority exercises control over the operations of the Company.
2. Over 80% of the Company's activities are carried out on behalf of the Controlling Authority.
3. There is no private share ownership in the Company.

Delivering shareholder value under the Teckal arrangement can be achieved through reducing the cost of service provision to the Controlling Authority, by generating contribution from the non-authority commercial operations, and/or generating a profit for the shareholder. All cost reductions achieved and/or profits earned will ultimately reduce the cost of waste management to the local taxpayer.

To achieve this, the key elements of the Company's strategy are:

- To prioritise and promote Health & Safety across the Company to protect employees, contractors, and customers, recognising that the waste industry is one of the most hazardous in the country.
- To deliver waste management solutions that are economically and environmentally sustainable over the long term.
- To operate a cost-effective waste transfer station network.
- To operate Household Waste Recycling Centres in a customer focused and cost-effective manner whilst maximising recycling rates.
- To operate commercial waste collections with a view to offsetting operational costs to the Controlling Authority and/or generating a profit.
- To manage the Company's closed landfills in a cost effective and environmentally compliant manner and to identify long-term cash generating projects for closed landfill sites to offset future environmental liabilities.

YORWASTE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

BUSINESS ENVIRONMENT

The Company performed well in the year to 31st March 2021 with a return to profit against the backdrop of the Covid-19 (Covid) pandemic. Throughout, the Company followed the Government guidance on providing Covid safe working environments.

Safety performance improved and the Company saw a reduction in total injuries over the period with its all injury frequency rate reaching a 5 year low. The Company was awarded ROSPA Gold and maintained its ISO 45001 accreditation.

During the year, the Company completed installation of fire deluge systems at all of its waste transfer stations and this will help mitigate the impact of waste fires which are a common industry occurrence.

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

The first lockdown saw a steep drop in commercial volumes followed by a steady recovery so that by September volumes were back to approximately 90% of pre-Covid levels. Volumes fell again, albeit less steeply, with the implementation of Tier 4 and the post-Christmas lockdown. These falls were largely manifested within the hospitality industry.

From the outset of the pandemic the Company took the position that customers who were unable to operate should not be charged and we offered penalty free contract suspension throughout the year. This action, combined with the wider hibernation of the economy, meant that customer churn was close to zero.

With reduced commercial revenues, the Company took advantage of furlough for elements of the commercial team and off-hired excess fleet vehicles. Routes were reconfigured to increase densities and the remaining fleet was operated for longer hours on more efficient shift patterns. These steps went a long way to offset the fall in commercial revenues.

In other areas of the business, especially those funded by the local authorities (where furlough was not an option), the company actively managed annual leave during the quieter lockdown periods. This helped keep staff costs under control and ensured that adequate cover was available for operations when lockdown restrictions were eased in the summer with reduced need for agency backfill.

As part of its wider contribution to shareholder value the Company delivered the shareholders' maximum tonnage volume commitment to the Allerton Waste Recovery Park at the shareholders' full target gate price.

YORWASTE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

BUSINESS PERFORMANCE

<u>KPI</u>	<u>Definition and method of calculation</u>	<u>2021</u>	<u>2020</u>
Gross Profit Margin	Gross profit in the year expressed as a percentage of turnover from operations	11.5%	9.4%
Administrative Expenses Ratio	Administrative expenses (excluding bad debts) in the year expressed as a percentage of turnover.	5.4%	8.8%
Cash Generation	EBITDA	£4.5m	£3.0m
Return on Capital Employed	EBIT, before exceptional costs expressed as a percentage of net assets.	24.7%	2.8%
RIDDOR Reportable Health and Safety Incidents	Number of RIDDOR reportable incidents	3	2
Environmental Compliance	Number of enforcement notices received from the Regulator	0	0

LOOKING FORWARD

Whilst there remains some Covid related uncertainty in the outlook, the Company is now preparing to operate in a post-Covid world. Going forward the Company will incorporate the positive learning from the past year into its business model including greater use of flexible working for office-based staff and increased use of virtual meetings, along with efficiency improvements in operational delivery and service improvements at HWRCs.

Whilst there has been increasing consolidation amongst the large providers in the commercial waste market, the limited barriers to entry means there is still competition from small and mid-size market players. Our investment in systems and fleet over the past couple of years has improved our service offering and commercial profitability. This provides a solid base on which to compete for customers in the coming years.

The conclusion to the consultation on Government Waste Strategy is expected in the next few months, along with a decision on the Local Government Review, both carry a potential impact, directly and indirectly, on the Company. The company has modelled a number of scenarios and has discussed the implications with both the client shareholders.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company has in place a Strategic Risk Register which is updated on a 6-monthly basis by the Management Team. The Board of Directors monitors progress on the agreed management actions to mitigate such risks.

Currently the following are the Company's most significant risks:

Covid-19

Whilst the impact and risk relating to the Covid virus is reducing until such times as restrictions are fully lifted the Company will continue to view Covid as a significant risk.

Health & Safety

The waste management industry is one of the most hazardous industries in the UK and the Company seeks to continually improve its Health & Safety performance. The Company continues to invest in its health and safety processes, systems, and training to further improve its performance in this area. Health and Safety performance is reviewed and challenged at weekly and monthly management meetings and at Board meetings.

Closed landfill liabilities

The Company has a policy of providing for future aftercare costs after the sites have closed. The Directors are satisfied that future cash flows from landfill gas power generation and other commercial activities are sufficient to provide for the costs of aftercare, based on current legislation and current leachate production forecasts. This position is regularly reviewed, and the aftercare liability is periodically assessed by independent external consultants.

YORWASTE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

Competition

The Company operates in a very competitive, price sensitive, fragmented market sector. The Company maintains a sales team that focuses on both retention and expansion of the customer base. The Company has implemented a management information system which supports optimisation of collection routes and better targeting of sales resources to improve route density and profitability.

Property and Business Interruption Insurance

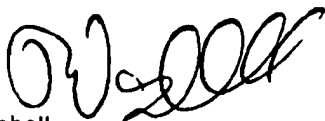
Due to the number of incidents within the waste industry, particularly of fire, insurance capacity has remained limited over the last 12 months. Whilst insurers continue to require more stringent policy conditions premiums have stabilised. To mitigate this risk, the Company has in place a comprehensive risk management process to reduce the likelihood of an incident and to ensure compliance with policy conditions.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH S172(1) COMPANIES ACT 2006

The board of directors of the company consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year ended 31 March 2021. Those matters include having regard for the following, which are cross-referenced to further details given elsewhere in either the Strategic Report or Directors' Report:

- a) the consequences of the decisions we take in the long term (page 1)
- b) the interests of the company's employees (page 6)
- c) the need to foster the company's business relationships with suppliers, customers and others (page 8)
- d) the impact of the company's operations on the community and the environment (pages 2 and 7)
- e) maintaining a reputation for high standards of business conduct (page 1); and
- f) the need to act fairly between members of the Company (pages 1 and 8)

On behalf of the Board on 29 June 2021



Cllr. J Weighell
Chairman

YORWASTE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Company provides waste management services including recycling, waste and recyclables collection, composting, and landfill activities. All operations take place within the UK.

STRATEGIC REPORT

The Strategic Report for the year ended 31st March 2021 can be found on pages 1 to 4. The Strategic Report contains details of the Company's strategy, business environment, business performance, future developments and principal risks and uncertainties.

POST BALANCE SHEET EVENTS

There are no material post balance sheet events to report.

DIRECTORS

The rules governing the appointment and replacement of Directors are set out in the Company's Articles of Association. The Directors of Yorwaste Limited during the year and up to the date of signing the Financial Statements were:

D R Bowe	NYCC appointed Non-Executive Director (Resigned 30 October 2020)
A Boyle	Managing Director
M H Buckley	Independent Non-Executive Director
N Ferris	CYC appointed Non-Executive Director
Cllr. A Waller	CYC appointed Non-Executive Director
Cllr. J Weighell	NYCC appointed Chairman and Non-Executive Director
K Battersby	NYCC appointed Non-Executive Director (Appointed 2 November 2020)

Details of Directors' emoluments can be found at Note 7 to the Financial Statements.

DIRECTORS' INDEMNITIES

The Company has made qualifying third-party provisions (as defined in the Companies Act 2006) for its Directors. The Company also maintains Directors' and Officers' Liability Insurance cover for claims brought against its directors or officers for wrongful acts in connections with the performance of their duties but does not cover claims arising from fraud.

RESULTS AND DIVIDENDS

The results for the year ending 31 March 2021 are set out in the Profit & Loss Account on page 13. The Key Performance Indicators (KPIs) are reported on page 3 of the Strategic Report.

No dividend was declared for the year (2020 £nil).

GOING CONCERN

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. This assessment has included the impact of the global Covid pandemic on the business, including on its customers, supply chain and workforce and the cost mitigation measures available should the pandemic continue to negatively impact revenues. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

YORWASTE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

ACCOUNTING POLICIES

Details of the Company's Accounting Policies are provided in Note 3 to the Financial Statements.

EMPLOYEE ENGAGEMENT STATEMENT

Covid has impacted on many of the normal employee engagement activities as social distancing and remote working limited the potential for face-to-face interactions. During the lockdown the Company provided regular updates on the Company's response to the Covid crisis. Managers were also encouraged to have regular virtual meetings with home working staff and to pay particular attention to potential impact of the lockdowns on individuals mental health.

Whilst Covid has impacted engagement with employees over the past year, the Company normally engages via various channels including but not limited to:

- The management team are specifically tasked with carrying out safety conversations with front line employees to proactively engage on health and safety issues.
- Monthly team meetings (virtual where necessary) which provide general updates on Company issues along with specific health & safety updates.
- A bi-monthly staff newsletter covering recent activities of the Company.
- Active involvement of front-line employees in the assessment and deployment of significant capital expenditures including infrastructure upgrades, heavy plant, and new vehicle purchases.
- The Company operates a "Bright Ideas" scheme to reward employees who submit good ideas that the Company can implement and "Extra Mile" awards to employees who go that extra mile in the performance of their duties.

The Directors engage with employees as follows:

- The Managing Director makes regular site visits to all Company locations. During these visits he talks to front line employees and seeks direct feedback on any problems that they might have. Any feedback received will be considered in the setting of Company objectives.
- The Managing Director meets regularly with managerial and supervisory teams where he will update them on Company progress and, where appropriate, will discuss any issues raised during his site visits.
- Board meetings are periodically held at different operating sites, often with a site tour led by site staff, providing an opportunity for the non-executive Board members to both review site facilities and meet employees face-to-face.

EQUAL OPPORTUNITIES EMPLOYER

The Company is an equal opportunities employer and seeks to ensure that there is no discrimination or harassment because of colour, race, nationality, religion or belief, ethnic or national origin, disability, age, sex, gender reassignment, marital or civil partnership status, pregnancy or maternity, or sexual orientation in the way that the Company treats its employees, job applicants, customers, suppliers and visitors.

EMPLOYMENT OF DISABLED PEOPLE

The Company will:

- provide reasonable adjustments to ensure disabled people have access to our services and employment opportunities;
- provide reasonable adjustments to ensure people who become disabled during their employment are able to continue to work for the business;
- challenge discriminatory assumptions about disabled people; and
- seek to continue to improve access to information by ensuring availability of loop systems, braille facilities, alternative formatting, and sign language interpretation.

MODERN SLAVERY

In compliance with the Modern Slavery Act 2016, the Company's statement on Modern Slavery can be found on the Company's website at www.Yorwaste.co.uk.

POLITICAL DONATIONS

The Company has a policy not to make political donations.

YORWASTE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

FINANCIAL RISK MANAGEMENT

All financial assets are held in sterling, therefore there is no foreign currency exchange rate exposure. Fixed asset investments are valued at cost and where appropriate an impairment charge has been made against non-value adding assets.

There is minimal exposure to interest rate risk with the Shareholder loans at a fixed margin above the Bank of England Base Rate. Current forecasts for movements in this base rate are for small increases which will not be financially material.

The Company manages its credit risk of customers by the implementation of credit checks on potential customers before sales commence and the application of a system of credit limits for on-going trading.

The Company provides regular fraud awareness training to all senior management and all employees of the finance team.

HEALTH & SAFETY MANAGEMENT

The health and safety of employees, contractors and members of the public remains a core value for the company and the key priority for the Board of Directors and the management team.

The waste industry continues to be one of the most hazardous industries in the UK and the Company has set the target to maintain its ISO 45001 accreditation.

ENVIRONMENTAL COMPLIANCE

The Company has received no enforcement notices from the Environment Agency in the year. Maintaining high standards of environmental compliance remains a core value of the organisation and is a key objective of the management team.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

Energy Consumed	kWh		%	
	2021	2020	2021	2020
Scope 1				
Diesel - Transport	9,987,650	11,772,228	64%	68%
Diesel - Material Processing	3,753,049	3,841,633	24%	22%
Scope 2				
Electricity	1,800,459	1,689,176	12%	10%
Total	15,541,158	17,303,037	100%	100%

Last year's figures for material processing have been revised down by 198,092 with the exclusion of the figures for SJB Recycling Ltd.

Emission Data	Units	Fuel Consumed		GHG Conversion Factor *GHG Conversion Factor *		Emission (Kg CO2 eq)		Emission (Tonne CO2 eq)	
		2021	2020	2021	2020	2021	2020	2021	2020
Scope 1									
Diesel - Transport	Litres	999,839	1,189,114	2.51233	2.54603	2,511,925	3,027,520	2,512	3,028
Diesel - Material Processing	Litres	371,652	388,044	2.75857	2.75776	1,025,228	1,070,132	1,025	1,070
Scope 2									
Electricity	kWh	1,800,459	1,689,176	0.21233	0.23314	382,291	393,814	382	394
Total emission								3,919	4,492

* UK Government GHG Conversion Factors for Company Reporting Version 1 2021

Last year's figures for material processing have been revised down by 20,009 litres and 55,180 KG CO2 with the exclusion of the figures for SJB Recycling Ltd.

YORWASTE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

STREAMLINED ENERGY AND CARBON REPORTING (SECR) (continued)

Energy Intensity Metric	2021	2020	
Total Carbon emission (CO ₂ eq)	3,919	4,492	Tonnes
Total mass of waste handled	473,379	539,985	Tonnes
Emission (CO ₂ eq) per tonne of waste handled	8.28	8.32	Kg/T

Last year's figures for CO₂ have been revised down by 55 with the exclusion of the figures for SJB Recycling Ltd, and Kg/T have increased from 7.4.

Measures taken to improve energy efficiency.

During the year to 31 March 2021 period, the solar PV system installed at the Northallerton Head Office Building generated 26,096 kWh of electricity which was exported to the national grid as detailed below. The energy generated through this initiative and the associated emissions avoided, offsets the energy use and carbon emissions elsewhere in the business.

	Electricity Generated (kWh)		GHG Conversion Factor *		Emission Avoided (Kg CO ₂ eq)		Emission Avoided (Tonne CO ₂ eq)	
	2021	2020	2021	2020	2021	2020	2021	2020
Renewable energy generated (Solar PV)	26,096	30,075	0.21233	0.23314	5,541	7,012	6	7

* UK Government GHG Conversion Factors for Company Reporting Version 1 2021

CORPORATE GOVERNANCE ARRANGEMENTS

The Board has appointed an Audit sub-committee. The Audit sub-committee normally meets twice a year with the prime responsibility of agreeing the scope of the external audit with the Company's independent auditors and the scope of works for the Company's internal auditors, Veritau Limited. It engages directly with the external auditors prior to the approval and signing of the Annual Report and Financial Statements by the Board of Directors, along with reports from the internal auditors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

YORWASTE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021 (continued)

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

REAPPOINTMENT OF AUDITORS

It is the intention of the directors to reappoint PricewaterhouseCoopers LLP as auditors for the next financial year.

On behalf of the Board on 29 June 2021



Cllr. J Weighell
Chairman

YORWASTE LIMITED

Independent auditors' report to the members of Yorwaste Limited

Report on the audit of the financial statements

Opinion

In our opinion, Yorwaste Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2021; the Profit and Loss account, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

YORWASTE LIMITED**Independent auditors' report to the members of Yorwaste Limited (Continued)****Reporting on other information (Continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 March 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit**Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities in Respect of the Financial Statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK employment law, UK tax legislation and Health and Safety laws and regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to increase profits through the creation of fictitious sales or manipulation of expenses, and management bias in accounting estimates. Audit procedures performed by the engagement team included:

YORWASTE LIMITED**Independent auditors' report to the members of Yorwaste Limited (Continued)****Auditors' responsibilities for the audit of the financial statements (Continued)**

- Discussions with management including those charged with governance, inquiring specifically as to whether there was any known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of board minutes;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulations;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations impacting revenue or expenses; and
- Challenging assumptions and judgements made by management in their key accounting estimates, in particular those made in respect of the Restoration and aftercare provision and consideration of the impacts of COVID-19 on going concern.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

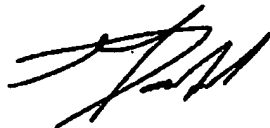
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Mark Dawson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle
29 June 2021

YORWASTE LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Turnover from Operations		33,621,803	34,085,930
Landfill Tax receivable		-	2
		<hr/>	<hr/>
TURNOVER	5	33,621,803	34,085,932
Cost of Sales		(29,770,741)	(30,887,425)
		<hr/>	<hr/>
GROSS PROFIT		3,851,062	3,198,507
Administrative Expenses		(1,811,570)	(2,997,305)
		<hr/>	<hr/>
OPERATING PROFIT	6	2,039,492	201,202
Interest Receivable and Similar Income	8a	3,692	14,623
Interest Payable and Similar Expenses	8b	(841,596)	(770,311)
		<hr/>	<hr/>
Net Interest Expense		(837,904)	(755,688)
		<hr/>	<hr/>
PROFIT/(LOSS) BEFORE TAXATION		1,201,588	(554,486)
Tax on Profit / Loss	9	(161,190)	8,322
		<hr/>	<hr/>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		1,040,398	(546,164)
		<hr/> <hr/>	<hr/> <hr/>

The Company has no recognised other comprehensive income and, therefore, no separate statement of other comprehensive income has been presented.

All of the activities of the company are classed as continuing.

YORWASTE LIMITED**BALANCE SHEET AT 31 MARCH 2021**

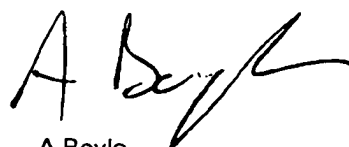
	Notes	As at 31 March 2021 £	Restated as at 31 March 2020 (see Note 26) £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	14,595,520	15,229,139
Investments in subsidiaries	12	15,000	15,000
		<hr/>	<hr/>
		14,610,520	15,244,139
CURRENT ASSETS			
Debtors	13	6,241,826	9,817,674
Investments	14	168,119	168,119
Deferred tax asset	15	-	20,544
Cash at bank and in hand	26	7,468,707	8,868,301
		<hr/>	<hr/>
		13,878,652	18,874,638
CREDITORS - Amounts falling due within one year	16	(5,826,878)	(12,661,428)
		<hr/>	<hr/>
NET CURRENT ASSETS		8,051,774	6,213,210
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,662,294	21,457,349
CREDITORS - Amounts falling due after more than one year	17	(7,633,190)	(8,158,876)
PROVISIONS FOR OTHER LIABILITIES	18	(6,765,829)	(6,075,596)
		<hr/>	<hr/>
NET ASSETS		8,263,275	7,222,877
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	20	4,526,000	4,526,000
Retained earnings		3,737,275	2,696,877
		<hr/>	<hr/>
Total Equity		8,263,275	7,222,877
		<hr/>	<hr/>

The notes on pages 17 to 38 are an integral part of these Financial Statements.

The Financial Statements on pages 13 to 38 were approved by the Board of Directors at 29 June 2021 and were signed on its behalf by:



Cllr. J Weighell
Chairman and Non-Executive Director
Yorwaste Limited



A Boyle
Managing Director

Company Registration No. 2666908

YORWASTE LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up Share Capital £	Retained Earnings £	Total Equity £
Balance as at 1 April 2019	4,526,000	3,243,041	7,769,041
Loss for the financial year	-	(546,164)	(546,164)
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the year	-	(546,164)	(546,164)
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2020	4,526,000	2,696,877	7,222,877
	<hr/>	<hr/>	<hr/>
Balance as at 1 April 2020	4,526,000	2,696,877	7,222,877
Profit for the financial year	-	1,040,398	1,040,398
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	-	1,040,398	1,040,398
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2021	<u>4,526,000</u>	<u>3,737,275</u>	<u>8,263,275</u>

YORWASTE LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	2021 £	2020 £
Net cash from operating activities	21	922,256	5,143,330
Taxation received		99,073	186,724
Net cash generated from operating activities		<u>1,021,329</u>	<u>5,330,054</u>
Cash flow from Investing activities			
Purchase of tangible assets		(2,112,105)	(2,268,141)
Proceeds from disposals of tangible assets		562,946	300,304
Interest received		3,692	14,623
Net cash used in investing activities		<u>(1,545,467)</u>	<u>(1,953,214)</u>
Cash flow from financing activities:			
Repayment of obligations under finance leases / bank loans		(535,070)	(235,268)
Interest paid		(340,386)	(433,002)
Net cash used in financing activities		<u>(875,456)</u>	<u>(668,270)</u>
Net (decrease) / increase in cash and cash equivalents		<u>(1,399,594)</u>	<u>2,708,570</u>
Cash and cash equivalents at the beginning of the year		<u>8,868,301</u>	<u>6,159,731</u>
Cash and cash equivalents at the end of the year		<u>7,468,707</u>	<u>8,868,301</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		6,838,727	8,844,996
Short term deposits		629,980	23,305
Cash and cash equivalents		<u><u>7,468,707</u></u>	<u><u>8,868,301</u></u>

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 GENERAL INFORMATION

Yorwaste Limited ("the Company") operates waste management services primarily in the North Yorkshire area or adjacent geographical areas.

The company is a private company limited by shares and is incorporated in England, the UK. The address of its registered office is Mount View, Standard Way, Northallerton, North Yorkshire, England, DL6 2YD.

2 STATEMENT OF COMPLIANCE

The Financial Statements of Yorwaste Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

These Financial Statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of Financial Statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company accounting policies. The areas involving a higher degree of judgement of complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in note 4.

(b) Going Concern

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. This assessment has included the impact of the global Covid pandemic on the business, including on its customers, supply chain and workforce and the cost mitigation measures available should the pandemic continue to negatively impact revenues. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its Financial Statements.

(c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

The Company has taken advantage of the following exemptions:

- (i) From the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29, as the information is provided in the consolidated Financial Statement disclosures of North Yorkshire County Council.
- (ii) From disclosing the Company
- (iii) key management personnel compensation, as required by FRS 102 paragraph 33.7.
- (iv) From providing a reconciliation of shares outstanding at the beginning and the end of the period.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(d) Foreign currency***(i) Functional and presentation currency*

The Financial Statements are presented in pound sterling.

The Company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. The Company has no foreign currency assets or liabilities.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

Landfill Tax is shown in the Profit and Loss account as a separate income and is incorporated as a cost within Cost of Sales.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Company recognises revenues when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvements or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the entity.

(f) Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Company.

(g) Employee benefits

The Company provides a range of benefits to employees, including paid holiday arrangements, defined contribution pension plans and life insurance cover.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the financial year in which the service is received.

(ii) Defined contribution pension plans

The Company operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) *Current Tax*

Current tax is the amount of corporation tax payable or repayable in respect of the taxable profit or loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the Financial Statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in Financial Statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or to the future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(i) **Business combinations and goodwill**

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination. Where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Company's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Business combinations and goodwill (continued)

Goodwill is amortised over its expected useful life. Where the Company is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 5 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

(j) Tangible assets

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

(i) Land and buildings

Land and buildings include freehold and leasehold buildings and offices. Land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Plant and machinery and fixtures and fittings

Plant and machinery and fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment losses.

(iii) Depreciation and residual values

Land is not depreciated. Depreciation on other assets is calculated, using the straight-line or volume depletion method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- | | |
|-----------------------------------|---|
| • Freehold buildings | - Over periods up to 50 years |
| • Long leasehold property | - Varies according to location and the useful economic life of the site where the land and buildings are located over a period of up to 25 years. |
| • Site life development | - Varies according to location and the useful economic life of the site where the development expenditure has been incurred over a period of up to 25 years. |
| • Plant and machinery | - Varies according to location and the useful economic life of each site |
| • Fixtures and fittings | - 3 - 5 years |
| • Restoration and Aftercare costs | - Varies according to location and the useful economic life of the site where the aftercare and restoration costs will be incurred over a period of up to 35 years. |
| • Motor vehicles | - 5 years |

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

(iv) Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(j) Tangible assets (continued)***(v) Assets in the course of construction*

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

(vi) Derecognition

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating gains/(losses)'.

(k) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(l) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases.

Finance leases are capitalised at commencement of the lease as assets at the fair value of the leased asset or, if lower, the present value of the minimum lease payments calculated using the interest rate implicit in the lease. Where the implicit rate cannot be determined the Company's incremental borrowing rate is used. Incremental direct costs, incurred in negotiating and arranging the lease, are included in the cost of the asset.

Assets are depreciated in accordance with the depreciation policy in (i) (iii) for the asset. Assets are assessed for impairment at each reporting date.

The capital element of lease obligations is recorded as a liability on inception of the arrangement. Lease payments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

(ii) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(iii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(m) Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

(n) Investments in subsidiary*(i) Investment in subsidiary company*

Investment in a subsidiary company is held at cost less accumulated impairment losses.

(o) Current asset investments*(i) Current asset investments*

Current asset investments are held at cost less accumulated impairment losses.

(p) Inventories

The cost of all stocks and consumables is charged to the profit and loss account in the year of purchase.

(q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

(r) Provisions and contingencies*(i) Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(r) Provisions and contingencies (continued)**

In particular:

(i) Restructuring provisions are recognised when the Company has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and

(ii) Provision is not made for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

(s) Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow Group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn-down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

(iii) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the Financial Statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

(u) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the Financial Statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

(w) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the Directors, separate disclosure is necessary to understand the effect of the transactions on the Company Financial Statements.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the Company's accounting policies

- (i) Assessing the length and quantum of the restoration and aftercare liabilities in respect of the landfill sites either previously or currently operated by the Company.
- (ii) Assessing the future cash flows to establish that the business continues to be a going concern.

(b) Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

- (i) **Restoration and aftercare provision**
The estimation of these provisions requires judgement on the expected timing of the cash flows related to these liabilities, assessment of the level of costs to be borne over that period and the discount rate to be used, which is currently 2.6%. A change in the discount rate of 1% has an impact of approximately £0.6m
- (ii) **Provisions**
Provision is made for asset retirement obligations, dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. In addition, the timing of the cash flows and the discount rates used to establish net present value of the obligations require management's judgement.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****5 TURNOVER**

	2021 £	2020 £
Analysis of turnover by geography:		
United Kingdom	33,621,803	34,085,932
	<u>33,621,803</u>	<u>34,085,932</u>
	2021 £	2020 £
Analysis of turnover by category:		
Waste management services	32,538,745	32,662,400
Power generation	1,083,058	1,423,530
Turnover from Operations	33,621,803	34,085,930
Landfill tax	-	2
Turnover	<u>33,621,803</u>	<u>34,085,932</u>

6 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2021 £	2020 £
Wages and salaries (including Directors)	6,827,013	6,861,616
Social security costs (including Directors)	621,638	654,237
Other pension costs (including Directors)	267,658	242,601
	<u>7,716,309</u>	<u>7,758,454</u>
Staff costs charged to profit and loss	7,716,309	7,758,454
Profit on disposal of tangible assets	(108,096)	(174,745)
(reversal of Impairment)/Impairment of trade receivables	(302,456)	405,793
Operating lease charges	1,643,543	1,951,893
Fees payable to the Company's auditors' and their associates for the audit of the Company.	46,750	31,750
Fees payable to the Company's auditors' and their associates for other services:		
- Tax advisory services	9,780	9,580
Total amount payment to the Company's auditors' and their associates	<u>56,530</u>	<u>41,330</u>

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****7 EMPLOYEES AND DIRECTORS****Employees**

The average monthly number of persons (including executive Directors) employed by the Company during the year was:

	2021 Number	2020 Number
Operational	216	233
Administration and central functions	44	50
Non executive directors	<u>6</u>	<u>5</u>
 Total	 <u>266</u>	 <u>288</u>

Directors

The Directors' emoluments were as follows:

	2021 £	2020 £
Aggregate emoluments	<u>158,041</u>	<u>170,733</u>
 Highest paid director	 <u>112,751</u>	 <u>111,126</u>

Two Directors were members of the Company's defined contribution schemes.

Included within the above numbers the Company paid pension contributions of £9,251 (2020: £7,926) on behalf of one Director (2020: one) during the year into a defined contribution pension fund.

Directors who are Local Authority Officers and are directly employed by the Shareholders receive no remuneration from the Company. Councillors who are appointed by the Shareholder do receive remuneration from the Company. The value of this remuneration is set by the shareholder and these payments are disclosed in the relevant register of Councillors' interests

8 NET INTEREST EXPENSE**(a) Interest receivable and similar income**

	2021 £	2020 £
Interest on short term deposits	2,586	14,623
Other interest	1,106	-
 Total interest receivable and similar income	 <u>3,692</u>	 <u>14,623</u>

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****8 NET INTEREST EXPENSE (continued)****(b) Interest payable and similar expenses**

	2021 £	2020 £
Other Interest	-	24,462
Interest expense on shareholder loans	339,282	403,959
Finance lease interest	1,104	4,581
Finance charge on provisions	501,210	337,309
	<u> </u>	<u> </u>
Total interest payable and similar expenses	841,596	770,311
	<u> </u>	<u> </u>

The finance charge on provisions includes £243,402, which is the change in discount rate from 3% to 2.6%.

(c) Net interest expense

	2021 £	2020 £
Interest receivable and similar income	3,692	14,623
Interest payable and similar expense	(841,596)	(770,311)
	<u> </u>	<u> </u>
Net interest payable and similar expenses	(837,904)	(755,688)
	<u> </u>	<u> </u>

9 TAX ON PROFIT/(LOSS)**(a) Tax charge / (credit) included in profit or loss**

	2021 £	2020 £
Current tax:		
- UK Corporation tax on losses for the year	-	-
- Adjustments in respect of previous years	(4,304)	(39,888)
	<u> </u>	<u> </u>
Total current tax credit for the year	(4,304)	(39,888)
	<u> </u>	<u> </u>
Deferred tax:		
- Origination and reversal of timing differences	348,498	85,571
- Adjustment in respect of previous years	(183,004)	(54,005)
	<u> </u>	<u> </u>
Total deferred tax	165,494	31,566
	<u> </u>	<u> </u>
Tax on profit / (loss)	161,190	(8,322)
	<u> </u>	<u> </u>

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

9 TAX ON PROFIT/(LOSS) (continued)

(b) Reconciliation of tax charge/(credit)

Tax assessed for the year is lower (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2021 of 19% (2020: 19%). The differences are explained below:

	2021	2020
	£	£
Profit/(loss) before tax	1,201,588	(554,486)
Profit/(loss) before tax multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	<u>228,302</u>	<u>(105,352)</u>
Effects of:		
- Expenses not deductible for tax purposes	63,275	147,810
- Restoration provision movement	56,903	49,746
- Adjustment in respect of previous years	(187,290)	(93,893)
Change in Tax Rate	-	(6,632)
	<u> </u>	<u> </u>
Tax charge / (credit) for the year	<u>161,190</u>	<u>(8,322)</u>

(c) Tax rate changes

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. The impact of this to the business is a £46k increase in tax.

10 INTANGIBLE ASSETS

	Company £
Goodwill:	
Cost:	
At 1 April 2020	3,284,686
Additions	-
	<u> </u>
At 31 March 2021	<u>3,284,686</u>
Accumulated Amortisation:	
At 1 April 2020	3,284,686
Amortisation	-
Impairment	-
	<u> </u>
At 31 March 2021	<u>3,284,686</u>
Net book value:	
At 31 March 2021	-
	<u> </u>
At 31 March 2020	-
	<u> </u>

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

11 TANGIBLE ASSETS

	Restoration and Aftercare Costs £	Land and Buildings £	Site Life Development £	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £
At 31 March 2020							
Cost	19,119,413	14,077,377	17,866,020	657,244	14,397,828	4,100,860	70,218,742
Accumulated depreciation and impairment	(16,797,081)	(8,462,896)	(16,072,399)	(581,941)	(11,072,865)	(2,002,421)	(54,989,603)
Net book amount	2,322,332	5,614,481	1,793,621	75,303	3,324,963	2,098,439	15,229,139
Year ended 31 March 2021							
Opening net book amount	2,322,332	5,614,481	1,793,621	75,303	3,324,963	2,098,439	15,229,139
Additions	134,488	-	-	23,950	1,781,873	306,285	2,246,596
Disposals	-	-	-	(4,098)	(439,394)	(11,358)	(454,850)
Depreciation	(507,072)	(293,029)	(269,123)	(40,060)	(979,533)	(336,548)	(2,425,365)
Closing net book amount	1,949,748	5,321,452	1,524,498	55,095	3,687,909	2,056,818	14,595,520
At 31 March 2021							
Cost	19,253,901	14,077,377	17,866,020	560,880	13,084,908	4,371,556	69,214,642
Accumulated depreciation and impairment	(17,304,153)	(8,755,925)	(16,341,522)	(505,785)	(9,396,999)	(2,314,738)	(54,619,122)
Net book amount	1,949,748	5,321,452	1,524,498	55,095	3,687,909	2,056,818	14,595,520

The net book value of land, included in land and buildings above, comprises:

	2021 £	2020 £
Freehold	335,568	335,568
Carrying amount	335,568	335,568

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****12 INVESTMENTS**

	Total £
Cost:	
At 1 April 2020	15,000
	<hr/>
At 31 March 2021	15,000
	<hr/>
Provisions for impairment 1 April 2020	-
	<hr/>
At 31 March 2021	-
	<hr/>
Net Book Value at 31 March 2021	15,000
	<hr/> <hr/>
Net Book Value at 31 March 2020	15,000
	<hr/> <hr/>

The Directors believe that the carrying value of the investments is supported by the underlying net assets.

The £15,000 above relates to Todd Waste Management Group Limited.

The Company has the following investments in subsidiaries and associated undertakings:

Name:	% of Ownership of Ordinary Shares	Country of Incorporation	Principal Activity
Todd Waste Management Group Limited	100%	England	Dormant

The registered office address is the same as the parent Yorwaste Limited.

Yorwaste Limited have adopted the consolidation accounts exemption under s405 where no subsidiary undertaking is required to be included in the consolidation as its inclusion is not material for the purpose of giving a true and fair view.

13 DEBTORS

	2021 £	2020 £
Trade debtors	866,794	1,422,421
Amounts owed by group undertakings	2,210,358	3,774,147
Other receivables	2,000,010	2,313,493
Corporation tax	70,000	164,769
Other taxation and social security	8,051	330,269
Prepayments and accrued income	1,086,613	1,812,575
	<hr/>	<hr/>
	6,241,826	9,817,674
	<hr/> <hr/>	<hr/> <hr/>

Trade debtors are stated after provisions for impairment of £68,098 (2020: £418,682).

Amounts owed by group undertakings include amounts due to both NYCC and CYC – these amounts are included separately within Note 24. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****14 INVESTMENTS**

	2021 £	Restated 2020 £
Restricted cash escrow accounts	168,119	168,119
	<u>168,119</u>	<u>168,119</u>

As a condition of granting waste management licences at the Company's West Tanfield and Scorton landfill sites, the Company has had to satisfy the Environment Agency's Financial Provision requirements. This has been done by the setting up of Escrow Accounts. Monies from these accounts cannot be drawn upon without the authority of the Environment Agency.

The monies held on deposit in 2020 totalling £23,305 have been reclassified as cash as per Note 26.

15 DEFERRED TAX LIABILITY/(ASSET)

The provision for deferred tax consists of the following deferred tax liabilities/(assets):

	2021 £	2020 £
Restoration provision	4,603	(69,941)
Fixed asset timing differences	475,732	562,311
Tax Losses	(288,455)	(461,141)
Short term timing differences	(46,930)	(51,773)
	<u>144,950</u>	<u>(20,544)</u>

The company has trading losses of £1,518,187 (2020: £2,427,058) which has been recognised as recoverable and available for offset against trading profits arising in future years. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such deductions are reversed when the probability of future taxable profits improves.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****16 CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	1,060,367	1,408,245
Hire Purchase	-	9,384
Amounts owed to group undertakings	885,883	7,004,276
Other taxation and social security	183,727	202,511
Other creditors	133,949	134,227
Loans from CYC / NYCC	488,865	488,865
Accruals and deferred income	3,074,087	3,413,920
	<u>5,826,878</u>	<u>12,661,428</u>

Balances owed to Group undertakings are unsecured, interest free and are repayable on demand.

Amounts owed by group undertakings include amounts due to both NYCC and CYC – these amounts are included separately within Note 24.

17 CREDITORS AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Loan from NYCC	6,031,900	6,420,550
Loan from CYC	1,601,290	1,701,505
HP	-	36,821
	<u>7,633,190</u>	<u>8,158,876</u>

Balances owed to Group undertakings are unsecured, interest free and are repayable on demand.

The loans from NYCC and CYC attract interest at a rate of 4% above the Bank of England Base rate. They are repayable within thirteen months' notice of the date of any demand. The Company has granted a second fixed and floating charge over the Company's assets as security for these loans. The Directors confirm that at the date of signing of these Financial Statements that notice has not been served by either NYCC or CYC for repayment of their loans.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****18 PROVISIONS FOR OTHER LIABILITIES**

	2021 £	2020 £
Restoration and Aftercare	5,880,622	6,075,596
Deferred Tax Liability (note 15)	144,950	-
Dilapidation costs	653,257	-
Onerous lease provision	77,000	-
	<u>6,765,829</u>	<u>6,075,596</u>
Total Provisions for Liabilities	<u>6,765,829</u>	<u>6,075,596</u>

Restoration and Aftercare Provisions

	Restoration £	Aftercare £	Total £
At 1 April 2020	863,243	5,212,353	6,075,596
Provision revaluation	9,951	367,939	377,890
	<u>873,194</u>	<u>5,580,292</u>	<u>6,453,486</u>
Discount Unwind (Note 8b)	22,685	235,123	257,808
Expenditure incurred	(400,941)	(429,731)	(830,672)
	<u>494,938</u>	<u>5,385,684</u>	<u>5,880,622</u>
At 31 March 2021	<u>494,938</u>	<u>5,385,684</u>	<u>5,880,622</u>

The Restoration and Aftercare provisions relate to amounts payable in respect of the restoration of maintenance of sites at the end of their useful lives.

The restoration provision is expected to be expended in the next 3 years whilst the aftercare will be expended over the next 35 years.

Restoration and Aftercare of Landfill Sites

The restoration and aftercare provisions relate to amounts payable in respect of the restoration and maintenance of sites, at the end of their useful lives to ensure the Company complies with Environmental Permits.

Dilapidations Provision

As part of the Company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises.

Onerous lease provision

Where leasehold properties become vacant, the group provides for all costs, net of anticipated income, to the end of the lease or the anticipated date of the disposal or sublease. This provision relates to Kiplin Hall which has been held as a strategic reserve and is now surplus to the group's requirements. The provision is expected to be utilised over the life of the related lease to 2023.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****19 FINANCIAL INSTRUMENTS**

The Company has the following financial instruments:

	Notes	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost			
- Trade debtors	13	866,794	1,422,421
- Amounts owed by group undertakings	13	2,210,358	3,774,147
- Other receivables	13	2,000,010	2,313,493
- Investments	14	168,119	168,119
		<u>5,245,281</u>	<u>8,173,218</u>
Financial liabilities measured at amortised cost			
- Senior loans	16/17	8,122,055	8,610,920
- Trade creditors	16	1,060,367	1,408,245
- Amounts owed to group undertakings	16	885,883	7,004,276
- Other creditors	16/17	317,676	382,943
		<u>10,385,981</u>	<u>17,406,385</u>

20 SHARE CAPITAL AND OTHER RESERVES

	Number	£
Ordinary shares of £1 each Allotted and fully paid		
At 31 March 2020	4,526,000	4,526,000
	<u>4,526,000</u>	<u>4,526,000</u>
At 31 March 2021	4,526,000	4,526,000
	<u>4,526,000</u>	<u>4,526,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****21 NOTES TO THE CASH FLOW STATEMENT**

	2021 £	2020 £
Profit/(loss) for the financial year	1,040,398	(546,164)
Adjustments for:		
Tax on profit/(loss)	161,190	(8,322)
Net interest expense	837,904	755,688
	<hr/>	<hr/>
Operating profit	2,039,492	201,202
Depreciation of tangible assets	2,425,365	2,753,058
Profit on disposal of tangible assets	(108,096)	(174,745)
Movements in other provisions less payments	(830,675)	(1,268,749)
Working capital movements:		
- Decrease in debtors	3,481,079	3,586,486
- (Decrease)/increase in payables	(6,084,909)	47,778
Increase in Escrow bank balances	-	(1,700)
	<hr/>	<hr/>
Net cash from operating activities	922,256	5,143,330
	<hr/> <hr/>	<hr/> <hr/>

Analysis of changes in net debt

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Senior loans	(8,610,920)	488,865	(8,122,055)
Finance leases	(46,205)	46,205	-
Cash and cash equivalents			
Cash at bank and in hand	8,844,996	(2,006,269)	6,838,727
Short term deposits	23,305	606,675	629,980
	<hr/>	<hr/>	<hr/>
Total	211,176	(864,524)	(653,348)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

YORWASTE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)

22 CONTINGENT LIABILITIES

Yorwaste Limited has counter indemnified bonds required by the Environment Agency and customers to the sum of £4,508,523 (2020: £4,690,707) which has been provided on its behalf by Svenska Handelsbanken. To secure this Svenska Handelsbanken have been granted a debenture over the Company's assets.

23 CAPITAL AND OTHER COMMITMENTS

At 31 March, the Company had the following capital commitments:

	2021 £	2020 £
Contracts for future capital expenditure not provided in the Financial Statements – Property, plant and equipment.	590,699	-

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods.

	2021 £	2020 £
Payments due:		
Not later than one year	1,763,408	1,166,090
Later than one year and not later than five years	4,951,904	3,487,488
More than 5 years	3,190,223	1,472,269

The Company had no other off-balance sheet arrangements.

24 RELATED PARTY TRANSACTIONS

Yorwaste Limited has contracted with its principal shareholder, North Yorkshire County Council to provide waste management services. These services are negotiated on an arm's length basis.

The total value of services including landfill tax provided in the year was £25,895,392 (2020: £27,887,898) and, as at 31 March 2021, the trading debtor balance outstanding was £1,722,145 (2020: £3,345,275).

In addition, North Yorkshire County Council provided services to Yorwaste Limited totalling £6,307,709 (2020: £6,116,106) of which £471,036 (2020: £6,228,780) was outstanding to be paid as at 31 March 2021.

Yorwaste Limited has contracted with its minority shareholder, City of York Council, to provide waste management services to City of York Council. Contracted prices are negotiated on an arm's length commercial basis.

The total value of services provided in the year including landfill tax was £4,461,850 (2020: £3,882,352) and, as at 31 March 2021, the debtor balance outstanding was £488,865 (2020: £375,815).

In addition, City of York Council provided services to Yorwaste Limited totalling £945,099 (2020: £1,017,375) of which £158,912 (2020: £208,911) was outstanding to be paid as at 31 March 2021.

Interest was payable on the North Yorkshire County Council and City of York Council loans as disclosed in Note 8.

Yorwaste Limited has provided services to SJB Recycling Limited a fellow subsidiary of North Yorkshire County Council. These services are negotiated on an arm's length basis.

YORWASTE LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021 (continued)****24 RELATED PARTY TRANSACTIONS (continued)**

The total value of services including landfill tax provided in the year was £nil (2020: £143,540) and as at 31 March 2021 the trading debtor balance outstanding was £nil (2020: £53,056).

In addition, SJB Recycling Limited provided services to Yorwaste Limited totalling £nil (2020: £136,051) of which £nil (2020: £217,312) was outstanding to be paid as at 31 March 2021.

SJB Recycling Limited also had an intercompany loan from Yorwaste Limited of £nil (2020: £nil).

Veritau Limited a jointly owned subsidiary of North Yorkshire County Council and City of York Council provided internal audit services of £7,734 in the year (2020: £9,415) of which £6,456 (2020: £2,824) was outstanding to be paid as at 31 March 2021.

25 CONTROLLING PARTY

The ultimate parent undertaking and controlling party is North Yorkshire County Council, the Company's majority shareholder. North Yorkshire County Council heads the largest and smallest groups to consolidate these financial statements. Copies of the financial statements of North Yorkshire County Council are available from County Hall, Northallerton, North Yorkshire, England, DL7 8AH.

26 CASH AT BANK AND IN HAND

	2021	Restated 2020
	£	£
Cash and cash equivalents		
Cash at bank and in hand	6,838,727	8,844,996
Short term deposits	629,980	23,305
	<hr/>	<hr/>
Total	7,468,707	8,868,301

The short term deposits of £23,305 have been reclassified to cash in the year from investments as it is readily convertible to cash.



Shareholder Committee

28 March 2022

Report of the Chief Finance Officer

YPO Ltd Finance Update**Purpose of Report**

1. To consider a report from YPO outlining the latest financial performance.

Recommendations

2. Note the reports from YPO and YPO Procurement Holdings Ltd attached as Annex A to this report.

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

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. Annex 1 is a report from the Managing Director of YPO which provides an update on performance for the company. The report also includes further

information around issues requested by the Shareholder Committee. The report appends the annual report and accounts for 2020.

Risk Management

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

Implications

9. 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:			
Patrick Looker Assistant Director (Customer Head of Service Finance) Email: patrick.looker@york.gov.uk	Debbie Mitchell Chief Finance Officer			
	Report Approved	✓	Date	16.3.22.
Wards Affected: All				
For further information please contact the author of the report				

Annexes

Annex A – YPO Financial Performance Review and General Update



**YORK SHAREHOLDER
COMMITTEE**

28 MARCH 2022

TITLE: YPO UPDATE REPORT

REPORT OF: YPO MANAGING DIRECTOR

1. PURPOSE OF REPORT

- 1.1 To provide members of the Shareholder Committee with an update on the performance of YPO, of which York is one of thirteen founder members. The report also includes information on the specific issues requested by the committee at the previous meeting.

2. PERFORMANCE UPDATE

- 2.1 YPO has a calendar financial year and the annual results from the previous year are approved by members of the Joint Committee at the Annual General Meeting held in July. The published accounts and Annual Report for 2020 are attached for information. These show the impact of the Covid pandemic, which closed schools for a significant period of the year and of the losses incurred on the procurement of PPE on behalf of local authorities. 2021 was targeted as a year of recovery for YPO, returning to more normal trading levels, before embarking on an ambitious growth strategy in 2022. The accounts for 2021 are still undergoing external audit and have not yet been approved by YPO members. However, despite the continued closure of schools in the first quarter of the year, the recovery ambition was largely achieved with an indicative profit of £3.7m. On this basis, YPO intends to recommence paying dividend to its members based on the results achieved.
- 2.2 The budget for 2022 has been established based on 2019 trading levels, and, at the end of the first quarter, this is very close to being achieved.

3. CLIMATE EMERGENCY

- 3.1 YPO is a long established provider of framework contracts for the supply

of energy, mainly electricity and gas. In fact the rebate income received from these contracts is a significant part of the overall profit achieved every year. In the recent past, these core supply contracts have been supplemented by a portfolio of contracts providing carbon reduction activities, including amongst others, alternative power generation, building insulation refit and hybrid or electric vehicle supply. The objective is to assist local authorities in making the challenging transition from traditional energy supply to alternatives which will contribute to their carbon net zero targets.

- 3.2 YPO is also intending to become an exemplar operator in its own right, switching its own consumption to alternative sources wherever possible and carrying out a trial next year in the use of electric delivery vehicles within a feasible operating radius of its Wakefield Headquarters.

4. HEALTH & SAFETY

- 4.1 YPO has a Health & Safety Committee which is jointly chaired by the Managing Director and the Unison Trade Union Branch Secretary. This committee is responsible for agreeing and monitoring the Health & Safety Policy and for reviewing all incidents to establish potentials for continuous improvement. The organisation also receives support from Wakefield Council in its role as Lead Authority for the Joint Committee. This takes the form of both input from H&S professional within the council on such things as risk assessments, and oversight by Internal Audit to ensure that the policy is being adhered to.
- 4.2 The role of the Health & Safety Manager is currently being strengthened through an internal restructure which will see the position reporting directly to the Operations Director, giving greater authority for the implementation of corrective actions.

5. PROCUREMENT POLICIES

- 5.1 As a collaborative procurement organisation, procurement sits at the heart of all of YPO's activities. This is equally true of both the local government framework contract business and the school resources supply business, as all contracts and products are procured under public contract regulations. This guarantee of compliance and of ethical procurement policies is one of YPO's core commercial propositions and is the reason why many of its customers remain loyal over extended periods.
- 5.2 Since the UK's leaving of the EU, the procurement regulations are being revised under an initiative led by the Cabinet Office. YPO was a key respondent to the Cabinet Office consultation and is very active among

other PSBOs and the LGA in influencing and directing the final form of the new regulations, expected to be introduced in 2023.

- 5.3 YPO is also very aware of the need to ensure that its members local economies are being supported through its procurement activities, particularly that local SMEs are given the chance to participate in public sector contracts. A number of collaborative events have taken place with local Chambers of Commerce, to promote participation and provide advice and guidance on the easiest route for SMEs to follow.
- 5.4 Finally, YPO is also actively supporting its members in meeting their obligations under the Social Value Act, defining, measuring and publishing the Social Value created through all of its procurement activities.

6. APPRENTICESHIPS

- 6.1 YPO has a very active apprenticeship programme which started in 2011, and has since gone on to recruit 80 apprentices. Of those 80, 9 are current apprentices. Of the remaining 71, 54 went on to secure permanent positions with YPO, and 2 are currently on fixed term contracts, so overall, 79% have gone on to other roles at YPO at the end of their apprenticeship.

7. RECOMMENDATIONS

- 7.1 That members note the content of the report.

SERVICE DIRECTOR: SIMON HILL, MANAGING DIRECTOR

YPO
41 Industrial Park
Wakefield
WF2 0XE

E-mail address: simon.hill@ypo.co.uk

APPENDICES

- Appendix 1: 2020 Statement of Accounts
Appendix 2: 2020 Annual Report - [YPO Annual Report 2020 - 1 \(pagetiger.com\)](#)

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YORKSHIRE PURCHASING ORGANISATION



**AUDITED
STATEMENT
OF ACCOUNTS
2020**

Narrative Statement by the Managing Director

1. INTRODUCTION

This document is the Statement of Accounts for the Yorkshire Purchasing Organisation. The Statement of Accounts shows the Organisation's financial performance for the year ended 31st December 2020. The Narrative Statement provides a guide to the most significant matters in the financial statements.

The Yorkshire Purchasing Organisation (YPO) was established in 1974 to fulfil the supplies requirements of a number of local authorities. The enabling Act of Parliament for the Organisation is the Local Authorities (Goods and Services) Act 1970 and its objectives are for the supply of goods and procurement of services to the public sector.

There are currently 13 founder member authorities and seventy one associate member authorities of YPO as of 31st December 2020, although the Organisation trades extensively outside the membership area. Management of the Organisation reports periodically to a Management Committee of two elected members from each founder member authority.

The membership consists of:

Founder Member Authorities

Barnsley MBC	North Yorkshire CC
Bolton MBC	Rotherham MBC
City of Bradford MC	St Helens MBC
MB of Calderdale	City of Wakefield MDC
Doncaster MBC	Wigan MBC
Kirklees MC	City of York Council
Knowsley MBC	

Associate Member Authorities

first year of membership

Bury Metropolitan Borough Council	2011
Cumbria City Council	2011
Durham City Council	2011
Leeds City Council	2011
North East Lincolnshire Council	2011
North Lincolnshire Council	2011
Sheffield City Council	2011
Cheshire East Council	2012
East Riding of Yorkshire Council	2012
Hull City Council	2012
Rochdale Metropolitan Borough Council	2012
South Yorkshire Fire and Civil Defence Authority	2012
South Yorkshire Police Authority	2012
Stockport Metropolitan Borough Council	2012
Trafford Council	2012
Warrington Borough Council	2012
West Yorkshire Fire and Civil Defence Authority	2012
West Yorkshire Police Authority	2012
Blackpool Borough Council	2013
Lancashire Fire & Rescue Service	2013
London Borough of Hillingdon	2013
Malvern Hills District Council	2013
Manchester City Council	2013
Northumberland County Council	2013
Staffordshire City Council	2013
West Midlands Fire & Rescue Authority	2013
Wiltshire Fire and Rescue Service	2013
Wyre Forest District Council	2013
Birmingham City Council	2014
Kettering Borough Council	2014
London Borough of Harrow	2014
Tameside Council	2015
Lancaster City Council	2015
Walsall Council	2015
Cheshire Fire and Rescue Service	2016
Coventry City Council	2016
Craven District Council	2016

Narrative Statement by the Managing Director

Fylde Council	2016
Greater Manchester Fire and Rescue	2016
Greater Manchester Police	2016
Halton Borough Council	2016
Lancashire Police	2016
London Borough of Brent	2016
London Borough of Hackney	2016
London Borough of Waltham Forest	2016
Liverpool City Council	2016
Merseyside Fire and Rescue Service	2016
Merseytravel	2016
Oldham Council	2016
Salford City Council	2016
Sefton Borough Council	2016
Solihull Metropolitan Borough Council	2016
Wyre Council	2016
Allerdale Borough Council	2017
Devon County Council	2017
London Borough of Camden	2017
London Borough of Haringey	2017
London Borough of Westminster	2017
Pendle Borough Council	2017
Buckinghamshire County Council	2018
Harrogate Borough Council	2018
Humberside Police Service	2018
North Yorkshire Police Service	2018
Police and Crime Commissioner for Merseyside	2018
Telford and Wrekin Council	2018
Cheshire West and Chester Council	2019
Lancashire County Council	2019
London Borough of Islington	2019
Oxfordshire County Council	2019
Police and Crime Commissioner for Cleveland	2019
Thames Valley Police	2019

Certain services, including legal, treasury and internal audit, are provided by the City of Wakefield MDC in accordance with arrangements agreed by the Management Committee.

Associate membership allows for attendance at the public section of all committee meetings but does not carry voting rights.

2. ACCOUNTABILITY AND FINANCIAL REPORTING

There is no longer a statutory requirement for YPO, as a Joint Committee, to have an external audit. However, in March 2016 the Management Committee and Section 151 Officer of the lead authority agreed that YPO should continue to prepare, each year, a statement of accounts in accordance with the C.I.P.F.A Code of Practice that is subject to an external audit.

As a result this will be a non-statutory audit meaning that compliance with the Accounts and Audit Regulations 2015 is not mandatory.

We have continued to categorise our Reserves as "Usable" and "Unusable" in line with the C.I.P.F.A Code of Practice. This is purely for presentational needs and we acknowledge that any powers attributed to this classification no longer applies to the Organisation.

3. THE STATEMENTS

The financial activity of the Organisation in relation to the service it provides is shown through a number of key financial statements and notes:

Core Statements

The Movement In Reserves Statement shows the movement in year on the different reserves held by the Organisation.

The Comprehensive Income and Expenditure Account summarises the income and expenditure of the Organisation during the year.

Narrative Statement by the Managing Director

The Balance Sheet shows the value as at the 31st December 2020 of the assets and liabilities recognised by the Organisation. The net assets of the Organisation (assets less liabilities) are matched by the reserves held by the Organisation.

The Cash Flow Statement shows the changes in cash and cash equivalents of the Organisation during the reporting period. The statement shows how the Organisation generates and uses cash and cash equivalents by classifying cash flows between operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which operations of the Organisation are performing. Investing activities represent the extent to which cash inflows have been made for resources which are intended to contribute to the Organisations future operations.

The Statement of Responsibilities for the Statement of Accounts sets out the respective responsibilities of the Organisation and the Chief Finance Officer at Wakefield MDC for the Statement of Accounts.

The Annual Governance Statement sets out the framework designed to ensure that the Organisation operates a sound system of internal control which facilitates the effective exercise of its operations, and which includes arrangements for the management of risk. Whilst it is not a requirement to be part of this Statement of Accounts it is attached as appendix A to this statement to aid the user to better understand the governance arrangements in force within the Organisation.

4. FINANCIAL SUMMARY

The 2020 budget approved in November 2019 was for a turnover of £116m and a surplus of £8.447m, excluding any income for pensions interest or expenditure financed from earmarked reserves.

The full year performance of the Organisation has been significantly impacted by the outbreak of the Covid-19 pandemic and resulting measures put in place by the UK Government, in particular the closure of Schools from 23rd March 2020. With the majority of our customer base being education premises we saw a significant drop in trading activity throughout April and May. Trading recovered from June with the staggered opening of schools and the back to school campaign from September saw sales activity return to expected levels, this was mainly across our stores business with food and direct taking longer to recover.

Invoiced sales for the year are £99.6m and the reported deficit on trading of (£6.820m) is under the budgeted surplus of £8.447m by £15.267m, this excludes any income for pensions interest or expenditure financed from earmarked reserves.

Income from stock and framework contracts at £5.046m were under the budget of £6.4m, again this area of income was adversely impacted by the national lockdown. Across our framework contracts activity related rebates for ICT and Energy were reduced and our stock volume related rebates were reduced due to the lower than planned trading activity in the year.

Operating costs for 2020 were £34.100m, £1.248m over budget and £1.698m above 2019. The main overspends in the year were across supplies and services and mainly stocktake adjustments and external consultancy support, the majority of these overspends being linked to the remedial work done following the NAV implementation at the end of 2019. These overspends have been partially offset by volume related savings across transport and our 3PL charges.

Also incurred in the year were exceptional legal and professional costs relating to the proposed acquisition of Findel Education Limited. These costs mainly to the CMA phase 2 costs and the utilisation of external economists, along with legal fees. These costs totalled £1.6m in the year.

Further exceptional costs have been incurred in the form of a further impairment provision against our stock holding of £6.880m. This reflects the excess Covid / PPE stock that we held at the year end. This stock was bought at a premium at the height of the first peak so we could service the public sector with their PPE needs, as the supply of these goods became more available throughout 2020 we have been left with stock in excess of current demand.

Trade debtors are at £20.3m, £5.3m up on 2019. This reflects the issues we have had in 2020 in the form of Covid-19 and the system implementation issues. With the result being an increase in invoicing queries and copy invoice requests compounded with restrictions placed on the credit control process due to the lockdown and closure of schools. An additional debtor impairment of £0.486m has been accounted for in 2020.

Inventory is at £17.4m, £3.7m higher than 2019. This reflects the increased stock holding of our usual product mix due to the reduced trading in the year. Excess physical PPE stock is also held at the end of the year but a full impairment provision of £7m has been included in the balance sheet for this.

The net liabilities of the Organisation as at 31st December 2020 are £20.453m, significantly down on the £1.685m liability position in last years accounts. Net current assets, whilst reducing to £23.3m, are still healthy and the reduction from 2019 reflects the deficit made in the year. It is the movement across our pension liability of £12.4m which has created a greater negative balance sheet position. A reduction in the rate used for discounting the scheme's liabilities the main contributor to the change. It is important to note these are theoretical long term liabilities and the strong financial position of the Organisation is reflected in it's working capital position.

Narrative Statement by the Managing Director

On the Balance Sheet is also an amount of £0.5m shown as Debtors: Amounts due after more than one year, this represents a loan issued to one of our related parties, YPO Procurement Holdings. A loan agreement has been drawn up and the full amount plus the accrued daily interest is repayable in full by the end of 2030.

Cash flow movement in the year has decreased the cash at bank balances by £9.77m. This reflects the operating performance of the Organisation in the year and reconciles to the in-year profits, dividends paid, capital expenditure and loans issued. It also reflects the movements in stock, debtors and creditors for the year.

No capital expenditure was incurred in the year.

An agreed dividend distribution of £7.747m for the trading year 2019, originally planned to be distributed in October 2020, was deferred until September 2021 due to the impact Covid-19 has had on cash flows in the year.

5. RETIREMENT BENEFITS

The value of the Organisation's retirement benefits liability as at 31 December 2020 was £54.5 million (31 December 2018 £42.1 million). This significant increase is due to a reduction in the rate used to discount the schemes liabilities from 2.0% to 1.4%

The employer's contribution rate was 14.4% in 2020. (see note 7 to Core Financial Statements - Retirement Benefits)

International Accounting Standard (IAS) 19 - Employee Benefits which covers pension accounting was revised in 2011 and applies to the Organisation's statements from 2014 onwards.

6. SIGNIFICANT MATTERS

The budget submission for the 2020 financial year was given approval by the Management Committee at the meeting in November 2019. The budget was built on assumptions of sales growth on our core business from 2018, an efficient procurement & sourcing process and an increase in our contractual rebate income for the year.

A dividend distribution of £7.447m declared in respect of the 2019 trading year, is due to be distributed in September 2021. This includes a non cash loyalty bonus of £1.489m payable to individual customers by way of a voucher to be used against future purchases of product.

YPO Procurement Holdings and its subsidiary YPO Supplies Ltd began trading with YPO Joint Committee in 2014. Board members for YPO Procurement Holdings and YPO Supplies are also members of the Joint Committee board and therefore all transactions in 2020 between the above companies are classed as related party transactions.

7. MEDIUM TERM FINANCIAL STRATEGIES

The 2021 Budget was approved by the Management Committee in November 2020. An interim strategy for 2021 has been developed to focus on a year of recovery from the impact of NAV and Covid-19 and sits outside of our usual three year strategy cycle. The strategy focuses on providing a great customer experience, developing a sustainable cost base and opportunities for growth. Achieving these objectives will set the foundations for the next 3 year strategy that will be worked on during 2021.

The budget for 2021 has been built to help support the objectives outlined in the one year strategy, with investments made available across our IT infrastructure and digital transition.

A medium term financial strategy will be drawn up in line with the development of the 3 year strategy throughout 2021, along with the production of a capital and reserves strategy.

Simon Hill
Managing Director

Statement of Responsibilities

THE ORGANISATION'S RESPONSIBILITIES

The Organisation is required to:

- make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Organisation that officer is the Chief Finance Officer of the Serving Authority, Wakefield MDC. Day to day financial management is the responsibility of the Managing Director of YPO.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts.

THE RESPONSIBILITIES OF THE CHIEF FINANCE OFFICER

The Chief Finance Officer is responsible for the preparation of the Organisation's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the code).

In preparing this statement of accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the local authority Code.

The Chief Finance Officer has also:

- kept proper accounting records which were up to date.
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

CHIEF FINANCE OFFICER

I certify that the Statement of Accounts presents a true and fair view of the financial position of the Yorkshire Purchasing Organisation at 31st December 2020 and its Income and Expenditure for the year then ended.

Signed

Date

NEIL WARREN

Chief Finance Officer

APPROVAL OF THE ACCOUNTS

As the Chair of the body considering the Yorkshire Purchasing Organisation's Statement of Accounts for 2020, I certify that the Accounts have been approved by the Management Committee and are authorised for issue.

Signed

Date

Cllr LES SHAW

Chairperson YPO Management Committee

Auditor's Opinion

Independent auditor's report to the members of Yorkshire Purchasing Organisation

Report on the financial statements

Opinion

We have audited the non-statutory financial statements of Yorkshire Purchasing Organisation ('the Organisation') for the year ended 31 December 2020, which comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20. The non-statutory accounts have been prepared for the reasons set out in Note 1 to the financial statements.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Organisation as at 31st December 2020 and of the Organisation's income and expenditure for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law and the terms of our engagement letter dated 19 October 2020. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Organisation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Organisation's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The Chief Finance Officer is responsible for the other information. The other information comprises the Narrative Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Auditor's Opinion

Responsibilities of the Chief Finance Officer for the financial statements

As explained more fully in the Statement of Responsibilities the Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, and for being satisfied that they give a true and fair view. The Chief Finance Officer is also responsible for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Chief Finance Officer is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2019/20 and prepare the financial statements on a going concern basis, unless the Organisation is informed of the intention for dissolution without transfer of services or function to another entity. The Chief Finance Officer is responsible for assessing each year whether or not it is appropriate for the Organisation to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Organisation we identified that the principal risks of non-compliance with laws and regulations related to the Local Authorities (Goods & Services) Act 1970 and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Chief Finance Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- discussing with management the policies and procedures regarding compliance with laws and regulations;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Organisation which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing; reviewing management judgements and assumptions in significant accounting estimates, and reviewing any significant one-off or unusual transactions.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management and the Audit Committee. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at

Use of the audit report

This report is made solely to the members of Yorkshire Purchasing Organisation, as a body, in accordance with the terms of our engagement letter in connection with the Organisation's decision to prepare non-statutory accounts. Our audit work has been undertaken so that we might state to the members of the Organisation those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Organisation, as a body, for our audit work, for this report, or for the opinions we have formed.

MOVEMENT IN RESERVES STATEMENT

The Movement in Reserves Statement shows the movement in year on the different reserves held by the Organisation. The surplus (deficit) on Operations line shows the true economic cost of operational activity in the year more details of which, are shown in the Comprehensive Income and Expenditure Statement.

The Net increase/(decrease) before transfer to Earmarked Reserves line shows the General Fund Balance prior to any discretionary transfers to or from earmarked reserves applied by the Organisation.

2019	£000's										Note
	Usable Reserves			Unusable Reserves				Total Usable reserves	Total Unusable reserves	Total Reserves	
	General Fund Balance	Capital Receipt Reserve	Internal Investment Reserve	Joint Committee Capital Adjustment Account	Earmarked Pension Reserve	Earmarked Accumulated absences account	Revaluation Reserve				
Balance as at 31 December 2018	29,600	85	610	10,625	(26,493)	(100)	156	30,295	(15,812)	14,483	
Movement in Reserves during 2019											
Surplus or (Deficit) on Operations	(5,673)	0	0	0	0	0	0	(5,673)	0	(5,673)	
Other Comprehensive Income	0	0	0	0	(10,621)	0	126	0	(10,495)	(10,495)	
Total Comprehensive Expenditure and Income	(5,673)	0	0	0	(10,621)	0	126	(5,673)	(10,495)	(16,168)	
Adjustments between accounting basis and funding basis under regulation	0	0	0	0	0	0	0	0	0	0	
Net Increase / (Decrease) before transfer to Earmarked Reserves	(5,673)	0	0	0	(10,621)	0	126	(5,673)	(10,495)	(16,168)	
Transfer (to) / from Earmarked Reserves	5,520	0	44	(491)	(4,985)	(85)	(4)	5,565	(5,565)	0	
Increase / (Decrease) in Movement in Year	(153)	0	44	(491)	(15,606)	(85)	122	(109)	(16,060)	(16,168)	
Balance as at 31 December 2019	29,447	85	654	10,134	(42,099)	(185)	279	30,186	(31,871)	(1,685)	13

2020	£000's										Note
	Usable Reserves			Unusable Reserves				Total Usable reserves	Total Unusable reserves	Total Reserves	
	General Fund Balance	Capital Receipt Reserve	Internal Investment Reserve	Joint Committee Capital Adjustment Account	Earmarked Pension Reserve	Earmarked Accumulated absences account	Revaluation Reserve				
Balance as at 31 December 2019	29,447	85	654	10,134	(42,099)	(185)	279	30,186	(31,871)	(1,685)	
Movement in Reserves during 2020											
Surplus or (Deficit) on Operations	(11,882)	0	0	0	0	0	0	(11,882)	0	(11,882)	
Other Comprehensive Income	0	0	0	0	(7,695)	0	810	0	(6,885)	(6,885)	
Total Comprehensive Expenditure and Income	(11,882)	0	0	0	(7,695)	0	810	(11,882)	(6,885)	(18,768)	
Adjustments between accounting basis and funding basis under regulation	0	0	0	0	0	0	0	0	0	0	
Net Increase / (Decrease) before transfer to Earmarked Reserves	(11,882)	0	0	0	(7,695)	0	810	(11,882)	(6,885)	(18,768)	
Transfer (to) / from Earmarked Reserves	5,370	0	0	(451)	(4,731)	(187)	(1)	5,371	(5,370)	0	
Increase / (Decrease) in Movement in Year	(6,512)	0	0	(451)	(12,426)	(187)	808	(6,512)	(12,256)	(18,768)	
Balance as at 31 December 2020	22,935	85	654	9,683	(54,525)	(372)	1,087	23,674	(44,127)	(20,453)	13

Comprehensive Income and Expenditure Account

2019 <u>£'000</u>		2020 <u>£'000</u>	<u>Note</u>
110,745	<i>Invoiced Turnover</i>	99,620	6
(79,027)	<i>Cost of Sales</i>	(70,250)	
31,718	<i>Gross Margin</i>	29,370	
5,812	Rebates	5,046	6
2,242	Other Income	1,799	6
39,773	<i>Gross Surplus</i>	36,215	
	<i>Operating Expenses</i>		
(18,779)	Employees	(19,290)	
(1,004)	Premises	(1,047)	
(7,742)	Supplies and Services	(16,892)	
(4,726)	Transport	(4,531)	
(127)	S.L.A. Costs	(127)	
(173)	Financial and Miscellaneous	(225)	
(495)	Depreciation and revaluation increase/(decrease)	(452)	8
(4,246)	Pension service gain(cost) net of charges made to the general fund	(3,910)	7
(37,292)	<i>Net Operating Expenditure</i>	(46,473)	
2,481	<i>Surplus/(deficit) on trading operations</i>	(10,258)	
	<i>Financing and investment income and expenditure</i>		
(94)	Impairment Losses - Increase in allowance in the year	(486)	
(739)	Pensions Interest Cost and Expected Return on Pension Assets	(821)	7
97	Interest Receivable	13	
(7,419)	Dividend paid	(331)	
(8,154)		(1,625)	
(5,673)	<i>Surplus/(Deficit) on provision of service</i>	(11,882)	
	<i>Other Comprehensive income and expenditure</i>		
(10,621)	Actuarial gains / (losses) on pension assets / liabilities	(7,695)	
126	Gains / (losses) on revaluations of PPE and depreciation	810	
(10,495)		(6,885)	
(16,168)	<i>Total comprehensive Income and Expenditure</i>	(18,768)	

BALANCE SHEET

The Balance Sheet shows the value as at 31st December 2020 of the assets and liabilities recognised by the Organisation. The net assets of the Organisation (assets less liabilities) are matched by the reserves held by the Organisation.

31st Dec 2019		31st Dec 2020	
<u>£'000</u>		<u>£'000</u>	<u>Note</u>
	Long term Assets		
9,913	Property, Plant and Equipment	10,298	8
46	Intangible Assets	21	8
<u>500</u>	Debtors: Amounts due after more than one year	<u>500</u>	
<u>10,459</u>	Total Long Term Assets	<u>10,819</u>	
	Current Assets		
13,690	Inventories	17,414	9
14,969	Short term debtors	20,289	10
<u>10,970</u>	Cash and cash equivalents	<u>1,198</u>	
<u>39,629</u>	Total Current Assets	<u>38,900</u>	
	Current Liabilities		
<u>(9,577)</u>	Short term creditors	<u>(15,606)</u>	11
<u>(9,577)</u>	Total Current Liabilities	<u>(15,606)</u>	
<u>30,052</u>	Net Current Assets	<u>23,295</u>	
	Long term Liabilities		
(96)	Liability relating to Finance Leases	(41)	
<u>(42,099)</u>	Liability relating to Defined Benefit Pension Scheme	<u>(54,525)</u>	7
<u>(1,685)</u>	Net Assets / (Net Liabilities)	<u>(20,453)</u>	
	Financed by:		
	Usable Reserves		
29,447	General Fund	22,935	
85	Usable Capital Receipts Reserve	85	13
654	Internal Investment reserve	654	13
	Unusable Reserves		
10,133	Joint Committee Capital Adjustment Account	9,683	13
<u>(42,099)</u>	Pension Reserve	<u>(54,525)</u>	13
<u>(185)</u>	Earmarked Accumulated Absences Account	<u>(372)</u>	13
279	Revaluation Reserve	1,087	13
<u>(1,685)</u>	Total Reserves	<u>(20,453)</u>	

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash, and cash equivalents, of the Organisation during the reporting period. The statement shows how the Organisation generates and uses cash, and cash equivalents, by classifying cash flows between operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which operations of the Organisation are performing. Investing activities represent the extent to which cash inflows have been made for resources which are intended to contribute to the Organisation's future operations.

2019		2020
£'000		£'000
(5,673)	Net surplus/(deficit) on the provision of service	(11,882)
	Adjustment to the net surplus/(deficit) for non cash movements	
440	Depreciation and revaluation increase/(decrease)	452
766	(Increase)/Decrease in Inventories	(3,724)
(1,832)	(Increase)/Decrease in Debtors	(5,322)
4,985	(Increase)/Decrease in Pension Liability	4,731
2,330	Increase/(Decrease) in Creditors	5,974
(1,028)	Redemption of loyalty vouchers	(331)
5,661		1,780
	Adjustments for items included in the net surplus/(deficit) that are financing/investing activities	
7,419	Dividend payment	331
7,419		331
7,406	Net cash flows from operating activities	(9,772)
	Investing Activities	
0	Purchase of PPE	0
0		0
	Financing Activities	
0	Loans issued	0
(6,390)	Dividends paid to Members	0
(6,390)		0
1,016	Net Increase/(Decrease) in Cash and Cash Equivalents	(9,772)
9,954	Cash and Cash Equivalents at the beginning of the reporting period	10,970
10,970	Cash and Cash Equivalents at the end of the reporting period	1,198

Note on operating activities

	The cash flows from operating activities include the following items	
97	Interest Receivable	13
97		13

Notes to the Core Financial Statements

The following notes provide more detailed information in order to assist understanding of the main financial statements.

1. STATEMENT OF ACCOUNTING POLICIES

GENERAL PRINCIPLES

As a Joint Committee, YPO is no longer required to comply with the Accounts and Audit regulations 2015. However, it has been agreed that YPO will continue to produce a statement of accounts in accordance with the C.I.P.F.A Code of Practice on Local Authority Accounting in the United Kingdom 2018/19, supported by International Financial Reporting Standards (IFRS).

The Organisation recognises that the Comprehensive Income and Expenditure Statement does not fully comply with the Code of Practice by not including a service analysis. This is due to the Organisation being a single service business operation with no reliance on external funding, or having any direct impact on the finances of any member authority. Additionally the Organisation's status as a joint committee prevent it from taking advantages of certain statutory overrides contained within the code.

The Organisation has complied with the Code of Practice in all other respects and has concluded that the financial statements present a true and fair view of the authority's financial position, financial performance and cash flows.

The following policies have been adopted in compiling the accounts:

Fundamental Accounting Concepts:

- The accounts have been prepared on a historical cost basis, except that certain categories of assets are re-valued at regular intervals.
- The revenue and capital accounts are maintained on an accruals basis. This means that expenditure and income are recognised in the accounts in the period in which they are incurred or earned, not as money is paid or received. Income is also matched with associated costs and expenses as far as the relationship can be established or justifiably assumed.
- Consistent accounting policies have been applied both within the year and between years. Where accounting policies are changed, the reason and effect have been separately disclosed.
- Income has only been recognised within the accounts where there is a reasonable certainty, and proper allowances have been made for all foreseeable losses and liabilities.
- The accounts have been prepared on a going concern basis. The impact of the Covid-19 pandemic in 2020 and 2021 has been considered when reaching this assessment. However, during this time we haven't identified any material uncertainties and the period considered is not less than 12 months from the date of preparing these accounts. The factors we have considered in reaching this judgement include the fact that YPO has remained operational and continued supplying the public sector during this period, in addition is the continued support we have received from our lead authority, the nature of our customers means that outstanding invoices will be paid and cash will continue to flow into the business and extensive financial modelling has taken place to assess the impact of this outbreak and prepare us for any scenario.
- The accounting statements have been prepared so as to reflect the reality or substance of the transactions and activities underlying them, rather than their formal legal character.
- As allowed under the Code the concept of materiality has been utilised in the process of preparing the accounts, such that insignificant items and fluctuations under an acceptable level of tolerance are permitted provided that in aggregate they would not affect the interpretation of the accounts by an informed reader.
- Where estimating techniques are required to enable the accounting practices adopted to be applied, the techniques which have been used are, in YPOs view, appropriate and consistently applied. Where the effect of a change to an estimation technique is material, a description of the change and, where practical, the effect on the results for the current period are separately disclosed, Note 4 to the core financial statements provides further details.
- In accordance with the Code, where an accounting treatment is prescribed by law, then it has been applied, even if it contradicts accounting standards or generally accepted accounting concepts.

a. ACCRUALS OF INCOME AND EXPENDITURE

Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular debtors and creditors for revenue and capital transactions are accrued, except for certain cases which are not considered material. For items of this nature, a consistent approach is adopted.

b. TURNOVER

Turnover is the value of invoiced sales during the year, adjusted for the value of deliveries prepared to 31st December for which invoices were not raised until January. Rebates refer to the value of commission earned on contractual activity in the year. Other income includes marketing support for catalogue production and promotion.

c. OVERHEADS

The Organisation is a single service entity and as such all overhead costs are included in the revenue account inclusive of accruals prepayments for the period to which they relate.

Notes to the Core Financial Statements

d. COMPONENTISATION OF NON CURRENT ASSETS

Non Current assets valued through the Organisation's five year programme of valuations are assessed for any significant components, where the value of the asset is greater than £1 million on revaluation. If an individual component's value is deemed by the business to be significant in relation to the total value of the asset then that component will be depreciated separately.

Capital expenditure is monitored throughout the year and included in the budget and business planning process to identify replacement or changes of a significant component on non current assets.

The carrying value of any component being replaced will be charged to the revenue account as a disposal. This balance is then reversed out of the General Fund in the Movement in Reserves Statement and posted to the Joint Committee Capital Adjustment Account.

e. NON CURRENT ASSETS

- i) Expenditure on the acquisition, creation or enhancement of non current assets , with a value in excess of £5,000, is capitalised on an accruals basis, provided they have an estimated life in excess of one year. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits is charged as an expense when it is incurred. All expenditure on non current assets that is capitalised is recognised in the Organisation's Asset Register and Balance Sheet and depreciated over the useful life of the asset.
- ii) The different categories of non current assets are valued differently. Non current assets not classed as land and buildings are valued at purchase price plus any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- iii) Non-current Assets classed as land and buildings, which are included in the Balance Sheet at fair value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from the fair value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Where decreases in value are identified the accounting treatment is that the carrying amount of the asset is written down against any revaluation gain in the Revaluation Reserve or where there is no, or insufficient balance in the Revaluation Reserve the asset is written down against the Comprehensive Income and Expenditure Account.

The latest valuation date of land and buildings was 10th December 2020, and was carried out by J Duck FRICS of NPS Humber Ltd.

- iv) Land and buildings are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where an impairment of land and buildings has been recognised it is accounted for as a charge in the Comprehensive Income and Expenditure Statement where there is no or insufficient accumulated gains in the Revaluation Reserve against which all losses can be written off.

Where an impairment loss is reversed subsequently, the reversal is credited to the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

- v) Where a revaluation loss on land and buildings is recognised as part of a review or a valuation exercise it is accounted for as a charge against the Comprehensive Income and Expenditure Account where there is no or insufficient accumulated gains in the Revaluation Reserve which all losses can be written off.
- vi) When a non-current asset is disposed of, or decommissioned, any gain or loss on the disposal is credited or charged to the Comprehensive Income and Expenditure Statement. The gain or loss is calculated by reference to the difference between the sale proceeds of the asset and the value of the asset in the balance sheet plus any material costs of disposal. Any revaluation gains in the Revaluation Reserve, relating to the asset disposed of, are transferred to the Joint Committee Capital Adjustment Account.

Receipts from disposals are credited to the Usable Capital Receipts Reserve and can be used for new capital investment. Receipts are appropriated to the Usable Capital Receipts Reserve from the Movement in Reserves Statement.

- vii) Depreciation has been provided for using the straight-line method on Buildings (excluding land), Vehicles and Equipment and is charged from the time the asset becomes operational. The useful lives of the various assets held on the Asset Register are as follows:

Freehold Buildings	2020
41 Industrial Park	42 years
Flanshaw Way	38 years
Motor Vehicles	up to 5 years
Warehouse and Office Equipment	up to 15 years
Computers	up to 5 years

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Notes to the Core Financial Statements

Revaluation gains are also depreciated with an amount equal to the difference between the current value depreciation charged on assets and the depreciation that would have been chargeable based on their historical cost being transferred each year from the Revaluation Reserve to the Joint Committee Capital Adjustment Account.

f. INTANGIBLE ASSETS

Intangible assets are assets that do not have any physical substance but which the Organisation controls access to the future economic benefits derived from them, either through custody or legal protection.

Expenditure on intangible assets is subject to the same recognition criteria as tangible non-current assets as stated in note d. Intangible assets will be brought on to the Balance Sheet at cost and amortised on a straight line basis over the period for which benefit is received. It is assumed there will be nil residual value. Annual reviews of the value of intangible fixed assets will be undertaken.

Amortisation has been provided for using the straight line method on Intangible assets and is charged from the time the asset becomes operational. The useful life of the Intangible assets held on the Register are as follows:

Internally generated & Software intangible assets - IT & Website Development/Testing & Project management - 3 years

g. RESERVES

The Organisation sets aside specific amounts as reserves for future purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure financed from a reserve is incurred, it is charged to the Consolidated Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement.

The Organisation differentiates between usable and unusable reserves on the basis contained within the Code however certain statutory overrides allowable by statute to Local Authorities and contained within the Code are not available to a joint committee. Where this is the case the Organisation has voluntarily adopted the principles of the Code.

h. EMPLOYEE BENEFITS

The Organisation accounts for employee benefits in accordance with the requirements of IAS 19.

Benefits payable during employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non monetary benefits (e.g. cars) for current employees and are recognised as an expense in the year in which employees render service. An accrual is made for the cost of holiday entitlements (or any form of leave) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at average salary rate. The accrual is charged to the Comprehensive Income and Expenditure Statement but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Organisation to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accrual basis to the relevant line in the Comprehensive Income and Expenditure Statement.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Organisation to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post Employment Benefits

Employees of the Organisation are members of the Local Government Pensions Scheme known as the West Yorkshire Pension Fund and administered by Bradford Council. The scheme is a defined benefit scheme providing employees with a retirement lump sum and pension.

The Local Government Pension Scheme

The liabilities of the West Yorkshire Pension Fund attributable to the Organisation are included in the Balance Sheet on an actuarial basis using the projected unit method - i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc and projections of earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 1.4% on funded liabilities and 1.4% on unfunded liabilities (based on a weighted average of "spot yields" on AA rated corporate bonds).

Notes to the Core Financial Statements

The assets of West Yorkshire Pension Fund attributable to the Organisation are included in the Balance Sheet at their fair value:

- . quoted securities - current bid price
- . unquoted securities - professional estimate
- . unitised securities - current bid price
- . property - market value

The change in the net pensions liability is analysed into seven components:

Current service cost - the increase in liabilities as a result of years of service earned this year allocated in the Comprehensive Income and Expenditure Statement.

Past service cost - the increase / decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the Comprehensive Income and Expenditure Statement.

Interest Cost - the expected increase in the present value of liabilities during the year as they move one year closer to being paid debited to the Comprehensive Income and Expenditure Statement

Expected return on Assets - the annual investment return on the fund assets attributable to the Organisation, based on the average of the expected long term return credited to the Comprehensive Income and Expenditure Statement.

Gains or losses on settlements and curtailments - the result of actions to relieve the Organisation of liabilities or events that reduce the expected future service or accrual of benefits of employees - debited or credited to the Comprehensive Income and Expenditure Statement.

Actuarial Gains and Losses - Changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions - debited to the Pensions Reserve.

Contributions paid to the West Yorkshire Pension Fund - cash paid as employers contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Organisation to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits earned by employees.

Discretionary Benefits

The Organisation has limited powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Scheme.

i. TAXATION

YPO, as a Joint Committee owned by local authorities, is exempt from Income, Corporation and Capital Gains Taxes. Income and expenditure normally excludes amounts relating to Value Added Tax (VAT), as VAT collected is payable to HM Revenue and Customs and VAT paid is normally recoverable from them. Exceptionally, if VAT is irrecoverable it is charged to revenue expenditure or capital expenditure as appropriate.

j. EXCEPTIONAL ITEMS AND PRIOR YEAR ADJUSTMENTS

Any material exceptional items are separately disclosed in the accounts.

Any material prior period adjustments arising from changes in accounting policies or from the correction of fundamental errors will be accounted for by restating the comparative figures in the financial statements and notes, together with the cumulative effect on reserves. The effect of any material prior period adjustments will be disclosed separately as a note to the Core Financial Statements.

k. EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are reflected in the accounts up to the date when the Statement of Accounts was authorised for issue and are accounted for in accordance with IAS10.

Where an event arises which provides additional evidence relating to conditions existing at the Balance Sheet date, or which indicates that application of the going concern concept to the Organisation is not appropriate (an adjusting event), then adjustments have been made to the accounts, where the amounts are material.

Any material event, which concerns conditions that did not exist at the Balance Sheet date (a non-adjusting event), has been disclosed as a note to the Core Financial Statements. The note states the nature of the event and, where possible, an estimate of its financial effect.

l. INTEREST RECEIVABLE/PAYABLE

All Interest is recognised in the Financial Statements during the period in which it became due for payment to or by the Organisation.

Notes to the Core Financial Statements

m. INVENTORIES

Inventories are valued at average cost, and shown in the accounts at the lower of cost or net realisable value.

n. LEASES

The Organisation accounts for leases in accordance with the requirements of IAS17.

YPO accounts for leases as finance leases when substantially all the risks and rewards relating to the leased property transfer to YPO. Rental payments under finance leases are apportioned between the finance charge and the reduction of the outstanding lease obligation (deferred liability). Non-current Assets held under finance leases are accounted for as part of Property, Plant and Equipment.

Rentals payable under operating leases are charged to revenue on a straight line basis over the term of the lease even if this does not match the pattern of payments (e.g. quarterly billing straddling an accounting period).

o. CONTINGENT LIABILITIES & ASSETS

Contingent liabilities are not accrued in the accounting statements. Material contingent liabilities are identified in a note to the core financial statements if there is a possible obligation, which may require a payment or transfer of economic benefits.

p. PROVISIONS

Provisions are recognised in the accounts in accordance with IAS 37, where:

- i) The Organisation has a present obligation (legal or constructive) as a result of a past event,
- ii) It is probable that a transfer of economic benefits will be required to settle the obligation, but the timing of the transfer is uncertain; and
- iii) A reliable estimate can be made of the amount of the obligation.

Contributions to provisions are charged to the appropriate revenue account and any subsequent expenditure arising, to which the provision relates, is charged to the provision. The level of each provision is reviewed at the year end and, if appropriate, adjusted by reversing the contribution to the provision and crediting the relevant revenue account.

Provisions are classified as long term (in excess of twelve months) and short term (less than twelve months).

q. FINANCIAL INSTRUMENTS

The Organisation's financial instruments are represented by bank balances, investments, loans receivable, trade creditors and trade debtors.

Bank balances are represented by cash balances held in UK bank accounts and are shown on the face of the Balance Sheet. Interest earned on balances are credited to the Comprehensive Income and Expenditure Statement.

Investments made with other Organisations earn a fixed interest agreed at the time of investment and are for a fixed term. Interest earned on investments are credited to the Comprehensive Income and Expenditure Statement.

Loans receivable constitute loans issued by the Organisation, all loans accrue interest on a daily basis and are for a fixed term.

Trade debtors are stated in the Balance Sheet at historical cost. Irrecoverable debt is written off in the Comprehensive Income and Expenditure Statement. The Organisation is restricted to dealing with customers in the Public Sector and therefore its exposure to bad debt is minimised.

Trade Creditors are carried at historical cost and represent amounts owing to third party suppliers. Creditor accounts are settled on a cash basis when:-

- . satisfactory provision of the goods or service has been performed
- . there is reasonable evidence that the goods or service is imminent or substantially complete
- . an agreed contractual obligation exists to remit payment.

The Organisation has developed a global sourcing programme leading to increased trade with non euro zone suppliers. Every reasonable action to minimise the risk associated with sourcing product from non UK based suppliers has been taken.

r. ESTIMATION TECHNIQUES

This statement of accounts includes estimated figures for income due from suppliers in respect of marketing contributions and rebates earned on contractual business. The estimations are based on a prudent approach utilising prevailing market conditions, historical knowledge and contracted agreements.

Notes to the Core Financial Statements

Additionally estimates are included on valuations of certain elements of property, plant and equipment, inventory and the pension fund. These estimates are provided by third parties holding relevant professional qualifications and are disclosed in the relevant notes to these accounts.

s. CASH & CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments made with other local authorities which earn a fixed interest rate over a specific term, usually for a period of 6 to 12 months.

t. FOREIGN CURRENCY TRANSLATION

Where business transactions are processed in a currency other than Sterling the Sterling value at the point of the currency translation has been used. Where the amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate as at the 31 December. Resulting gains or losses are recognised in the Comprehensive Income and Expenditure Statement.

u. DEBTORS

Debtors are represented by balances due to the Organisation on trading activities net of an impairment allowance for bad or doubtful debt. They are stated at historical cost.

v. CREDITORS

Creditors are represented by balances owed by the Organisation on trading activities they are stated at historical cost. Creditor amounts due in foreign currencies at the end of the accounting period are re-stated on the prevalent conversion rate as at 31st December.

w. IMPACT OF ACCOUNTING STANDARDS ADOPTED SINCE THE LAST ACCOUNTING PERIOD

There has been no impact of new accounting standards adopted since the last accounting period.

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

The Code of Practice on Local Authority Accounting 2019/20 requires the Organisation to disclose information relating to the impact on the financial statements as a result of the adoption by the Code of a new standard that has been issued, but is not yet required to be adopted by the Organisation. There are no new accounting standards due to come into force in the next year.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying these accounting policies the Organisation has made certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are :

Application of code provisions

Judgements have been made with regards to applying the code provisions for Local Authorities to YPO, a Joint Committee. We recognise that certain provisions of the code do not apply to the Organisation, including certain disclosures concerning the General fund and usable / unusable reserves. However, we have continued to do so for presentational and decision making purposes and acknowledge that any powers attributed to this classification no longer applies to the Organisation.

Leasing

The Organisation has reviewed all classes of leases held by the Organisation and concluded that all existing leases to the 31st December 2020 constitute operating leases. This is with the exception of a lease agreement for the supply of IT equipment which has been classified as a Finance lease due to all the risks and rewards relating to the leased equipped transferring to YPO, details of this lease are included within note 15 of this statement.

Related Party Transactions

The Organisation trades extensively with its owning authorities however, as no one particular authority can exert any controlling influence over the Organisation and all transactions are on an arms length basis they are not classified as related parties in this statement of accounts. For clarity trading with member authorities is included under note 17 of this statement.

Asset ownership

Under s102 of the Local Government Act 1972, a Joint Committee does not have the corporate status to acquire assets. However, given that YPO both enjoys the economic benefits from and assumes liabilities for its land and building assets, the "substance over form" policy justifies the inclusion of the assets in the Organisation's accounts.

Notes to the Core Financial Statements

4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on either assumptions made by the Organisation about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

Items included in this Statement of Accounts for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Pensions Liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the rate at which salaries are projected to increase, changes in retirement ages, mortality rates, expected returns on pension assets and the discount rates used bringing future assumptions to present values. A firm of consulting actuaries is engaged to provide the Organisation with expert advice about the assumptions to be applied.

These assumptions interact in complex ways and could produce a range of different results depending on the mix of changes in assumptions. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of around £3.339m.

Framework Contract Income

This statement of accounts includes an estimate of income due to the Organisation from suppliers operating on the Organisation's framework contracts as at 31st December. This estimate is on the basis described in note 1 (point r).

Whilst every effort is made by the Organisation to accurately forecast balances due to the Organisation as at the year end, there is a risk that returns on these contracts may either exceed or be less than the estimate made at the date of the closure of the accounts. The impact on the statements in the following year will be dependent on the mix of positive and negative variances against estimates. If the estimate of income due was to be different by 10% this would represent a movement of around £230K.

Property, Plant & Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets.

The Organisation takes independent advice on the valuation of buildings and believes the depreciation policies adopted accurately reflect the current market value of assets held, however there is a risk that any sale value will be very much dependent on the economic climate at the point of sale. At the year end the Organisation was not intending disposing of any major assets.

Foreign currency transactions

Transactions in foreign currencies are recorded in the statement of accounts in sterling using the spot exchange rate on recognition of the liability.

Goods in transit from an overseas source are included in this statement of accounts valued at the spot rate as at the 31st December and any exchange rate difference arising on the actual payment will be accounted for in the income and expenditure account. The difference relates to the movement in spot rates between the two events.

5. MATERIAL ITEMS OF INCOME AND EXPENDITURE

During 2020 there have been several items of material income and expenditure that have been reflected in this statement of accounts. The main ones are:

- In the year £1.6m of transaction costs, relating to the proposed acquisition of Findel Education Limited, have been incurred and expensed through the I&E account.
- £1.2m of stock losses have been recognised in the year, this is significantly higher than previous years and reflects the additional synchronisation work that has been ongoing throughout the year following the NAV system implementation issues from December 2019.
- £6.863m of inventory impairment costs have been incurred in the year. This is to reflect our increased inventory holding at the year end due to excess PPE items procured at the beginning of the pandemic. The impairment reflects the current market value of the goods and the reduced demand we have seen towards the end of 2020.

6. TURNOVER

Turnover is the VAT exclusive value of invoiced sales for goods supplied from stock and by 'direct supply' arrangements. See also Statement of Accounting Policies note 1(b). Commission income from framework contracts arranged by the Organisation for customers is shown as Rebates. Supplier contributions for marketing support, canteen sales and other non-trading income are shown in Other Income.

Notes to the Core Financial Statements

7. RETIREMENT BENEFITS

Participation in pension schemes

As part of the terms and conditions of employment of its officers and other employees, YPO offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Organisation has a commitment to disclose the liabilities as at the time that officers and employees earn their future entitlement.

The Organisation participates in the Local Government Pension Scheme (LGPS), administered by the West Yorkshire Pension Fund (WYPF). This is a funded defined benefit final salary scheme, meaning that the Organisation pays contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The employers' rate of contribution for January to December 2020 was 14.4%. Employees contributions in 2020 were between 5.5% and 12.5% depending on salary.

In addition the Organisation has awarded discretionary post-retirement benefits upon early retirement - this is an unfunded element of the defined benefit final salary scheme, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

Transactions relating to post - employment benefits

The Organisation is required to recognise the cost of retirement benefits when employees earn them, rather than when they are actually paid to pensioners. However the charge made against the general fund balance is limited to the employer's contributions payable to the Pensions Fund in the year, so the real cost of retirement benefits is reversed out in the Movement in Reserves Statement.

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the Statement of Movement in Reserves Statement during the year.

	Funded	Unfunded	Total	Funded	Unfunded	Total
	2019 £'000	2019 £'000	2019 £'000	2020 £'000	2020 £'000	2020 £'000
Comprehensive Income and Expenditure Account						
Cost of Service						
Current Service Cost	3,674	0	3,674	5,912	0	5,912
Past Service Cost	2,643	0	2,643	47	0	47
Curtailment (Gain)/Loss	0	0	0	0	0	0
Financing and investment income and Expenditure						
Net interest Expense	715	24	739	804	17	821
Total Post Employment Benefit Charged to the surplus or Deficit on the Provision of Services	7,032	24	7,056	6,763	17	6,780
Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement						
Remeasurement of the net defined benefit liability						
Return on plan assets (gains)/losses	(12,136)	0	(12,136)	(438)	0	(438)
Actuarial (Gains) and losses-demographic assumptions	0	0	0	(5,729)	(64)	(5,793)
Actuarial (Gains) and losses-experience	339	2	341	(4,283)	(71)	(4,354)
Actuarial (Gains) and losses-financial assumptions	22,351	65	22,416	18,250	30	18,280
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	17,586	91	17,677	14,563	(88)	14,475
Movement in Reserves Statement						
Reversal of net charges made to the comprehensive Income and Expenditure account for post employment benefits in accordance with the Code	(7,032)	(24)	(7,056)	(6,763)	(17)	(6,780)
Actual amount charged against the General Fund balance for pensions in the year:						
- employer's contributions to the pension scheme	2,009	0	2,009	1,993	56	2,049
-retirement benefits payable to pensioners	0	62	62	0	0	0
Total Charge against the General fund	(5,023)	38	(4,985)	(4,770)	39	(4,731)

Notes to the Core Financial Statements

Post retirement mortality assumptions as at 31st December applicable to funded and unfunded pensions

	Males		Females	
	2019	2020	2019	2020
Rating to base table	0	0	0	0
Scaling to base table rates (Current)	105%	105%	90%	95%
Scaling to base table rates (Future)	115%	120%	90%	105%
Cohort improvement factors	CMI Paper91	CMI 2018	CMI Paper91	CMI 2018
Minimum underpin to improvement factors	1.50%	1.50%	1.50%	1.50%
Future lifetime from age 65 (currently aged 65)	22.2	21.8	25.4	24.6
Future lifetime from age 65 (currently aged 45)	23.2	22.5	27.2	25.7

Pension assets and liabilities recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Organisations obligation in respect of its defined benefit schemes is as follows:

	Funded		Unfunded	
	2019	2020	2019	2020
	£000s	£000s	£000s	£000s
Recognised in the Balance Sheet				
Fair value of assets	102,988	105,236	0	0
Present value of the defined benefit obligation	(144,198)	(159,016)	(889)	(745)
Net liability arising from defined benefit obligation	(41,210)	(53,780)	(889)	(745)

Reconciliation of Fair Value of the Scheme Assets

The unfunded liabilities do not have assets in the scheme to support them. Below is a breakdown of scheme assets in relation to the funded liabilities.

	2019	2020
	£'000	£'000
Balance at 1st January	89,062	102,988
Interest income	2,572	2,058
Remeasurement gains/ (losses) on assets	12,136	438
Employer contributions	2,009	1,993
Contributions by scheme participants	836	878
Benefits paid	(3,627)	(3,119)
Balance at 31st December	102,988	105,236

Reconciliation of present value of the scheme liabilities (defined benefit obligation)

	Funded Liabilities		Unfunded Liabilities	
	2019	2020	2019	2020
	£'000	£'000	£'000	£'000
Balance at 1st January	(114,695)	(144,198)	(860)	(889)
Current Service Cost	(3,674)	(5,912)	0	0
Interest Cost	(3,287)	(2,862)	(24)	(17)
Contributions by scheme participants	(836)	(878)	0	0
Remeasurement gains and (losses)	0	5,729	0	64
<i>Actuarial gains and (losses) - demographic assumptions</i>	0	5,729	0	64
<i>Actuarial gains and (losses) - financial assumptions</i>	(22,351)	(18,250)	(65)	(30)
<i>Actuarial gains and (losses) - experience</i>	(339)	4,283	(2)	71
Benefits paid	3,627	3,119	62	56
Past service costs and curtailments	(2,643)	(47)	0	0
Balance at 31st December	(144,198)	(159,016)	(889)	(745)

Local Government Pension Scheme Assets

The discretionary benefits arrangements have no assets to cover liabilities. The Local Government Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

	Assets held	
	2019	2020
Equity investments	78.30%	79.00%
Property	4.30%	4.00%
Government Bonds	9.90%	9.20%
Corporate Bonds	4.50%	4.80%
Cash	1.80%	1.30%
Other assets *	1.20%	1.70%
TOTAL	100.0%	100.0%

* Other holdings may include hedge funds, currency, asset allocation futures and other financial instruments. It is assumed that these will get a return in line with equities.

Notes to the Core Financial Statements

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates and salary levels. The scheme has been assessed by Hewitt Associates Limited, an independent firm of actuaries. Estimates for the fund have been based on the latest full valuation of the funded scheme as at the 31st March 2019 and the unfunded scheme as at 31st December 2020.

	Funded element		Unfunded element	
	2019	2020	2019	2020
Mortality assumptions				
Males				
Pensioner member aged 65 at accounting date	22.2 years	21.8 years	22.2 years	21.8
Active member aged 45 at accounting date	23.2 years	22.5 years	-	-
Females				
Pensioner member aged 65 at accounting date	25.4 years	24.6 years	25.4 years	24.6
Active member aged 45 at accounting date	27.2 years	25.7 years	-	-
Rate of Inflation (RPI)	3.00%	2.70%	3.00%	2.70%
Rate of Inflation (CPI)	2.20%	2.10%	2.20%	2.10%
Rate of Increase in Salaries	3.45%	3.35%	-	-
Rate of Increase in Deferred Pensions	2.20%	2.10%	-	-
Rate of Increase in Pensions	2.20%	2.10%	2.20%	2.10%
Rate for discounting scheme liabilities	2.00%	1.40%	2.00%	1.40%
Take-up of option to convert annual pension into retirement lump sum	75.00%			

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Impact on the Defined benefit Obligation in the Scheme	Increase in Assumption £000	Decrease in Assumption £000
	Member Life expectancy (+ or - 1 year) *	5,884
Rate of increase in salaries (+ or - 0.1%)	(477)	477
Rate of increase in pensions (+ or - 0.1%)	(3,021)	2,862
Rate for discounting scheme liabilities (+ or - 0.1%)	3,339	(3,498)

* A rating of +1 year means that members are assumed to follow the mortality pattern of the base table for an individual that is 1 year older than them

Impact on the Organisation's Cash Flows

The liabilities show the underlying commitment that the Organisation has in the long run to pay post employment / retirement benefits. The total liability of £53,780k has a substantial impact on the net worth of the Organisation as recorded in the balance sheet. Arrangements for funding the deficit mean that the financial position of the Organisation remains healthy.

- The deficit on the scheme will be made good by contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.
- Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The contributions expected to be made by the Organisation to the Local Government Pension Scheme in the year to 31st December 2021 are £1.982m. In addition, contributions towards the unfunded obligations will be required. Expected contributions for the discretionary benefits in the year to 31st December 2021 are £0.057m.

The weighted average duration of the defined benefit obligation for scheme members is 21.7 years.

Notes to the Core Financial Statements

8. Property Plant and Equipment

Property Plant and Equipment

Cost or valuation

	Land & Buildings £'000	Furniture & Equipment £'000	Computers £'000	Vehicles £'000	TOTAL £'000
Opening balance 1 January 2020	9,187	851	1,145	3,679	14,862
Revaluation increase / (decrease) recognised in the Revaluation Reserve	670	0	0	0	670
Revaluation increase / (decrease) recognised in the I&E	(37)	0	0	0	(37)
Additions	0	0	0	0	0
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 December 2020	9,820	851	1,145	3,679	15,495

Depreciation and impairments

Opening balance 1 January 2020	0	575	984	3,390	4,949
Charge for depreciation 2020	165	34	66	151	416
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Acc depreciation write out to gross carrying amount	(165)	0	0	0	(165)
Depreciation written out to I&E	0	0	0	0	0
At 31 December 2020	0	609	1,050	3,541	5,200

Net Book Value at 31 December 2020

9,820	242	95	138	10,294
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Net Book Value at 1 January 2020

9,187	276	161	289	9,913
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2019 Comparative

Property Plant and Equipment

Cost or valuation

	Land & Buildings £'000	Furniture & Equipment £'000	Computers £'000	Vehicles £'000	TOTAL £'000
Opening balance 1 January 2019	9,229	851	1,145	3,679	14,904
Revaluation increase / (decrease) recognised in the Revaluation Reserve	(41)	0	0	0	(41)
Revaluation increase / (decrease) recognised in the I&E	(1)	0	0	0	(1)
Additions - Re-stated	0	0	0	0	0
Impairment	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 December 2019	9,187	851	1,145	3,679	14,862

Depreciation and impairments

Opening balance 1 January 2019	0	525	912	3,209	4,646
Charge for depreciation 2019	168	50	72	181	471
Disposals	0	0	0	0	0
Impairment	0	0	0	0	0
Acc depreciation write out to gross carrying amount	(168)	0	0	0	(168)
Revaluation	0	0	0	0	0
At 31 December 2019	0	575	984	3,390	4,949

Net Book Value at 31 December 2019

9,187	276	161	289	9,913
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Net Book Value at 1 January 2019

9,229	326	233	470	10,258
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Notes to the Core Financial Statements

8a. Intangible Assets

During 2018 the company invested in the development of an Apprenticeship Levy framework portal which would allow our customers to sign up to a range of apprenticeship courses available through the levy scheme. All spend through the portal would generate a rebate income to YPO. All fees paid to external developers have been capitalised as Intangible Assets and amortised over 3 years from the time the portal became operational.

	2019	2020
	Intangible Assets £'000	Intangible Assets £'000
Cost or valuation		
Opening balance 1 January	192	192
Additions	0	0
Impairment	0	0
Disposals	0	0
At 31 December	192	192
Amortisation and impairments		
Opening balance 1 January	122	147
Amortisation charge for the year	25	25
Impairment	0	0
Disposals	0	0
At 31 December	147	172
Net Book Value at 31 December	45	20
Net Book Value at 1 January	70	45

9. Inventories

31st Dec 2020	Warehouse Stock £000's	Packing and Materials £000's	Total £000's
Opening inventory balance	13,664	226	13,890
Purchases	65,945	237	66,182
Recognised as an expense in year	(55,321)	(257)	(55,578)
Increase / (Decrease) in Stock in Transit accrual	0	0	0
Reversals of write offs in previous years	0	0	0
Closing Inventory balance	24,288	206	24,494
Provision for stock write off	(7,080)	0	(7,080)
Closing Inventory balance net of provisions made	17,208	206	17,414

31st Dec 2019	Warehouse Stock £000's	Packing and Materials £000's	Total £000's
Opening inventory balance	14,529	174	14,703
Purchases	57,608	305	57,913
Recognised as an expense in year	(58,624)	(253)	(58,877)
Increase / (Decrease) in Stock in Transit accrual	151	0	151
Reversals of write offs in previous years	0	0	0
Closing Inventory balance	13,664	226	13,890
Provision for stock write off	(200)	0	(200)
Closing Inventory balance net of provisions made	13,464	226	13,690

Notes to the Core Financial Statements

10. DEBTORS AND PAYMENTS IN ADVANCE

Debtors represent monies owed to the Organisation at the Balance Sheet date, which are yet to be received as cash. The Organisation also makes provision for outstanding monies that it is anticipated will not be recovered.

Debtors: Amounts due within one year

Trade Debtors	
Accumulated Absences	
Less - Impairment Allowance	
Payments in Advance and accrued income	
Total	

31st Dec 2019	31st Dec 2020
£'000	£'000
9,748	14,413
1	2
(222)	(614)
9,528	13,801
5,442	6,488
14,969	20,289

Debtors are analysed by the following categories

Trade debtors

Central government bodies / VAT	
other local authorities	
NHS bodies	
public corporations and trading funds	
bodies external to general government (i.e. all other bodies).	

31st Dec 2019	31st Dec 2020
£'000	£'000
108	0
7,987	11,951
2	8
0	0
1,651	2,455
9,748	14,413

Payments in advance and accrued income

central government bodies	
other local authorities	
NHS bodies	
public corporations and trading funds	
bodies external to general government (i.e. all other bodies).	

0	0
0	0
0	0
0	0
5,442	6,488
5,442	6,488

Debtors: Amounts due after more than one year

Loans Receivable	
Total	

31st Dec 2019	31st Dec 2020
£'000	£'000
500	500
500	500

11. CREDITORS AND RECEIPTS IN ADVANCE

Creditors represent monies owed by the Organisation at the Balance Sheet date, which have not yet been paid.

Creditors and Receipts in Advance

Trade Creditors	
Accruals	
Finance Leases	
VAT	
Accumulated absences	
Total	

31st Dec 2019	31st Dec 2020
£'000	£'000
4,830	3,798
4,507	7,316
55	55
0	4,065
185	372
9,577	15,606

Creditors are analysed by the following categories

Trade creditors

central government bodies	
other local authorities	
NHS bodies	
public corporations and trading funds	
bodies external to general government (i.e. all other bodies).	

31st Dec 2019	31st Dec 2020
£'000	£'000
0	0
83	18
0	0
0	0
4,748	3,779
4,830	3,798

Accruals / Leases / VAT

central government bodies	
other local authorities	
NHS bodies	
NHS bodies	
public corporations and trading funds	
bodies external to general government (i.e. all other bodies).	

0	4,065
0	3,500
0	0
0	0
0	0
4,747	4,243
4,747	11,808

Notes to the Core Financial Statements

Long Term Liabilities

Finance Leases	
Liability relating to Defined Benefit Pension Scheme	
Total	

31st Dec 2019	31st Dec 2020
£'000	£'000
96	52
42,099	54,525
42,195	54,577

12. FINANCIAL INSTRUMENTS

The Organisation's financial instruments are represented by bank balances, investments made in line with the Organisations Treasury Management Policy, trade creditors, trade debtors and loans receivable. Certain risks are associated with these classes of cash and cash equivalents as follows.

All of the Organisation's financial assets are carried on the balance sheet at amortised cost less impairment. As all financial assets are simple in nature the disclosures included in these accounts are representative of that.

Bank balances are held in UK bank accounts and earn interest based on aggregated overnight investments rates determined by our banking providers. Risks to cash arise in the form of banking failures within the UK.

Investments represent cash deposits made with other local authorities which earn a fixed interest rate agreed at the time of investment and are for a fixed term. Risks arise in the form of banking failures within the UK. As at the 31st December no amounts were invested.

The risks associated with Investments are managed through the adoption of a Treasury Management Policy. YPO adopts the key recommendations of CIPFA's Code of Practice entitled "Treasury Management in the Public Services" within its policy statement. The Organisation's high level policy for investments is to invest its monies prudently, considering security first, liquidity second and yield last, carefully considering its investment counterparties.

Debtors are comprised of customers and some trade suppliers owing funds to the Organisation. The inherent risk is one of failure to settle outstanding debts due to bankruptcy or other financial problems. Most customers are within the public sector which mitigates this risk to a large extent.

Financial Assets	Non-Current		Current		Total	
	31/12/2019 £000's	31/12/2020 £000's	31/12/2019 £000's	31/12/2020 £000's	31/12/2019 £000's	31/12/2020 £000's
Amortised Cost - Debtors	500	500	9,526	13,799	10,026	14,299
Fair Value through other comprehensive income	0	0	0	0	0	0
Total Financial Assets	500	500	9,526	13,799	10,026	14,299

An impairment allowance of £614k (2019 £222k) has been included against all current debtors. Impairment calculations are based on the expected credit losses arising from the full instrument over the next 12 months and not on an individual level, this credit risk is reviewed frequently throughout the year and the allowance increased in line with the risk.

Non-current debtors constitute a loan issued in July 2018 to one of our related parties, YPO Procurement Holdings Ltd, for £500K. The purpose of the loan was to allow YPO Procurement Holdings to invest in EdTech Impact Limited for 30% of their Ordinary shares. The risk is that the related party, or the new associate, becomes insolvent and therefore repayment of the loan is unlikely. As at the 31st December 2020 the full capital amount, plus the accrued daily interest of 3% above the Bank of England base rate, is still outstanding.

The risks associated with our loans receivable are managed by the close monitoring of the borrower's financial performance and balance sheet position on a monthly basis. This allows for any potential credit risks to be identified as soon as possible and actions put in place to prevent the risks from materialising, as at the 31st December 2020 no impairment allowance has been made for this.

Creditors are suppliers of goods and services to the Organisation. Risk is minimised from a robust set of procedures to ensure that all goods and services supplied to the Organisation are properly ordered and received prior to the payment of any sums due.

Financial Liabilities	Non-Current		Current		Total	
	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020
Amortised Cost - Trade Creditors	0	0	4,830	3,798	4,830	3,798
Total Financial Liabilities	0	0	4,830	3,798	4,830	3,798

Notes to the Core Financial Statements

13. MOVEMENTS IN RESERVES

The General Fund Reserve represents the cumulative retained surplus built up over the life of the business. The General Fund Reserve is used to finance growth in working capital and supports the medium term plans of the business.

The table below shows the balances held in other reserves at the start and end of the year and the net movement in the year. The balances represent undistributed reserves payable to the member authorities.

Reserve	31st Dec 2019 £'000	31st Dec 2020 £'000	Net Movement in the Year £'000	Note
<u>Usable reserves</u>				
General Fund Balance	29,447	22,935	(6,512)	I
Capital Receipts Reserve	85	85	0	ii
Internal Investment Reserve	654	654	0	iii
<u>Unusable reserves</u>				
Joint Committee Capital Adjustment Account	10,134	9,683	(450)	iv
Earmarked Pension reserve	(42,099)	(54,525)	(12,426)	v
Earmarked Accumulated Absences Account	(185)	(372)	(188)	vi
Revaluation reserve	279	1,087	808	vii
Total reserves	(1,685)	(20,453)	(18,768)	

(I) To protect the Organisation against unforeseen events and the realisation of contingent liabilities. Included within the overall General Fund balance is the Financial Stability Fund which as at 31st December 2020 had a balance of £1m.

	2019 £'000	2020 £'000
General fund balance		
Balance brought Forward 1st of January	29,600	29,447
Surplus or deficit on operations	(5,673)	(11,882)
Total comprehensive income and expenditure	(5,673)	(11,882)
Depreciation and impairment	495	452
Revaluation losses (gains)	0	0
Capital expenditure charged to the GF	0	0
Transfer of cash sale proceeds	0	0
Reversal of IAS 19 charges to I&E	7,056	6,780
Employer's pension contributions	(2,071)	(2,049)
Movement in employee absence accrual	85	188
Total voluntary adjustments	5,565	5,370
Pension Contribution Reserve	0	0
Internal Investment Reserve	(45)	0
Total transfers to/from cash reserves	(45)	0
Total transfers to/from earmarked reserves	5,520	5,370
Balance Carried Forward 31st December	29,447	22,935
Movement in year represented in the Movement in Reserves Statement	(153)	(6,512)

Notes to the Core Financial Statements

(ii) The Usable Capital Receipts reserve records the receipts from sales of non-current assets less amounts used to finance capital expenditure.

	2019 £'000	2020 £'000
Usable Capital Receipts Reserve		
Balance brought Forward 1st of January	85	85
Amounts Received		
General receipts	0	0
Amounts Applied		
New Capital Investment	0	0
Balance Carried Forward 31st December	85	85
Movement in year represented in the Movement in Reserves Statement	0	0

(iii) The Internal Investment Reserve holds funds earmarked to support specific initiatives or activities.

	2019 £'000	2020 £'000
Internal Investment Reserve		
Balance brought Forward 1st of January	610	654
Transferred to Reserves		
Reserves for specific projects created in year	501	0
Amounts Applied		
Reserve balances utilised in year	(456)	0
Amounts released back to the General Fund		
Reserve balances no longer required and released back to the General Fund	0	0
Balance Carried Forward 31st December	654	654
Movement in year represented in the Movement in Reserves Statement	44	0

(iv) The Joint Committee Capital Adjustment Account is an earmarked reserve representing the accumulation of the write down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal, offset by the resources that have been set aside to finance capital expenditure.

The Joint Committee Capital Adjustment Account accumulates (on the debit side) the write-down of the historical cost of fixed assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure and to repay debt.

	2019 £000	2020 £000
Joint Committee Capital Adjustment Account		
Balance brought Forward 1st of January	10,625	10,134
Brought Forward adjustment		
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:		
Charges for depreciation and impairment of non-current assets	(495)	(452)
Revaluation (losses) gains on property plant and equipment	1	0
Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	0	0
Adjusting amounts written out of Revaluation Reserve	4	1
	10,134	9,683
Net Written out amount of the cost of non-current assets consumed in the year		
Capital financing applied in the year		
Use of the Capital Receipts Reserve to finance new capital expenditure	0	0
Capital expenditure charged against the General Fund	0	0
	10,134	9,683
Balance Carried Forward 31st December	10,134	9,683
Movement in year represented in the Movement in Reserves Statement	(491)	(450)

Notes to the Core Financial Statements

(v) The Earmarked Pension Reserve is an earmarked reserve representing the difference between the actuarially calculated value of the pension fund assets and the present value of scheme liabilities.

	2019 £000	2020 £000
Earmarked Pension Reserve		
Balance brought forward 1st January	(26,493)	(42,099)
Actuarial Gains or (losses) on pension assets and Liabilities	(10,621)	(7,695)
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	(7,056)	(6,780)
Employers pensions contributions and direct payments to pensioners payable in year	2,071	2,049
Balance Carried Forward 31st December	(42,099)	(54,525)
Movement in year represented in the Movement in Reserves Statement	(15,606)	(12,426)

(vi) The Earmarked Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year. Proper accounting arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2019 £000	2020 £000
Earmarked Accumulated Absences Account		
Balance brought forward 1st January	(100)	(185)
Settlement or cancellation of accrual made in preceding year	100	185
Amount to be accrued for current year	(185)	(372)
Amount to be charged to the Comprehensive Income and Expenditure Statement	(85)	(188)
Balance as at 31st December	(185)	(372)
Movement in year represented in the Movement in Reserves Statement	(85)	(188)

(vii) The Revaluation reserve represents unrealised gains on the revaluation of property plant and equipment. The balance is reduced when assets with accumulated gains are:

- a) revalued downwards or impaired and the gains are removed
- b) used in provision of services and the gains are consumed through depreciation, or
- c) disposed of and the gains realised

	2019 £000	2020 £000
Revaluation Reserve		
Balance brought Forward 1st of January	156	279
Upward revaluation of assets	0	810
Difference between fair value depreciation and historical cost depreciation	(4)	(1)
Revaluation written out to the General Fund	126	0
Adjusting amounts written out of the Joint Committee Capital Adjustment Account	0	0
Balance Carried Forward 31st December	279	1,087
Movement in year represented in the Movement in Reserves Statement	122	808

Notes to the Core Financial Statements

14. EMPLOYEE EMOLUMENTS

The table below indicates the numbers of employees whose remuneration was greater than £50,000. Remuneration is defined as amounts paid to or receivable by an employee, including payments in kind, expenses allowances that would be chargeable to UK Income Tax. Termination payments are also included, which can lead to year on year comparisons being distorted.

REMUNERATION BAND £	No of Employees	
	2019	2020
50,000 - 54,999	5	4
55,000 - 59,999	2	3
60,000 - 64,999	5	2
65,000 - 69,999	-	4
70,000 - 74,999	2	2
75,000 - 79,999	-	1
80,000 - 84,999	1	1
TOTAL	15	17

The table below sets out the remuneration disclosure (Board of Directors) whose salary is £50,000 per year or more by job title. Comparative figures for 2019 are also shown and these officers are excluded from the above table.

2020						
Post	Salary incl. BiK	Expenses	Pay in Lieu of Notice	Redundancy Pay	Pension Contributions	Total Remuneration
Managing Director	134,784	168	-	-	19,246	154,198
Deputy Managing Director	110,475	-	-	118,679	15,371	244,524
Executive Director	99,939	369	-	-	13,659	113,967
Executive Director	97,558	22	-	-	13,905	111,485
	442,755	559	-	118,679	62,182	624,174

2019						
Post	Salary incl. BiK	Expenses	Pay in Lieu of Notice	Redundancy Pay	Pension Contributions	Total Remuneration
Managing Director	131,501	1,014	-	-	18,432	150,946
Deputy Managing Director	107,563	537	-	-	13,317	121,417
Executive Director	98,409	922	-	-	14,757	114,088
Executive Director	95,476	72	-	-	13,317	108,866
	432,949	2,546	-	-	59,824	495,318

The number of exit packages with the total cost per band of compulsory and other redundancies are set out below.

EXIT PACKAGE £	No. of compulsory Redundancies		No. of other Redundancies		Total no. of Exit Packages		Total cost of Exit Packages	
	2019 No.	2020 No.	2019 No.	2020 No.	2019 No.	2020 No.	2019 £000's	2020 £000's
0 - 20,000	3	1	-	3	3	4	42	8
20,001 - 40,000	1	-	-	1	1	1	21	23
40,001 - 60,000	-	-	-	-	-	-	-	-
60,001 - 80,000	-	-	-	-	-	-	-	-
80,000 and over	1	-	-	1	1	1	193	119
Total	5	1	0	5	5	6	256	150

Exit packages include redundancy costs, the cost of additional payments to the pension scheme and other departure costs.

Notes to the Core Financial Statements

15. LEASES

Finance Leases

The Organisation has entered into a Finance Lease for the supply of IT server and switches equipment.

The assets acquired under these finance leases are carried as Vehicles, Furniture and Equipment in the Balance Sheet at the following amounts

	2019 £000	2020 £000
Vehicles, Furniture and Equipment	151	96

The Finance lease liabilities are included in the current and long term liabilities in the Balance Sheet at the following amounts

	2019 £000	2020 £000
Finance Lease Liabilities (net present value of minimum lease payments)		
Due within one year	55	55
Due after one year and not later than five years	96	41
Finance costs payable in future years	5	3
Minimum lease payments	156	99

The minimum lease payments will be payable over the following periods

	Minimum Lease Payments		Finance Lease Liabilities	
	2019 £000	2020 £000	2019 £000	2020 £000
Not later than one year	42	26	55	55
Later than one year and not later than five years	114	73	96	41
Later than five years	0	0	0	0
	156	99	151	96

Operating Leases

The Organisation has entered into operating leases with various lives. The future minimum lease payments due under non-cancellable leases in future years are:

	2019 £000	2020 £000
Not later than one year	219	158
Later than one year and not later than five years	322	191
Later than five years	2,320	2,320
	2,861	2,669

Amounts charged, in respect of these leases, to the Comprehensive Income and Expenditure Statement during 2020 were £377k (2019 £425k) of which £29k was rent of Flanshaw Way. The later than five years figure is comprised entirely of a long term lease agreement on the land element of a warehouse property held at Flanshaw Way in Wakefield.

16. EXPENDITURE AND FUNDING ANALYSIS

The analysis of Income and Expenditure on the face of the Comprehensive Income and Expenditure Statement is that specified by the Code. This is different to the basis on which the Organisation carries out its budgeting decision making and planning process.

The following shows how the Organisations financial reporting output can be reconciled to the Comprehensive Income and Expenditure Statement.

Notes to the Core Financial Statements

2019 £'000	YPO Profit & Loss	2020 £'000
	Trading	
74,070	Stores	70,460
12,534	Food	9,391
24,141	Directs	19,770
110,745	Total Invoiced Sales	99,621
(79,027)	Cost of Sales	(70,250)
31,718	Gross Margin	29,371
5,812	Rebates	5,046
2,242	Other Income	1,799
39,773	Total Income	36,216
	Operating Costs	
(18,730)	Employment costs	(19,290)
(996)	Premises	(1,047)
(7,342)	Supplies and Services	(16,892)
(4,726)	Transport	(4,531)
(127)	SLA costs	(127)
(173)	Financial & Misc.	(225)
(495)	Depreciation	(452)
(32,589)	Total Operating Costs	(42,564)
97	Interest (payable)/receivable	13
-	Profit/(loss) on disposal of assets	-
-	Dividend paid	-
-	Pension costs	-
7,280	Surplus or (deficit)	(6,335)

2019 £'000	Reconciliation of P&L Account to I&E Account	2020 £'000
7,280	Net Profit in P&L Account	(6,335)
(12,954)	Amounts in the Comprehensive Income and Expenditure Statement not reported to management	(5,548)
-	Amounts included in the P&L not included in the Comprehensive Income and Expenditure Statement	-
(5,673)	Surplus/(Deficit) on provision of service	(11,883)

Reconciliation of Profit and Loss Account to Comprehensive Income and Expenditure Statement

This reconciliation shows how the figures in the profit and loss account relate to a subjective analysis of the Surplus or Deficit on the Provision of Services included in the Comprehensive Income and Expenditure Statement.

YPO Profit & Loss 2020	P&L Acct £'000	Amts not rptd for mgt dec making £'000	Alloc'n of reporting expenses £'000	I&E Statement £'000
Total Invoiced Sales	99,621	0	0	99,621
Cost of Sales	(70,250)	0	0	(70,250)
Gross Margin				
Discounts	0	0	0	0
Rebates	5,046	0	0	5,046
Other Income	1,799	0	0	1,799
Total Income	36,216	0	0	36,216
Operating Costs				
Employment costs	(19,290)	0	0	(19,290)
Premises	(1,047)	0	0	(1,047)
Supplies and Services	(16,892)	0	0	(16,892)
Transport	(4,531)	0	0	(4,531)
SLA costs	(127)	0	0	(127)
Financial & Misc.	(225)	0	0	(225)
Depreciation	(452)	0	0	(452)
Total Operating Costs	(42,564)	0	0	(42,564)
Interest (payable)/receivable	13	0	0	13
Exceptional Items	0	0	0	0
Revaluation gains / (losses)	0	0	0	0
Impairment allowances	0	(486)	0	(486)
Dividend paid	0	(331)	0	(331)
Earmarked reserves funding	0	0	0	0
Pension costs	0	(4,731)	0	(4,731)
Surplus or (deficit) on provision of service	(6,335)	(5,548)	0	(11,883)

Notes to the Core Financial Statements

YPO Profit & Loss 2019	P&L Acct £'000	Amts not rptd for mgt dec making £'000	Alloc'n of reporting expenses £'000	I&E Statement £'000
Total Invoiced Sales	110,745	0	0	110,745
Cost of Sales	(79,027)	0	0	(79,027)
Gross Margin	0	0	0	0
Discounts	0	0	0	0
Rebates	5,812	0	0	5,812
Other Income	2,242	0	0	2,242
Total Income	39,773	0	0	39,773
Operating Costs				
Employment costs	(18,730)	0	0	(18,730)
Premises	(996)	0	0	(996)
Supplies and Services	(7,342)	0	0	(7,342)
Transport	(4,726)	0	0	(4,726)
SLA costs	(127)	0	0	(127)
Financial & Misc.	(173)	0	0	(173)
Depreciation	(495)	0	0	(495)
Total Operating Costs	(32,589)	0	0	(32,589)
Interest (payable)/receivable	97	0	0	97
Profit/(loss) on disposals	0	0	0	0
Revaluation gains / (losses)	0	0	0	0
Impairment allowances	0	(94)	0	(94)
Dividend paid	0	(7,419)	0	(7,419)
Earmarked reserves funding	0	(456)	0	(456)
Pension costs	0	(4,985)	0	(4,985)
Surplus or (deficit) on provision of service	7,280	(12,860)	0	(5,673)

17. RELATED PARTY TRANSACTIONS

The Organisation is required to disclose material transactions with related parties - bodies or individuals that have the potential to control or influence the Organisation or to be controlled or influenced by the Organisation.

Transactions with Founder Member Authorities are shown here for clarity. Founder member authorities are not classified as related parties under the Code of Practice or for the purpose of group accounting but have joint control over the Organisation's decision making and business planning. In addition to the founder members the Organisation has 71 associate members who have no influence over Organisational decision making.

Business transactions with the 13 founder members accounts for a significant proportion of the Organisation's turnover. Membership entitles these authorities to a share of any annual profits and equal powers over key business decisions.

The value of business transacted directly with each founder member through our catalogue business during the year and the debtor balance at the year end is detailed below. The value of these transactions form part of our Invoiced Turnover figure in the Comprehensive Income and Expenditure Account.

	Transaction value		Debtor balance as at 31 Dec
	2019 £'000	2020 £'000	2020 £'000
Barnsley MBC	1,493	1,482	79
Bolton MBC	2,242	1,730	100
Bradford MDC	5,019	3,967	254
City of York	610	680	76
Doncaster MBC	2,453	2,115	164
Kirklees MC	4,427	5,392	121
Knowsley MBC	1,287	926	78
MB of Calderdale	1,266	1,051	90
North Yorkshire CC	5,822	3,998	167
Rotherham MBC	2,446	1,932	121
St Helens MBC	1,659	1,257	101
Wakefield MdC	2,414	3,211	100
Wigan MBC	2,153	1,693	89
	33,291	29,434	1,540

Notes to the Core Financial Statements

Our founder members also procure goods and services through our frameworks business. The value of these transactions are included below. These spend values form part of an overall framework spend amount from which we receive an agreed rebate percentage from our approved suppliers. This rebate income is disclosed on the Comprehensive Income and Expenditure Account - 2020: £5,046k (2019: £5,812k)

	Transaction value	
	2019 £'000	2020 £'000
Barnsley MBC	14,989	11,855
Bolton MBC	8,083	5,529
Bradford MDC	26,673	39,748
City of York	5,721	9,090
Doncaster MBC	13,992	11,028
Kirklees MC	26,344	21,350
Knowsley MBC	5,335	4,235
MB of Calderdale	7,031	6,515
North Yorkshire CC	18,838	11,355
Rotherham MBC	13,466	11,875
St Helens MBC	7,596	7,207
Wakefield MdC	15,140	20,167
Wigan MBC	10,156	10,301
	173,364	170,255

The YPO Management Committee is made up of elected representatives from each Member Authority. No personal interest in material transactions have been disclosed by any of the elected representatives or senior officers of the Organisation.

One of the Member Authorities, City of Wakefield MDC, acts as servicing authority for YPO and as such, WMDC officers are the Organisation's statutory officers. YPO has commercial support agreements with Wakefield MDC covering certain accounting, treasury, human resource, legal services and vehicle maintenance arrangements. A summary of the costs incurred via Wakefield MDC are shown below, along with the creditor balance at the year end.

	Purchases (Exc. VAT)		Creditor Balance at 31st Dec	
	2019 £'000	2020 £'000	2019 £'000	2020 £'000
Wakefield MdC	813	1,034	45	46

The Organisation has incurred no expenditure with any other founder member during in 2020 or 2019.

In 2014 YPO Procurement Holdings and its subsidiary YPO Supplies Ltd began trading with YPO Joint Committee. Board members for YPO Procurement Holdings and YPO Supplies are also members of the Joint Committee board and therefore all transactions between the above companies are classed as related party transactions in accordance with the Code of practice for Local Authority Accounting.

The transactions involve a payment from YPO Supplies Ltd to YPO Joint Committee for picking items in the warehouse and the cost of telephone call handling. Those charges are at a standard cost. The cost of goods sold is paid by the Limited Company to the Joint Committee at an agreed transfer price. This includes an element of sales, procurement and marketing costs incurred by the Joint Committee. Other charges include a fee for governance and accounting services. The rationale is to recover the costs of operating on behalf of the new company.

Below is a summary of the amount of transactions that have occurred between the related parties and the amount of Balances outstanding. All transactions are sales from YPO Joint Committee.

	Transactions Value (Ex VAT) for the year £	Outstanding Balance as at 31st Dec 2020 £
YPO Procurement Holdings	0	0
YPO Supplies Ltd	0	(323)

Sales Invoices relating to the 2020 services provided were raised to YPO Supplies in March 2020, the value of these services was £1.198m and were accrued for at 31st December 2020. Payments continued to be made by YPO Supplies in 2020 and therefore a credit balance for this customer account was created.

In July 2018 YPO issued a loan to YPO Procurement Holdings for the sum of £500K. Interest will accrue on the loan at a daily rate of 3% above the Bank of England Base Rate and all capital and interest amounts are repayable by 2030. As at the 31st December the loan amounts still outstanding are.

Capital	2020 £
	500,000
Interest	45,371
	545,371

On the 31st December 2020 a review has been carried out on the recoverability of the loan issued. Taking into consideration the financial performance and financial position of YPO Procurement Holdings and it's subsidiaries, and the expected growth over the next 5 years, it is expected that the full amount owing will be fully recovered by the end of the loan term.

Notes to the Core Financial Statements

18. AUDIT COSTS

The following fees were paid to the external auditors for services carried out:

Audit Costs	2019 £000	2020 £000
Fees payable to Mazars with regard to external audit services	23	23

19. EVENTS AFTER THE BALANCE SHEET DATE

In January 2021 the UK entered into a 3rd national lockdown with the closures of schools apart from those children classed as vulnerable or with parents who are critical workers. Due to our customer base being primarily educational premises this has had an impact on trading and cash flows in Q1 2021.

As schools returned in March 2021 we saw trading activity return to expected levels. A going concern assessment has been carried out during the final audit stages to assess the longer term impact the lockdown will have on cash flows. Despite the challenges faced the assessment concluded that the Organisation will continue as a going concern.

Glossary of Terms

This glossary is provided to assist the reader. It gives explanations of common terms used in relation to local authority finance (which are not explained elsewhere in the Statement), many of which are used within this document.

Accounting Period

The period covered by the accounts, normally a period of twelve months commencing on 1 January. The end of the accounting period is the balance sheet date, 31 December.

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses), or the actuarial assumptions have changed.

Accumulated Absences

Accumulated absences are sums owing to or from employees at the end of the accounting period not yet claimed back or paid over for hours owed to / from under the flexible working scheme and holiday days over or under used at the period end.

Annual Governance Statement

A non-statutory document which provides an overview of the governance arrangements within the Organisation, aids the effective exercise of Organisation functions, and includes arrangements for the management of risk.

Asset

An item having value in monetary terms. Assets are defined as current or long term. A current asset will be consumed or cease to have material value within the next financial year. A long term asset provides benefits to the Organisation and its services for more than one year.

Audit of Accounts

An independent examination conducted on a test basis, of the Organisation's financial statements.

Budget

A statement of spending plans and anticipated income for a financial year.

Cash equivalents

Are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash equivalent vouchers

These are vouchers issued to customers as loyalty bonus which are redeemable against future purchases.

Current Assets

Is an amount which will become receivable or could be called in within the next accounting period.

Defined Benefit Plans

Are post employment benefit plans other than a defined contribution plan. Usually the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the plan. The plan may be funded or unfunded.

Depreciation

The measure of the wearing out, consumption, or other reduction in the useful economic life of a long term asset, whether arising from use, passing of time or obsolescence through technological or other changes.

Direct Supply

Direct supply refers to the trading method employed by the Organisation where goods ordered

by the customer are delivered direct from the supplier rather than the Organisation.

either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Organisation's financial performance.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a long term asset to the lessee. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments including any initial payments amount to substantially all of the fair value of the leased asset.

Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term "financial instrument" covers both financial assets and financial liabilities and includes trade receivables, trade payables and derivatives.

Financial Procedure Rules

Written rules of the Organisation relating to all matters with financial implications. All Organisation officers must comply with these rules.

Impairment

A reduction in the value of a long term asset below its carrying amount on the balance sheet.

International Accounting Standards (IAS)

Standards developed by the International Accounting Standards Board (IASB) that are required to be followed.

International Financial Reporting Standards (IFRS)

The Standards (including International Accounting Standards (IAS)) developed by the International Accounting Standards Board (IASB) and supported by interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) on which the accounts of this Organisation are based.

Inventories

Inventories include stocks held for resale and all other assets held for use within the Organisation.

Liability

A liability is where the Organisation owes payment to an individual or Organisation. A current liability is an amount which will become payable or could be called in within the next accounting period. A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period.

Net Book Value

The amount at which long term assets are included in the Balance Sheet i.e. their historical value or current value less the cumulative amounts provided for depreciation.

Net Expenditure

Gross expenditure less specific income.

Outturn

Actual income receivable and expenditure due in a financial year.

Payments in Advance

These are payments made in advance of goods or services being provided to the Organisation.

Prior year adjustments

Those material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or

adjustments of accounting estimates made in prior years.

Remuneration

All sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

Reserve

A reserve is an amount set aside in one financial year and carried forward to meet liabilities in a subsequent financial year, both general and specific liabilities.

Turnover

Turnover is the value of invoices issued to customers for the supply of goods and services.

Useful life

The period over which the Organisation will derive benefits from the use of a long term asset.

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ANNUAL REPORT

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"It would be wrong for me to start my statement for 2020 with anything else but a thank you."

Councillor Les Shaw
Chairman - YPO

Chairman's Statement



Councillor Les Shaw

On behalf of the YPO Management Committee, I'm delighted to introduce the YPO Annual Report and Performance Summary for the 2020 financial year.

It would be wrong for me to start my statement for 2020 with anything else but a thank you – a thank you to the public sector and specifically the NHS and emergency services for pulling together through the most challenging period of our lifetime, during the Covid-19 pandemic. Also huge praise to all frontline workers for their dedication during this time.

A thank you to my local authority colleagues for adapting to unprecedented pressures created by the pandemic, in scaling up or scaling down services at emergency speed.

A thank you to YPO staff for their quick response to meeting the needs of customers and the public sector - and finally a thank you to YPO customers, for their patience, understanding and loyalty to our organisation.

As you'll read more about this in the report, YPO's rapid response to the pandemic supported the public sector with key-product lead services for cleaning, hygiene, PPE and food products, while also implementing and directing customers to new and unique solutions.

As 2020 unfolded, YPO remained operational and continued to deliver new procurement services to the public sector, while supplying schools with products and services to help them as they adjust to the new norm and maintain focus on educating our future generations.

The other members and I would like to reiterate our thanks to all staff YPO for their hard work over the year, as we head into another year of uncertainty with further challenges ahead.

"2020 was a year like no other - YPO had to quickly respond to the unprecedented challenges created by the Covid-19 pandemic."

Simon Hill
Managing Director - YPO

Managing Director's Statement



Simon Hill

2020 was a year like no other. As with so many across the world, YPO had to quickly respond to the unprecedented challenges created by the Covid-19 pandemic.

Immediately after the first lockdown was announced by the government on 23 March 2020, we had adapted our operations to wholeheartedly support the public sector. As schools closed, we focused our efforts on supplying essential products to meet emergency demand with cleaning, hygiene, PPE and food products as priorities.

We worked with local authorities and our suppliers, to identify pressure points and find appropriate solutions, such as sourcing products for food banks, IT solutions and specialist vehicles for organisations in need.

A new policy procurement notice meant contracts could be adjusted specifically in reaction to the pandemic conditions, with facilities in place to enable temporary staffing solutions and deep cleaning for public sector buildings, with capabilities to create temporary buildings for hospital wards.

By July, when schools started to re-open fully, we shifted our operations once again to support them with new social distancing and cleaning challenges. We opened our range to all customers including limited company customers, but PPE and Covid-19 related products were only available to our public sector customers.

Financially, we suffered a loss in our education side of the business when schools closed, which affected our cashflow position. The disruption unfortunately led to the organisation not making any profit and for the first time we were unable to deliver any dividend to members and associate members. I am confident that this impact has been contained within 2020 and that next year will see us return to contributing funds into the public purse through our commercial activities.

I'm immensely proud of our response to the pandemic and would like to thank staff, members, suppliers and customers for the hard work and resilience shown during this time.



Rising to the challenge

The Covid-19 pandemic created the largest disruption of education systems in history. The closure of schools and educational establishments around the UK resulted in a seismic shift in the way that education is delivered.

With more spending required on deep-cleaning and sanitation, along with investment in the infrastructure required to deliver learning digitally, the financing of education faced major challenges, further exacerbating pre-Covid-19 education funding gaps.

For this reason, we had to become even more agile and innovative, helping to create efficiencies wherever possible through the introduction of several new initiatives.

Adapting operations to meet demand.

The arrival of the pandemic in early 2020 had a far-reaching impact on all sectors. For the education sector, buying priorities shifted, with an immediate focus on product-led services for cleaning, hygiene, PPE, and food products, as well as IT support for the increase in home-working across the sector. With investment in PPE alone seeing an increase in spending of over 550% versus 2019, we needed to quickly adjust our focus to meet changing demand.

To meet this challenge, we worked closely with business managers, headteachers and suppliers to identify pressure points, find appropriate solutions, develop services, and adapt insurance contracts. This shift in focus helped to make sure that education establishments were equipped with the tools needed to react to the changing situation. We also introduced contact-free delivery to our customers, helping to try to keep everyone safe and healthy.

We also worked closely with the Home to School app, Vectare, to adapt the app to meet new needs created by the pandemic. Initially designed to help parents monitor their children’s journeys on school buses, the app was updated to monitor capacity onboard buses to support social distancing on each journey. Track and Trace capabilities were also integrated into the software to create student by student contact reports, sending GDPR compliant notifications to parents if a student or driver reports symptoms. This led to the app being approved by the [Department for Education](#).



Supporting the public sector

The pandemic created an array of challenges for the public sector, with many authorities needing to quickly scale up or scale down their provision and services. Like many other businesses and workplaces, the sector looked for ways to make sure their staff could work safely at home or in social distanced offices and locations.

Yet unlike other organisations, local authorities were also presented with new and significant demands for emergency social care provision, including the food packages to the most vulnerable, the supply of PPE, temporary staff, specialist cleaning, IT, medical solutions, and more.

Undoubtedly, procurement had and continues to play a key role in meeting these challenges. The government announced an update to the procurement regulations which allowed for a shorter turnaround for purchases during lockdown to enable local authorities to respond quickly and flexibly.

The expertise of our procurement services team really came to play as we supported the sector with the use of direct awards and further competitions through our frameworks. We joined worked with central government including Crown Commercial Services, Ministry of Housing, Community and Local

Government, the Cabinet Office, National Advisory Group and the Local Government Association, to coordinate the supply chain response on PPE across all public sector buying organisations.

We also engaged with key suppliers to provide solutions and information on how our offerings and frameworks can support the challenges. This included webinars on the UK Construction Insurance Market, and how to optimise Fleet Hire Agreements. We published information on a solution for safeguarding students on their home to school journey during the pandemic through our [Home to School app](#). We also developed some content with our teams and suppliers on topics such as [how apprenticeships are going to continue during the pandemic](#), and [what's happening in recruitment across the sectors and what changes are being seen](#). In addition, we provided a [Covid-19 Procurement Guide](#).



Helping charities and local authorities

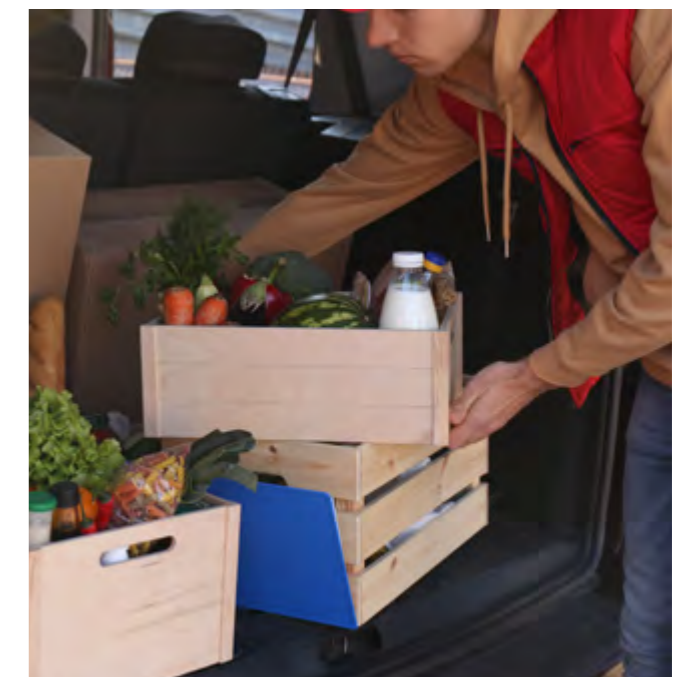
During 2020, we adapted our operations to support the public sector during the pandemic while also being a helping hand to local authorities, food banks and local charities across the north.

Since the start of the outbreak, we did everything we could to make sure that school children, vulnerable children and people, and key workers were still being provided to. We've continued to provide food deliveries, free school meal takeaway services and hampers to schools in Yorkshire and the north west region that remained open.

We also worked with The Real Junk Food Project, a charity that works on reducing food waste by intercepting food from supermarkets that would have gone to landfill. We provided food to the charity and in the first few weeks of the outbreak, the charity delivered over 800 isolation packs made up of food and other essentials to those in isolation in Wakefield and Leeds and delivered over 300 parcels free-of-charge to NHS staff in the area.

Fareshare Yorkshire, another organisation that use food that would otherwise have been discarded from supermarkets to produce meals - and that are sold on a pay what you want basis - have also seen donations from us as well as Wakefield Health and Wellbeing Centre and Halifax Opportunities Trust.

We're proud to continue living to our core values through these challenging times and we will continue to provide for the public sector and front line services during this time.



Supporting the post-pandemic curriculum

"The sudden shift away from classroom-based learning has made Twinkl's expertise in educational resources and its vast range of digital teaching materials increasingly relevant."

The pandemic also had a significant impact on the way we deliver and access information, share knowledge and deliver education. In addition to taking a practical approach to the provision of product lead services, we leveraged our ongoing partnership with online educational publisher Twinkl to support home-schooling and the recovery curriculum.

We also worked with EdTech Impact and its education technology suppliers to get an effective home learning offering to pupils in response to the pandemic. As a result of this activity, they've managed to secure free access to over 400 high quality learning resources for children throughout the UK.

The sudden shift away from classroom-based learning has made Twinkl's expertise in educational resources and its vast range of digital teaching

materials increasingly relevant. We worked closely with Twinkl to deliver a range of digital resources to support home-schooling, the recovery curriculum since the return to school in September, and the ongoing need for digital resources when classes are required to isolate.

In addition to the successful Twinkl partnership, we continued to sponsor Roald Dahl Learning Resources, providing schools with lesson plans and resources centred around some of the most loved Roald Dahl books. The resources are created to align with national curriculum learning objectives for English, Maths, Science and PSHE, providing schools with additional free resources that have also been invaluable in the ongoing supply of home-learning resources during the pandemic.



Staying safe on site or at home

Following government guidance, we quickly took action to make sure that people that needed to be on site (warehouse, cleaners, drivers, some customer service staff) were safe.

We set up one-way systems around the building, sanitising provisions, and social distancing measures in line with government guidance.

For those working from home, our IT team provided IT equipment and office equipment such as chairs and carried our DSE assessments.

Our HR team developed working from home guidelines as well as advice to support employee health, mental health and wellbeing - given the length of time away from the office and also the restrictions in place at the time on people's every-day life. This included signposting to NHS, mental health sites, and our employee assistance programme.

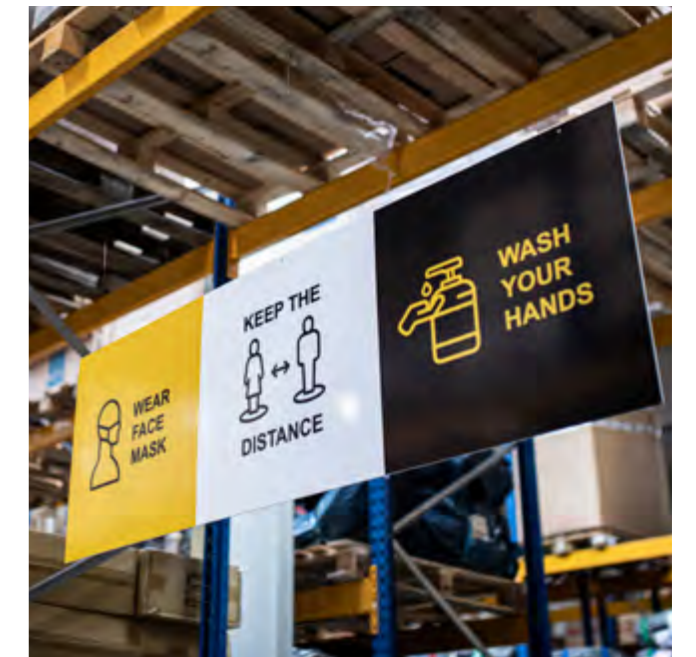
Line manager guidance was also provided to support their teams remotely as well as regular updates on government guidance around symptom checking, travel guidance, NHS track and trace – all done digitally in the main.

Where office staff have needed to work onsite, it was always 'if essential' to protect those that must work on site to do their job.

Our Board members and senior leadership team established a rota system to provide leadership and support for team working on site.

Future planning

Towards the end of 2020, we carried out a survey to see how our people would prefer to work going forward. The majority have adapted to working from home well and would prefer a mix of working at home and coming into the office (blended working arrangement) and this something we're looking to implement when restrictions ease, while supporting people through another change.



"When the first lockdown was announced in March, we turned the way we communicated with staff on its head."

New ways of communicating

When the first lockdown was announced in March, we turned the way we communicated with staff on its head. We immediately set up a text service (sending business updates to people on their personal mobiles) and used digital documents to communicate with our operations teams and our online staff when we had to close for a short period of time. The text service and digital communications has continued for our operations teams even when they returned to work on site, as it's become a great way to keep more communication channels open. Some staff don't have smartphones or any mobile, so we posted information to their home addresses.

Instead of face-to-face meetings and staff briefings we turned to virtual sessions, using video content featuring Board and our senior leadership team, to maintain communication and engagement with all staff at home or working onsite in the warehouse.





Our digital journey

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In line with the urgent operational adjustments we implemented in late March, we also made sure that our website and online experience reflected the shift and met emergency needs of our customers.

Our digital team immediately set to work on prioritising the specific list of products (PPE, cleaning, hygiene, food) that we were solely supplying during the first lockdown, by amending the search function and creating content to support our customers.

In a year of many firsts, we also launched a new area called *'Contracts for Schools'* – a hub dedicating to providing resources and information for schools looking to buy services such as energy, ICT, food and facilities management.

During this time, our team were already working through significant performance improvements needed on the website following the implementation of our new finance system earlier that year.

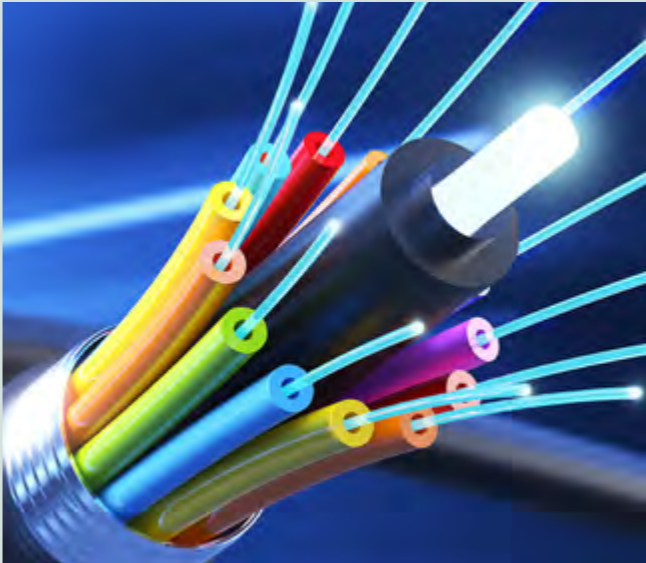
In what continued to be a transformational year for our website, we worked tirelessly with our digital partner Sagittarius to complete hundreds of change requests, as all users, including customers and staff, required more out of the website to support the challenges created by the pandemic.

Despite the challenges in the first half of the year, our peak buying period for schools in 2020 was our busiest online to date - outperforming the same five-week period over June and July in 2019 by almost £370k.

Innovative procurement solutions

"The first-of-its kind framework was created to offer a full range of connectivity and communication technology services to all public sector organisations"

Network Connectivity and Telecommunications framework



APRIL

In April, we launched a new ICT Managed Service for Education and WPS framework for schools and public sector organisations. As our first education framework to consist of a single supplier, the framework was created to offer a full range of technology services. The framework provides schools and public sector establishments across the UK with a pre-approved, complete one-stop-shop from Capita to support all current and future technology needs. It covers sourcing, procurement, management, installation and maintenance across a range of IT, network, telecommunications and software services.

[View framework »](#)

AUGUST

In August, we launched a new Commissioning Solutions framework providing up to 15%-time efficiency savings and procurement management in the public sector. In a partnership between adam, a digital services provider, the single-supplier framework has been created to offer bespoke commissioning solutions to local authorities and public sector organisations. The framework provides compliant access to a range of services, enabling users to personalise how best to manage their procurement and rapidly adapt their categories of spending in relation to digital services. The framework supports every area within a public sector setting, including health and social care, transport, housing, and construction.

[View framework »](#)

OCTOBER

In October, we launched a new national Network Connectivity and Telecommunications framework valued at £750million. The first-of-its kind framework was created to offer a full range of connectivity and communication technology services to all public sector organisations, from blue light to central and local government. The framework includes sourcing, procurement, delivery and support for local area networks, wide area networks, cyber security, digital fibre infrastructure, smart cities and internet of things, communications services, and mobile, voice and data solutions.

[View framework »](#)

NOVEMBER

In November, we launched a new national Building Envelope Services DPS valued at £500m. The DPS was created to offer a full range of design, supply, project management, installation, restoration, and maintenance for all the external elements that make up the envelope of any type of building structure. From the 27 suppliers available on the DPS, 85% of them are SMEs, helping public sector organisations to generate greater social value through their spending.

[View framework »](#)

"With education budgets increasingly tight, our Contracts for Schools team offers customers a way to maximise their buying power."

Providing free procurement support for schools

In September 2020, we set up a new team dedicated to simplifying the procurement process for schools.

Research carried out by the British Educational Suppliers Association (BESA) found that 40% of schools currently believe that their procurement process is not cost-effective. With education budgets increasingly tight, our Contracts for Schools team offers customers a way to maximise their buying power and simplify the procurement process while also remaining compliant with public sector procurement regulations.

Since we were first established in 1974, we've helped drive public sector efficiency savings through our bulk buying power for product supplies and centralised contract services initiatives. The new team offers schools direct access to these benefits completely free of charge, reducing the need for costly in-house administration and procurement support.

[View our Contracts for Schools offering here »](#)



Win at the National Insurance Awards

"We aim to support and guide public sector organisations to make sure that they understand their risks, and present them to the market, to guarantee the best possible cover is in place, while delivering better value for money."

Agnieszka Gajli

Category Manager | Corporate and Financial Services

In partnership with ESPO and NEPO, we were delighted to win Initiative of the Year Award at the National Insurance Awards 2020, for our insurance solutions.

The National Insurance Awards celebrates excellence in the insurance sector, highlighting the very best in general insurance provision and management.

Winning this accolade recognises how our insurance solutions are innovative as well as delivering greater efficiency and collaboration through our UK national framework for insurance brokers with a supporting dynamic purchase system for insurers. Our solutions for public sector organisations leverage the market positions of insurance brokers and optimise value available from the insurance market.



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"Achieving a one star accreditation is a 'significant achievement that shows an organisation is taking workplace engagement seriously.'"



Climbing up the Sunday Times 100 list

YPO has been ranked in The Sunday Times 100 Best Companies to Work for, retaining our place as a UK Best Not-for-Profit Organisation to Work for and obtaining a one-star accreditation for 2020.



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We climbed 13 places from 2019, coming in 66th place, an accolade we're incredibly proud of.

The ranking is based upon the b-Heard survey that Best Companies run each year. It's a confidential survey sent out to employees from organisations who register to the Best Companies list. Respondents are given the option answer questions anonymously relating to factors such as their wellbeing manager and overall engagement towards the business. Best Companies receive the results and correlate them together to establish the rankings of the awards.

According to Best Companies, achieving a one-star accreditation is a 'significant achievement that shows an organisation is taking workplace engagement seriously.' It also signifies 'very good levels of workplace engagement'.

Our member authorities

Including our 13 member authorities, YPO is the largest formally constituted public sector buying organisation in the UK with 84 member organisations.

Our members



Our associate members



Our plans for the future

As we leave one of the toughest years in our lives and one the toughest year in YPO history, we're looking at 2021 as a time to refresh.

2021 is a year of recovery and stabilisation for YPO. Aside from the pandemic, 2020 has been a particularly challenging year and we've not been able to provide the high levels of customer experience we're known for due to several factors.

To recover successfully from this period, we'll focus on customer retention, regaining trust and confidence, and accelerating our digital experience across the organisation coming out stable and stronger.

The ever-changing market, now more than ever, shows that we need to continue to look for new ways to engage, retain customers and attract new ones. Customer expectations are continually changing and evolving, and we need to be able to meet the ever-increasing expectations. Our focus on our customers remains as firm as ever.

Education

Our key themes will be to recover and grow. To recover, we need to rebuild our customers trust and confidence in our overall proposition. We'll continue to enhance and improve our offers and make sure we have a solid foundation in terms of stock availability, delivery options and customer experience. Alongside this, we'll continue to focus on our ranges and continually enhance our online customer experience.

We'll continue to grow our core education offering into early years, primary and secondary alongside enhancing our multi-academy trust offer by engaging with key stakeholders in education - particularly the Department for Education, BESA and ISBL. We'll grow

business in London and the south while protecting our heartland areas. We'll focus heavily on growing the our procurement services offering into education.

We'll invest in offering a seamless online self-service functionally that allows customers to manage their accounts and experience with YPO digitally for 2021 and beyond. The functionality needs to offer a competitive edge against competitors.

Public Sector

The accelerated public sector growth plan comes during a very challenging commercial year. We had in place significant growth in our rebate generation for 2020 and we'll achieve around 75% of our original target of nearly 90% of 2019's performance. A number of key solutions such as corporate travel and printing saw a major decline in while others saw reduced usage or major procurements parked as the UK focused attention on dealing with Covid.

We've planned an ambitious return to growth for 2021 and plans to put in place growth plans for 2022-2024 to align with our new three-year strategy. This will be achieved through delivering a great customer experience, investing in our people, harnessing data and digital transformation.

We continue to lead on shaping the relationship with other public sector buying organisations (CCS, ESPO and NEPO) so that we continue to partner on joint collaborations. We've had success with this model, which benefits us and the public sector as a whole.

Our board of directors



Simon Hill
Managing Director

Simon joined YPO in July 2011 from former regional development agency Yorkshire Forward, where he was Executive Director. Previously, Simon was Managing Director of electronics automotive manufacturer Kostal UK Ltd. With experience across procurement, sales and general management, he also has 10 years public sector and 20 years commercial experience. Simon is also an elected Executive Council Member of BESA, the British Educational Suppliers Association and Company Secretary of YPO Procurement Holdings Limited.



Jo Marshall
Executive Director

Jo joined YPO as a Business Development Manager in 2010 from her position as Head of Public Sector at Samsung Electronics, and was promoted to Commercial Director the following year. With a strong sales background, Jo has been working with the public sector for over 25 years. She leads the organisation's commercial functions including Sales, Marketing, Customer Experience, and Trading. Recently shortlisted for Businesswoman of the Year, Jo is also the board strategic lead for customer experience and is Vice President with the Institute of Customer Service.



Julie Hawley
Executive Director

Julie joined YPO in May 2021 as Finance Director from her previous role as Managing Director at Office Friendly, a buying group in office products. She previously worked for Kingfield Heath Wholesale and has over 30 years' experience in the office products industry. Julie was awarded Professional of the Year in 2018 and European Professional of the Year in 2019. Julie leads the organisation's Finance, Business Change and HR functions.



Jacquie Lightfoot
Executive Director

Jacquie joined YPO in July 2021 and is responsible for leading the organisation's Warehouse, Logistics and IT teams. She joined from Arla foods where she held the position of Head of Logistics and Warehousing for the UK. Jacquie's career has been dedicated to logistics. She's worked for several blue-chip organisations including Carlsberg, Hallmark Cards, DHL and Whitbread. Jacquie has experience of managing both insourced and outsourced operations and a strong background in leading large teams and instigating business change.



Rob McWilliam
Independent Director

Rob was appointed in 2017 to provide independent guidance to the organisation as a member of the Board of Directors. He has over 25 years management experience working with leading global businesses including Amazon and ASDA/Wal-mart. Rob was most recently Chief Financial Officer for ASDA where he is responsible for managing the company's financial planning, management of financial risks and financial reporting.



Jon Towler
Independent Director

Jon was appointed in 2020 to provide independent guidance to YPO as a member of the Board of Directors. He has over 20 years senior management experience in both public and private sector organisations, spanning international sales management and operational improvement, through to Chair and Non-Executive Director across several health and NHS bodies. Jon is currently Chair of the governing body for Nottingham and Nottinghamshire Clinical Commissioning Group, in addition to serving as Vice Chair of the wider Integrated Care System Board.

Performance summary

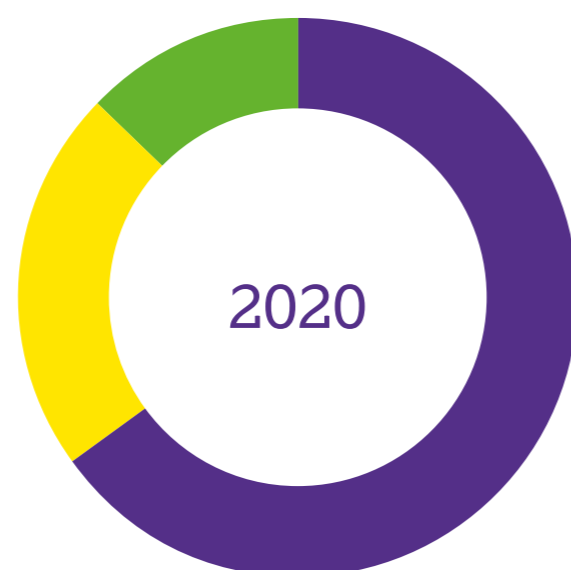
Total spend under management **£1.77bn**

Account activated in 2020

Joint committee accounts	2,834
Limited company accounts	7,690

Turnover by category (£000s)

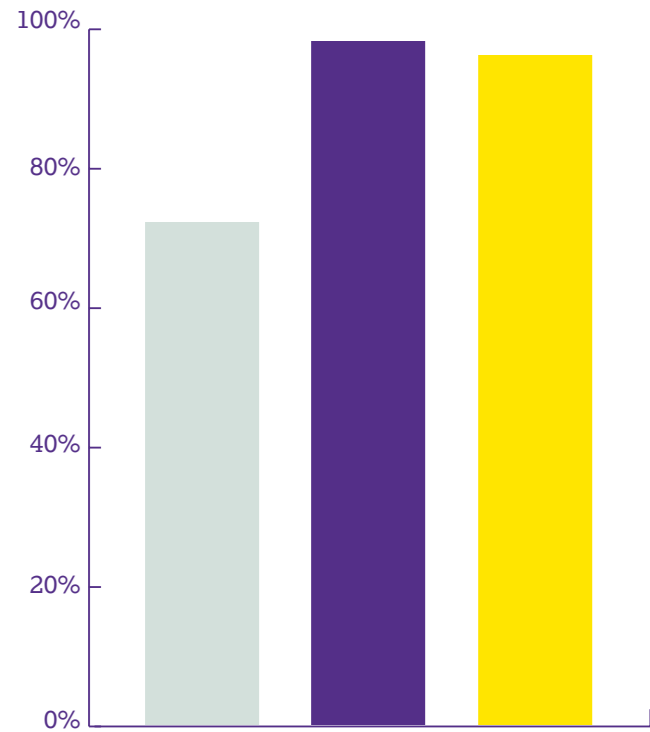
		2019	2020
Stores	●	£74,070	£70,460
Direct Supply	●	£24,141	£19,770
Food	●	£12,534	£9,391



Income and expenditure account (£000s)

Income and expenditure account	2020
Invoiced turnover	£99,620
Cost of sales	(£70,250)
Gross margin	£29,370
Rebates	£5,046
Other income	£1,799
Gross surplus	£36,215
Operating expenses	
Employees	£(19,290)
Premises	£(1,047)
Supplies and services	£(16,892)
Transport	£(4,531)
S.L.A Costs	£(127)
Financial and miscellaneous	£(225)
Depreciation and revaluation increase/(decrease)	£(452)
Pension service gain (cost) net of charges made to the general fund	£(3,910)
Net Operating Expenditure	£(46,473)
Surplus/(deficit) on trading operations	£(10,258)

This table is an extract from the YPO Audited Statement of Accounts. to view the full document visit www.ypo.co.uk



YPO Customer Survey

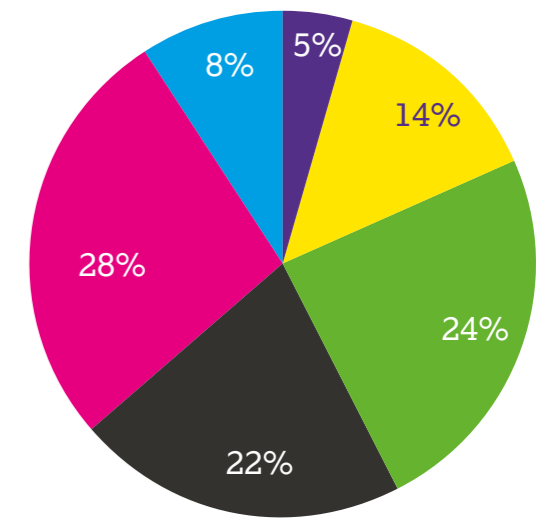
Customer satisfied or highly satisfied with the level of service received from YPO	●	72%
Customers were satisfied or highly satisfied with the price	●	98%
Customers that would recommend YPO	●	96%

Environmental Savings in 2020

Environmental KPI's	2020	2019	Difference
Electricity usage (kWh)	1,544,159	1,617,680	-8.8%
Gas usage (kWh)	2,611,398	2,755,971	-4.7%
Diesel (litres)	226,866	226,866	-19.8%
CO2 emissions (tonnes)	1,473	1,652	-12.5%
Water usage (m ³)	2,942	2,934	0.3%

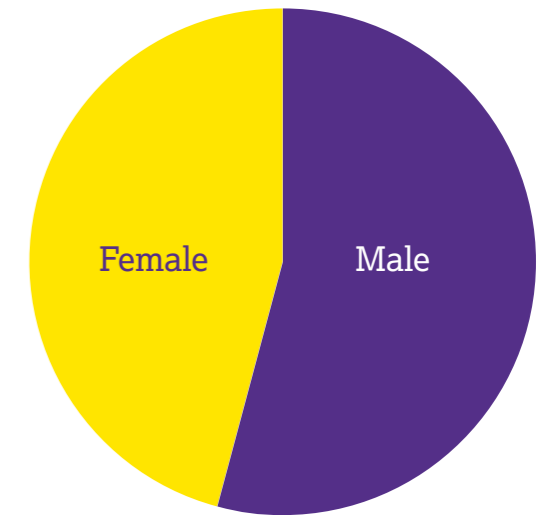
Employees by age

<21	●	23
21 to 30	●	72
31 to 40	●	124
41 to 50	●	110
51 to 60	●	140
>60	●	40



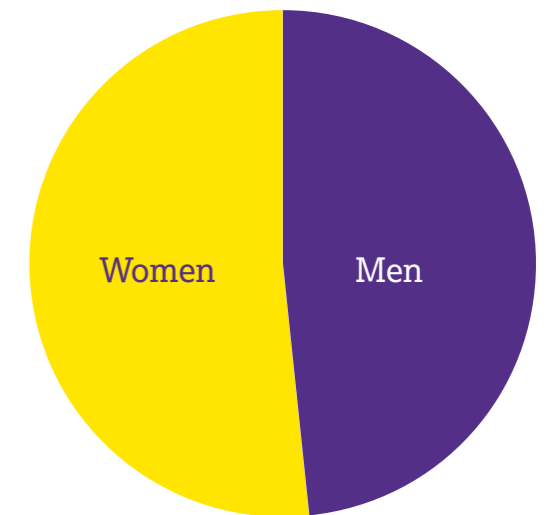
Employees by gender

Male	●	280
Female	●	235



Gender pay gap

Mean hourly rate for men	●	£11.82
Mean hourly rate for women	●	£12.60



YPO, 41 Industrial Park, Wakefield, WF2 0XE
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Email: contactus@ypo.co.uk | www.ypo.co.uk



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Shareholder Committee

28 March 2022

Report of the Head of HR and OD

City of York Trading Ltd Update**Purpose of Report**

1. To note the 2020/21 statutory accounts of City of York Trading Ltd, provided as **Annex A**.
2. To consider the City of York Trading Ltd Performance Update March 2022 provided as confidential **Annex B**.
3. To approve the appointment of a new Independent Non- Executive Director, whose CV is attached as confidential **Annex C**.
4. The performance update is private due to the commercial sensitivities and the CV is private due to it containing personal details.

Recommendations

5. Note the statutory accounts for City of York Trading Ltd for the financial year 2020/21 attached at **Annex A** to this report.

Reason: To ensure the Council is updated on the financial status of City of York Trading Ltd.

6. Note the report from City of York Trading Ltd attached at **Annex B** to this report.

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

7. Approve the appointment of a new Non Executive Director whose CV is attached at **Annex C**.

Reason: To ensure the Company has a Board of Directors with two Independent Non Executive Directors in accordance with the Shareholders Agreement.

Background and analysis

8. City of York Trading Ltd (trading as WorkwithYork, WorkwithSchools and WorkwithYorkshire) was formed in 2011 with the intention of supplying temporary staff to CYC, to schools (in and around the York area) and to other outside organisations.
9. Through City of York Trading Ltd, CYC makes a saving compared to the cost of agency staff on the open market.
10. In addition, the payment of an annual dividend from the Company's profits is designed to assist CYC's financial position.

Key Company Matters 2021/22:-

11. The Company's Board of Directors currently comprises :-
 - Karen Bull (Managing Director)
with Non-Executive Directors
 - Cllr Andrew Waller (Chair)
 - Cllr Kallum Taylor
 - Cllr Simon Daubeney
 - Oliver Wright
12. Owing to other business commitments John Dobson resigned as Non-Executive Director in February 2022. The Company advertised for another Independent Non-Executive Director, and the Board conducted interviews with shortlisted candidates in early March 2022. The Shareholder is asked to approve the appointment of the successful candidate, who has extensive senior leadership experience in HR, Business and Organisational Development in both public and private sectors. This candidate's CV is provided to the Shareholder at **Annex C**, as it contains personal and sensitive information is not for general circulation.
13. The Company's Management Accountant prepares financial reports and the Managing Director prepares Performance Reports on a monthly basis. Company Board Meetings are held monthly to coincide with this reporting.
14. The Company's filed statutory accounts for 2020/2021 are attached at **Annex A**.

15. The Company's financial performance 2021/22 year-to-date is positive with both turnover and profit above budget. Further information is provided to the Shareholder Committee within the Performance Update March 2022 (confidential **Annex B**).
16. The Company's Board of Directors are due to approve the 2022/23 budget in their late March Board meeting. This will be shared with the Shareholder Committee in May 2022.
17. Key Performance Indicators are monitored on weekly and monthly basis.
18. Marketing activities continue, including utilisation of the Company's websites and social media channels.

Climate Emergency

19. The Company plans to move offices in June 2022 to a new building leased from CYC. The building is currently undergoing a programme of repair and refurbishment having been empty for a number of years. As part of this work, all old fluorescent and filament bulb lighting are being replaced with environmentally friendly LEDs, which use less energy and last longer. This new office will provide much needed space for all staff as the Company expands, with a mostly hybrid working model planned, additional rooms will allow for in-person training and meetings (saving external venue costs). As now, many candidate and client meetings will continue to be virtual, reducing travel. Continuing arrangements in place at the Company's existing office at Kings Court there will be no staff parking on site, but the new building is close to bus routes and the railway station and staff cycle and walk to work where they can.

Apprenticeships

20. The Company plans to further expand its staff team later in 2022, and anticipates that at least one role will be a suitable apprenticeship opportunity, with a chance to be trained and supported by more experienced team members. The Company will work to identify a suitable apprenticeship training provider, following its office move in early summer.

Procurement

21. The Company has modest procurement needs – offices and IT systems/equipment are supplied at market rate by CYC, the Company's energy at Kings Court is via a green energy supplier and the majority of

general expenditure (mostly stationery, office consumables) is with YPO. Where new services are required, at least 3 quotes are obtained, with local SMEs utilised where feasible.

Health & Safety

22. All of the Company's staff team now work in the Kings Court office on a rota basis, screens are in place between desks, windows open for ventilation and staff asked to conduct Lateral Flow tests before coming to work if they can, and to stay at home if they or close family members are unwell. Sanitiser and masks are provided, and daily cleaning in place. After nearly two years of the pandemic, though several staff have tested positive for Covid from contacts outside work, there have been no cases of workplace transition within the Company's staff team. The Company will continue with paid for Lateral Flow Testing from April assuming Covid is still present in the community.
23. The Company's temporary workforce follow Health & Safety requirements and guidance of the clients with whom they are placed.

Risk Management

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

Implications

25. There are no financial, legal, HR, equalities, crime and disorder, information technology, property or other implications arising from the recommendations in the report.

Author:	Chief Officer responsible for the report:			
Karen Bull, MD CYT Ltd	Debbie Mitchell Chief Finance Officer			
Helen Whiting Head of HR and OD Email: helen.whiting@york.gov.uk	Report Approved	Y	Date	16 March 2022
Wards Affected:			All	
For further information please contact the author of the report				

Annexes:

Annex A– CYT Statutory Accounts 2020/21

Annex B – CYT Performance Update March 2022 (Confidential)

Annex C – CV of proposed Independent Non-Executive Director (Confidential)

Abbreviations

CV – Curriculum Vitae

CYC – City of York Council

CYT - City of York Trading

LED – Light-emitting diode

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Company Registration No. 07852072 (England and Wales)

CITY OF YORK TRADING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

CITY OF YORK TRADING LIMITED**CONTENTS**

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Statement of changes in equity	2
Notes to the financial statements	3 - 8

CITY OF YORK TRADING LIMITED**BALANCE SHEET****AS AT 31 MARCH 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	3		4,500		15,302
Tangible assets	4		3,655		9,900
			<u>8,155</u>		<u>25,202</u>
Current assets					
Debtors	5	994,975		730,756	
Cash at bank and in hand		1,410,089		1,442,793	
		<u>2,405,064</u>		<u>2,173,549</u>	
Creditors: amounts falling due within one year	6	<u>(1,141,332)</u>		<u>(927,493)</u>	
Net current assets			1,263,732		1,246,056
Total assets less current liabilities			<u>1,271,887</u>		<u>1,271,258</u>
Provisions for liabilities			-		(1,143)
Net assets			<u>1,271,887</u>		<u>1,270,115</u>
Capital and reserves					
Called up share capital	7		1		1
Profit and loss reserves			1,271,886		1,270,114
Total equity			<u>1,271,887</u>		<u>1,270,115</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:

.....
Ms K Bull
Director

Company Registration No. 07852072

CITY OF YORK TRADING LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2019		1	1,037,997	1,037,998
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	332,117	332,117
Dividends		-	(100,000)	(100,000)
Balance at 31 March 2020		1	1,270,114	1,270,115
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	111,772	111,772
Dividends		-	(110,000)	(110,000)
Balance at 31 March 2021		1	1,271,886	1,271,887

CITY OF YORK TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies**Company information**

City of York Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is West Offices, Station Rise, York, North Yorkshire, YO1 6GA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts due for services performed during the period, exclusive of Value Added Tax.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Cut off for revenue is week ending 28 March 2021 in respect of recognising sales and associated staff costs.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of business combinations over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 3 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

CITY OF YORK TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	33% straight line
--------------------------------	-------------------

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CITY OF YORK TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021**

1 Accounting policies**(Continued)*****Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

CITY OF YORK TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

The average monthly number of employees (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	17	16
	<u> </u>	<u> </u>

The above figures do not include workers on a temporary payroll.

3 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2020 and 31 March 2021	32,405
	<u> </u>
Amortisation and impairment	
At 1 April 2020	17,103
Amortisation charged for the year	10,802
	<u> </u>
At 31 March 2021	27,905
	<u> </u>
Carrying amount	
At 31 March 2021	4,500
	<u> </u>
At 31 March 2020	15,302
	<u> </u>

CITY OF YORK TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2020	69,863
Additions	4,722
	<hr/>
At 31 March 2021	74,585
	<hr/>
Depreciation and impairment	
At 1 April 2020	59,963
Depreciation charged in the year	10,967
	<hr/>
At 31 March 2021	70,930
	<hr/>
Carrying amount	
At 31 March 2021	3,655
	<hr/> <hr/>
At 31 March 2020	9,900
	<hr/> <hr/>

5 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	983,199	46,076
Other debtors	11,349	684,680
	<hr/>	<hr/>
	994,548	730,756
Deferred tax asset	427	-
	<hr/>	<hr/>
	994,975	730,756
	<hr/> <hr/>	<hr/> <hr/>

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	275,062	145,611
Corporation tax	25,929	83,108
Other taxation and social security	608,765	415,759
Other creditors	231,576	283,015
	<hr/>	<hr/>
	1,141,332	927,493
	<hr/> <hr/>	<hr/> <hr/>

CITY OF YORK TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 MARCH 2021****7 Called up share capital**

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	1	1	1	1
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Daniel Sowden.
The auditor was BHP LLP.

9 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2021	2020
£	£
-	4,250
<u> </u>	<u> </u>

10 Related party transactions**Transactions with related parties**

The company was controlled by The City of York Council ("CYC") who owned 100% of the share capital throughout the period.

During the year the company made sales to, and purchases from CYC, the sole shareholder of the company. The sales to CYC in the year totaled £8,303,842 (2020: £7,926,419) with purchases of £56,459 (2020: £64,936). At the 31 March 2021 there is a balance owed to CYC of £22,175 (2020: £9,816) and a balance due from CYC of £900,272 (2020: £592,057).

During the year dividends of £110,000 (2020: £100,000) were paid to CYC.

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

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

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Shareholder Committee

28 March 2022

Report of the Assistant Director (Customer and Communities)

Make It York Update

Purpose of Report

1. This report provides an update from Make It York (MIY) on the company's performance since the report to this committee in November. A business plan for 2022/23 is set out for approval together with a new Scheme of Delegation for the company.

Recommendations

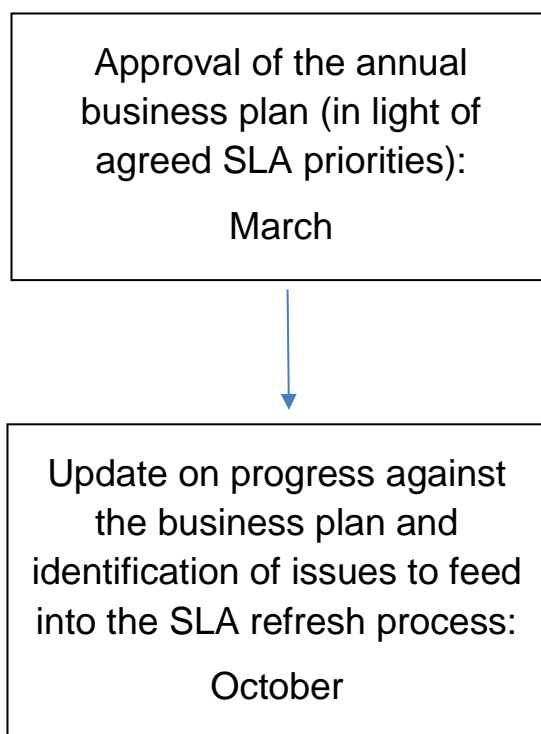
2. The committee is asked to:
 - Note MIY's performance to date in 2021/22
 - Approve MIY's business plan for 2022/23
 - Approve MIY's Scheme of Delegation

Reason: To ensure sound governance of the company.

Background

3. In May 2022, the Council's Executive agreed to enter into a new three-year contract with MIY. A new service specification (or SLA as it is often informally referred to) was negotiated between the Council and the MIY board (see Annex G) laid out under four main headings:
 - **The Economy:** promoting York as a business location through all of MIY's activity
 - **Visitor Economy:** covering destination management and tourism sector development
 - **City Centre:** covering markets, city centre vibrancy and commercial events
 - **Culture:** focussing on driving the Culture Strategy, major events and the UNESCO Creative City designation
4. The Service Specification sets out key deliverables, outcomes by which performance will be measured, and detailed delivery tasks.

5. Executive agreed that MIY should report to the Shareholder Committee twice a year as follows:



6. MIY's proposed business plan, reflecting the priorities set out in the current SLA, is attached at Annex A.

Scheme of Delegation

7. The Executive in May last year also requested some changes to MIY's memorandum and articles of association. These changes, which have now been executed and lodged with Companies House, included the provision that MIY's directors may delegate any of the powers which are conferred on them under the company's Articles to any individual director, committee or member of staff, as they see fit, subject to a formal and published scheme of delegation to be approved by the Shareholder.
8. MIY's proposed scheme of delegation is attached at Annex B for approval.

Financial update

9. In November 2022 it was reported that MIY was expected to generate a negative cashflow of £0.3m from its operations in 21/22. MIY had approached the council regarding three potential areas of financial assistance / mitigation:

- a. relief on the business rates paid in respect of the Museum Street shop (a cost to the council of £6.4k based on the days it was closed over 2020/21 and 2021/22);
 - b. a reduction in the revenue stream required from MIY commensurate with the reduction in cashflow experienced by the company in April when the Shambles market was closed (a cost to the council of £14.3k); and
 - c. support with the cost of counter terrorism measures required during the Christmas Market (a cost to the council of £78.9k).
10. It was noted that these requests were reasonable under the circumstances and funding streams existed that could be used to fund them such as Covid Grant, Additional Restrictions Grant and Welcome Back Funding. The Shareholder Committee agreed to refer the requests to the Executive and the Executive subsequently approved them.
11. MIY is currently forecasting a positive cashflow of £39k from its 2021/22 operations. This is a healthy position and a significant improvement on previous forecasts. The detail is set out in the forecast cashflow in Annex H.
12. The summary profit and loss attached at confidential Annex I shows that MIY is predicting a loss of £24k in 2022/23 before returning to profit in 2023/24. There is, however, no anticipation of MIY asking for further financial assistance from the council nor of drawing on the loan facility approved by the Executive in December 2020.

Options and Analysis

13. It is open to the Shareholder Committee to approve the business plan and/or to suggest amendments that are in line with the SLA.
14. Similarly, it is open to the Shareholder Committee to approve the Scheme of Delegation and/or suggest amendments.

Risk Management

15. There are no specific risk issues arising from this report beyond those highlighted in the text.

Implications

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

Author:	Chief Officer responsible for the report:			
Charlie Croft Assistant Director (Customer and Communities) Email: charlie.croft@york.gov.uk	Pauline Stuchfield Director of Customer and Communities			
	Report Approved	✓	Date	16.3.22.
Wards Affected: All				
For further information please contact the author of the report				

Annexes

- A. Make It York Business Plan
- B. MIY Scheme of Delegation
- C. MIY Quarterly Narrative Report January – April 21
- D. MIY Quarterly Narrative Report May – July 21
- E. MIY Quarterly Narrative Report August – October 21
- F. MIY Quarterly Narrative Report October 21 – January 22
- G. The SLA

Confidential Annexes

- H. MIY Forecast Cashflow
- I. MIY Summary Profit and Loss

Abbreviations

MIY – Make It York

SLA – Service Level Agreement

UNESCO – The United Nations Educational, Scientific and Cultural Organisation

Make It York

Business Plan
2022 - 2025

Introduction

Photo by Ravage Productions



Greg Dyke
Chair

I first came to York in my twenties to study at The University of York. Forty years later, I became the Chancellor of the same University, a role I undertook for eleven very special years. I share this now as Make It York looks to enhance its collaboration with the city's higher education sector. Indeed, with approximately 40,000 students and more than 5,000 members of staff, the city's universities and colleges have a significant impact on York and its economy.

As a city, York has a long history to be proud of; our walls and cobbled streets are well

walked; we have brilliant museums and plans to develop others; we have world class culture and events and an appetite to do more, and we have a city centre with a difference with our markets and a large number of independent retailers. As a city we are also known for our ideas and creativity, along with being the UK's first and only UNESCO Creative City of Media Arts.

We want York to be a city of investment and opportunity, of commerce and tourism, not only for visitors, but for the benefit of the 200,000+ people who live, work and play in the city on a daily basis.

As an organisation Make it York is not complacent. We will learn from other cities in Europe and further afield; we will continue to work together with our partners and stakeholders; we do plan to further develop a 365-day place which is vibrant, respected and of which we can all be proud.



Sarah Loftus
Managing Director

When I joined Make It York as Managing Director in November 2021, I was overwhelmed by the volume of people who thanked me for the tireless work that Make It York undertook throughout the pandemic. York residents and business owners are proud of their City and I would therefore like to offer my heartfelt thanks to our 800+ members for not only making me feel so welcome, but for the way you all adapted to ensure that York remained open for business throughout the last two years and inspired such a strong recovery.

Now that we have the green light to open the city without restrictions (at the time of writing), we look forward to working in partnership with York BID, as well as the city's attractions, accommodation providers and hospitality venues to build back even better.

Despite ongoing challenges such as rising energy costs, difficulties in attracting staff and supply chain uncertainties, Make It York pledges to work tirelessly to make York stronger by promoting the city to local, national and international audiences, as well as providing an unforgettable Yorkshire welcome and experience for all residents and visitors to this great city.

Our first Make It York business plan demonstrates that we mean business and we are proudly focused on what we aim to deliver for this city. We have developed a clear and commercially viable plan, while at the same time accepting the commercial risk associated with focusing more closely on cultural and eco-tourism, as well as including more resident-focused activity in our marketing and event plans.

We know that we are predicting a short-term loss in 2022/23, but we have made the decision to retain a physical visitor information centre in the centre of York, unlike most other UK cities who have permanently closed the doors of their information centres in favour of an online presence. We are committed to keeping our doors open and striving to retain the 'York Welcome' – people will always come first in this city.

We will reach far and wide to support our members by continuing to invest in great experiences that we know residents and visitors enjoy, whilst also being 'thought leaders' as the visitor economy adapts to the post-Covid age. We will encourage visitors to stay longer, take the lead on the city's new tourism strategy and produce our first markets strategy to protect and sustain our unique offering. We will work in partnership wherever possible, encourage sustainable practices and view both York residents and students as valuable participants in our future activities.

Our Vision

We want our residents to be proud to live here

Make It York will contribute by:

- Creating incredible events that our communities love
- Developing our dynamic and engaging cultural and arts scene
- Ensuring our city centre is attractive and befitting of our city's heritage

We want more businesses to prosper here

Make It York will contribute by:

- Supporting local businesses with advice and information
- Building strategic partnerships locally, nationally and globally
- Attracting and retaining the right investment and talent for the city

We want more people to come here to visit

Make It York will contribute by:

- Making York famous as a first-class destination for leisure, business and study
- Creating unrivalled experiences for visitors across the city
- Supporting local businesses who help make this happen

We will use data, evidence and smart technology to help businesses make the right decisions, as well as to attract visitors and new investors.

We will draw on the expertise of a talented team of Make It York staff, with local, national and international experience, and an influential Board of Directors including local Councillors, business leaders and city stakeholders.

We will work strategically to identify and support areas that are important to the city's future; the needs of York are always changing and that's why we are always improving our services to meet the City's evolving demands.

OUR PRIORITIES 2022-2025

CREATING A STRONG AND EFFECTIVE ORGANISATION

Photo by Ravage Productions

MAKE IT YORK COMPANY VALUES

VALUES	BEHAVIOURS
ENTREPRENEURIAL	<ul style="list-style-type: none"> We will champion new ways of working We will deliver great results We will always be improving
COLLABORATIVE	<ul style="list-style-type: none"> We will work in partnership We will share our resources We will support our teams
RESPONSIBLE	<ul style="list-style-type: none"> We will put customers first We will do what we say We will be true to our City
AMBITIOUS	<ul style="list-style-type: none"> We will make York the best place it can be We will make MIY the best company it can be We will become the best team we can be

MAKE IT YORK BUSINESS PRIORITIES

We will:

- Ensure all our policies and procedures are up to date.
- Improve our financial and budget management procedures, so we spend our resources more effectively to do more with less.
- Tender our audit/external accounting services in 2022.
- Review our finance systems and identify a better platform in 2022.
- Implement a clear tendering and commissioning process that is open and transparent and gets value for the City.
- Hold one awards ceremony to celebrate the successes of our tourism, hospitality and culture sectors.
- Develop and implement a set of measures to evaluate our performance that will include an annual membership survey.
- Develop 3 new activities that will diversify our business model to ensure our financial stability, e.g. reviewing our digital offering, Tap and Give and expansion of the successful York Pass scheme.
- Achieve Good Business Charter status.
- Evaluate all our events through impact assessments.

MEASURING OUR SUCCESS

We will measure our success by:

- Carrying out an annual 'member' survey.
- Hosting monthly member events.
- Monitoring PR, media and social media coverage.
- Presenting performance reports to the MIY Board.
- Producing Quarterly Narrative reports for City of York Council.
- Increasing the number of members engaged in activities.
- Increasing the number and quality of events and activations.



St Nicholas Fair 2021
Photo credit Gareth Buddo

OUR PRIORITIES 2022-2025

PIONEERING YORK AS THE BEST TOURISM CITY IN THE UK

Photo by Charlotte Graham

"One of the reasons I love Visit York is the help and support which I receive from the whole team – you are always my 'Go-To' choice in the first instance and you have never let me down. I have been a member of Visit York for almost 17 years now and have always shouted from the roof tops about how good the organisation is, and how essential it is to York as a whole – businesses, tourists and residents alike. One of the reasons I renew my membership year after year is because I know Visit York will be there to hold my hand when I lose my way or things get tough – this last year has been a test of that, with you and your fellow colleagues coming through with help and advice every time! Please could I trouble you to pass on my thanks to all, and I wish everyone a very successful year ahead, together with many more to come."

Susan Kitchener
York Luxury Holidays



Visit York Tourism Award Winners 2022

DESTINATION MANAGEMENT PRIORITIES 2022-2025

We will:

- Promote York as a leisure, business and visitor destination, by partnering with VisitEngland and VisitBritain, overall ensuring York is included in leading international, regional and national marketing initiatives with the aim of increasing visitor spend in the City by 5% above the Retail Index-Base figure by 2025.
- Continue to develop and grow our Visit York membership scheme, increasing our membership by 2% year on year and maintaining our retention rate at 94%.
- Work with the Tourism Sector to increase 5% GVA growth in the sector by 2025 by maximising private sector led investment into the City Centre, building a strong evening economy (incorporating York's Purple Flag status) and attracting new tourism into the city.
- Develop and support the Tourism Advisory Board leading on, contributing to and implementing, the development of a new Tourism Strategy.
- Manage a Visitor Information Service which celebrates the "York Welcome".
- Attract new business tourism to the city by providing a clear and effective process for responding to conference enquiries with high quality support and work proactively to attract new enquiries appropriate to the city.
- Pioneering new ways of managing tourism, cultural tourism and eco-tourism, to ensure sustainable growth

DESTINATION MANAGEMENT ACTIVITY 2022-2023

We will:

- Grow our Membership back to 2018/2019 levels.
- Increase followers, impressions and engagement on our Visit York social media channels by 5% year-on-year throughout 2022/23. For context, at the time of writing Visit York has a total of 132,619 followers across Facebook, Twitter and Instagram and we achieve in excess of 1 million impressions and 50,000 engagements per calendar month (current record stands at 1.7 million impressions and 74k engagements in December 2021).
- Increase footfall, occupancy, average length of stay and the overall value of the visitor economy by developing seasonal domestic leisure marketing campaigns aimed at the local, regional and national UK markets with campaign partners from across the sector, as well as pushing 'York and beyond' with twin centre break packages.
- Build on the success of York's domestic marketing campaign activity over the last 12 months by targeting international markets. We are looking to mirror the chosen VisitBritain overseas markets, initially concentrating on North America and Europe and then starting to refocus on the longer haul Asian markets as they re-emerge. To return international visitation into York to pre-pandemic levels (3.87% of overall visitation) by the end of 2023 whilst maintaining domestic visitation. Measured by monthly visitor surveys and biennial economic impact modelling.
- Grow our press coverage value and reach by 5% year-on-year throughout 2022/23, as measured by our KANTAR media monitoring platform.
- Hold 12 member training and networking events across the year.
- Measure our effectiveness by monthly visitor surveys and biennial economic impact modelling.

OUR PRIORITIES 2022-2025



Pop-Up Patio, York Theatre Royal, Summer 2020
Photograph by Karen Boyes. © York Citizens' Theatre Trust

CREATING HISTORY EVERYDAY THROUGH OUR EVENTS, FESTIVALS AND MARKETS

'Despite having only been Visit York members for a short period, we have found that the opportunities available to us have already made it well worth it. We have experienced increased traffic into our shop and onto our website, and have loved getting to know other local businesses too. The marketing opportunities in particular have been extremely useful to us as a new business!'

Tom Calvert
Chief Executive Officer, Avorium

"Events experience is undoubtedly one of Make It York's strengths. Staff are a font of knowledge, they can advise on health and safety, support with licensing and planning proposals and help to transform our idea into a successful city centre event. Over time, THOR'S has grown into a national, much-loved brand – whose roots belong in York. And ultimately without Make It York's trust in our offer and ability to deliver, we wouldn't be here today."

Amanda Monaghan
Director, Thor's Events



York Ice Trail 2022
Photo by Charlotte Graham



EVENTS, FESTIVALS & MARKETS PRIORITIES 2022-2025

We will:

- Manage the Shambles Market by operating the City's Market Charter and supporting existing and new market retailers to bring even more vibrancy to the Market. We will trial speciality markets within the Shambles Market to help grow the diversity and use of the area for local people.
- Lead on developing York's first Market Strategy for the whole of York, ensuring York is leading the way on Market development and sustainability.
- Enhance the City Centre vibrancy by creating new experiences in the City Centre for residents and visitors alike, as well as helping to attract new tenants and businesses to fill vacant city centre premises. Maximising the use of the footstreets, Eye of York and Tower Gardens by creating and promoting a high-profile calendar of events and festivals which add value to the York Experience.
- Develop and enhance the commercial event offerings in the City Centre, including, St Nicholas Christmas Fair, Summer in the City, York Halloween etc. and as a result generate investment in and for the City. We will provide clear and transparent procedures for running City Events and providing appropriate management and support, to ensure all events are held within current laws, regulations and health and safety guidance.
- Support and encourage a variety of free events for residents and visitors to enjoy, including trails, Residents' Festivals and community and voluntary activations.
- Help enable third party events including The Festival of Ideas, The Viking Festival and York Mystery Plays to thrive.
- To help secure value for money and promote fair and transparent procurement, we will develop and utilise a tender process to award major contracts to suppliers.

EVENTS, FESTIVALS & MARKETS ACTIVITY 2022-2023

We will:

- Manage the Shambles Market more effectively in line with the City's Market Charter on behalf of the City of York Council.
- Develop the first Markets Strategy for the City by December 2022.
- Introduce a series of night and specialist markets in the Shambles Market area during the year.
- Deliver five commercial events including the Christmas Market, summer and autumn event including Halloween, Easter and an Arts Trail.
- Assist and support approximately 12 major third party events in a regular non-Covid year, by curating space for events and producing marketing campaigns.
- Curate a year-round programme of public events, catering to peak and off-peak times of the year to encourage seasonality, and create a high-quality, vibrant and attractive city offer that will provide a consistent and uplifting experience for residents and visitors.
- Add resident engagement opportunities to all our events.
- Make our events examples of best practice, to increase quality and where possible, create more sustainable events.
- Promote and implement our new event booking system.
- Develop and design a new programme of events to maximise the spaces we manage.
- Develop a plan for the footstreets we manage.
- Invest £45k into the Christmas Lights provision for the City whilst exploring enhanced sponsorship opportunities.
- Develop an Event Framework to inform York's major events and help shape the future direction of world class City bids, such as the Rugby League World Cup.
- Create an overarching Events Strategy, drawing on the Culture Strategy, City Narrative and Tourism Strategy, and other major local strategies.
- Invest in events monitoring and evaluation.
- Transfer back West Bank, Rowntree, Rawcliffe Country and Hull Road Parks to City of York Council.

OUR PRIORITIES 2022-2025

MAKING CULTURE ACCESSIBLE TO ALL

"The Arts Council believes that everyone, irrespective of age or background, should have access to arts and culture as both participants and audiences. By embedding arts and culture at the heart of key elements across the city such as regeneration development, children and young people, talent development and retention, residents' wellbeing and tourism, York's Culture Strategy aligns with the vision of Let's Create, our ten year strategy for 2020-2030. I look forward to seeing how York Culture develops and impacts on the lives of the local community and visitors to the city."

Darren Henley,
Chief Executive of Arts Council England



York Mystery Plays – The Creation and Fall of the Angels
Photo by Kippa Matthews. © York Mystery Plays



Kelly Richardson for York Mediale
Photo by Charlotte Graham © York Mediale

CULTURE AND WELLBEING PRIORITIES 2022-2025

We will:

- Develop, promote and manage the City's Culture Strategy, York's Creative Future, 2020 – 25. by working with partners to deliver an ambitious and cohesive range of programmes. Promoting the culture and creative sector through media channels, policy work, networking opportunities, working groups and forums.
- Develop an Events Framework for the Culture Strategy that enables the City to proactively identify events it wishes to host and attract.
- Promote and maximise York's UNESCO Creative City of Media Arts Status.
- Support cultural events and initiatives, such as the York Mystery Plays.



Creative Learning Programme Orchestra of the Age of Enlightenment © NCEM

CULTURE AND WELLBEING ACTIVITY 2022-2023

We will:

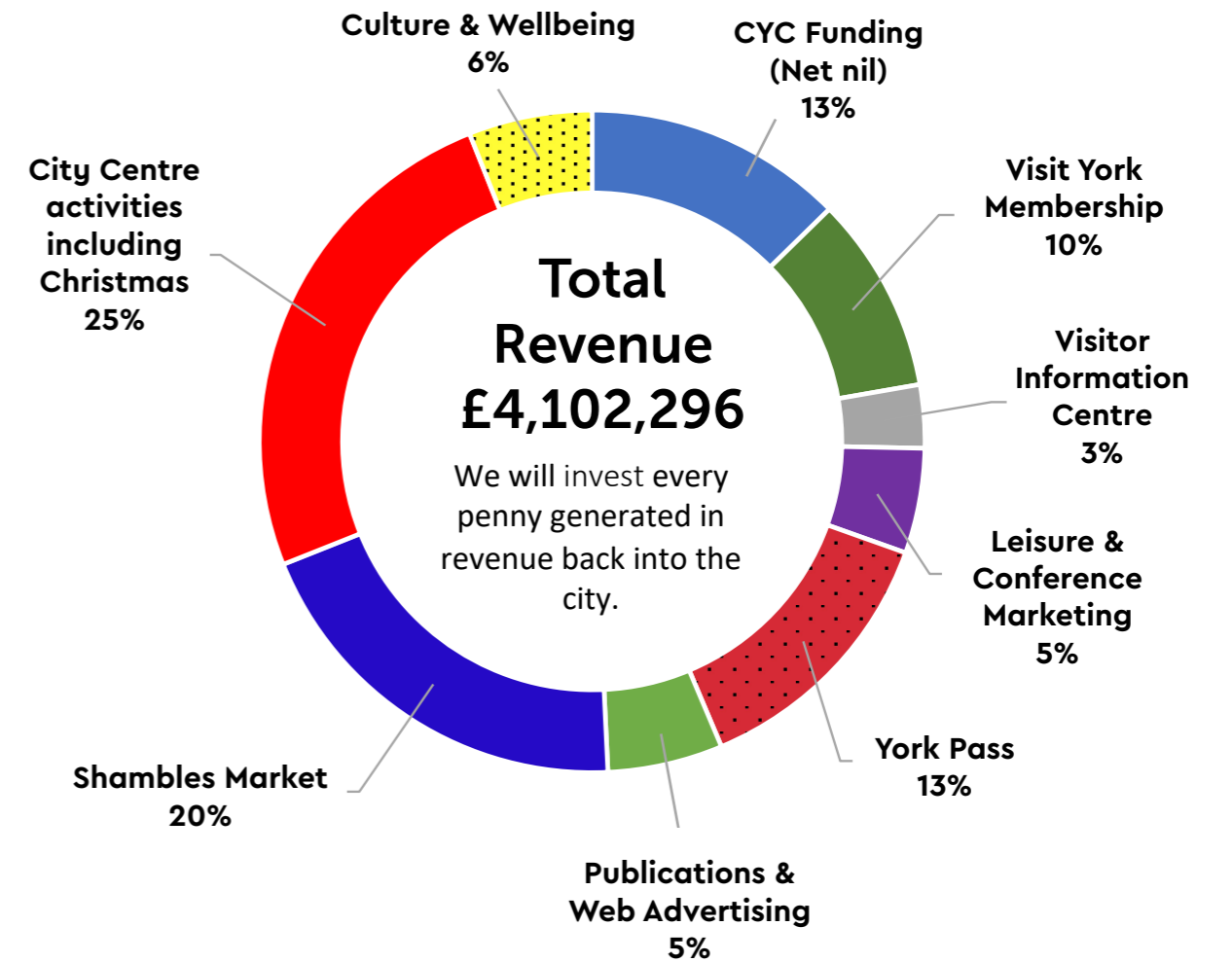
- Establish an open and equitable Culture Forum, led by a largely elected Culture Executive, to drive future Culture Strategy development.
- Set up working groups to facilitate delivery of the different Culture Strategy priorities.
- Support the development of the UNESCO Creative City status and lead on production of the UCCN Monitoring Report 2022.
- Establish York TrailBlazers, working alongside York Civic Trust and key partners on an exciting citywide programme of events and activities, including potentially a large scale sculpture trail.
- Secure a cultural listings guide, to enable cultural activities to become more visible and accessible within York.
- Continue to deliver the Cultural Wellbeing grants programme, alongside City of York Council and Ways to Wellbeing (funding dependent, through the Better Care Fund), to support charities, social enterprises and voluntary groups who work in the arts for health.
- Explore the potential for a York Creates Fund.
- Curate a year's programme of cultural initiatives and installations, providing opportunities to artists and cultural practitioners, prioritising initiatives that include engagement with marginalised communities across the city's wards (i.e. not limited to the city centre) and engage closely with students.
- Advocacy for culturally significant events, such as the York Mystery Plays.

OUR FINANCES – OUR INVESTMENT INTO THE CITY

	2022/23	2023/24	2024/25
Culture	£635,542	£726,334	£787,761
Events & markets	£1,789,772	£1,916,193	£2,002,363
Marketing campaigns	£1,676,982	£1,799,948	£1,867,260
	£4,102,296	£4,442,475	£4,657,384



MAKE IT YORK BUDGET REVENUE BREAKDOWN



As Make It York, it is our privilege to be the city's destination management organisation, enhancing and promoting York as a world-class destination. We continue to play a pivotal and positive role in positioning the city of York to attract leisure and business tourism visitors, as well as engaging and inspiring residents and students to celebrate the joy of living and working in the city.

Our marketing campaigns drive traffic to our digital channels and footfall to our annual programme of cultural events and festivals.

Our commercial revenue enables us to continue supporting and enhancing the city's visitor economy, which (on average) receives 8.4 million visitors per annum, bringing an economic value of £909 million to the city. A fifth of York's visitors stay overnight and more than half of all spend is by overnight visitors. The city's visitor economy also supports more than 28,000 jobs.

We aim to be a commercially viable organisation over the next three years and intend to make no further borrowings from City of York council.

OUR MEMBER BENEFITS

All these benefits are included with Visit York membership:

Presence for your business on visityork.org – including ten images – with **450,000 visits per month**.

All members receive access to the content management system – allowing you to quickly add and update your business info and events.



Exposure to **400,000 people** who come to our award-winning Visitor Information Centre each year

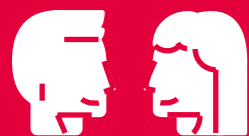
Digital exposure to our social media audience of over 140K

- 69,000** Twitter @VisitYork and @VisitYorkBiz with #vymembers
- 52,000** Facebook @VisitYork
- 37,000** Instagram @VisitYork
- 3,200** LinkedIn @MakeltYork



Free training sessions – including social media, website and more...

Preferential rates on all enhanced marketing opportunities – including exposure within our 1,300,000 publications distributed globally, digital advertising, and more.



Regular **free member events and networking opportunities** with 850 York businesses

Monthly newsletter bringing you the latest tourism news, events and opportunities.

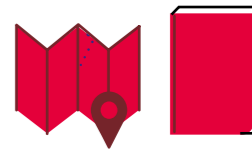


REASONS TO JOIN

York profiled to 1000s of journalists – with the **opportunity to be included in journalist and blogger press trip itineraries**



Exposure through our **1,300,000 publications** distributed globally



Two free York Passes – worth over £100



Free recruitment advertising at jobsinyork.com

Exclusive Insurance deals



Mystery Shopper Services



Save money on your business energy bills



Free legal helpline

Access to our network of over 200 local business supplier contacts at visityork.org/members



Exclusive member discounts through our perks cards



Our wider marketing and PR campaigns reach national and international audiences

Our award-winning marketing campaigns help bring 8.4 million visitors to York, spending £909 million per annum

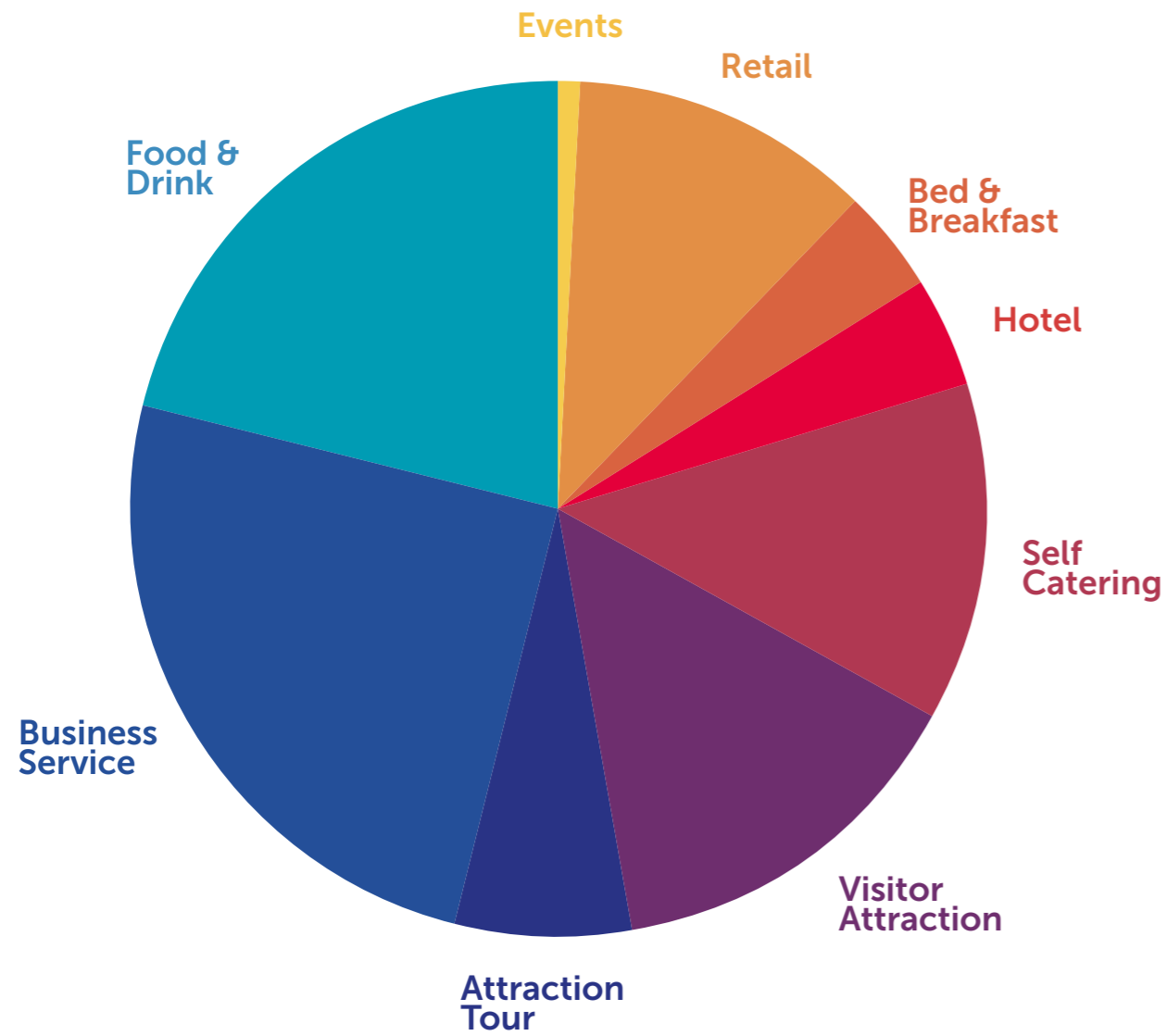
Over 900 pieces of press coverage generated in 2020

We market York as a world-class destination across the globe

13.9 million impressions on Visit York socials in 2020

A network of 850 businesses

VISIT YORK MEMBERSHIP BY SECTOR



MAKE IT YORK BOARD OF DIRECTORS



Greg Dyke
Chair



Sarah Loftus
Managing Director



Cllr Nigel Ayre
City of York Council



Professor Chris Bailey
Cultural Policy Consultant



Cllr Denise Craghill
City of York Council



Joan Concannon
Director of External Relations, University of York



David Horne
Managing Director LNER



Mark Fordyce
Managing Director York Data Services



James Farrar
York and North Yorkshire LEP Adviser to the Board



Lyndsey Turner Swift
VisitEngland Adviser to the Board

As the COVID-19 pandemic put global travel and tourism on hold and left residents of touristic cities around the planet 'home alone', more and more cities started asking themselves the same questions:

What kind of tourism do we want in the future and how can the visitor economy create value for the city beyond the visitor spending and jobs that follow?

The ever-evolving visitor market, changing resident and tourist demands, complex political and green agendas and increased global competition are having a significant impact on our sector, which is why this business plan allows us to adapt and flex across the next three years, adopting an agile and innovative approach.

As the visitor economy continues to evolve, Make It York will work as initiators and thought leaders, highlighting and empowering the creative and commercial energies in the city.

Our member engagement and commitment over the last two years has been very inspiring for our teams and shows great promise for the collaboration and partnerships that will carry the transformation of York's visitor economy to a new era.



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MakeItYork

SCHEME OF DELEGATION

CONTENTS

1. Introduction
2. Scheme of Delegation
3. Part A: Matters Reserved to Board
4. Part B: Matters Delegated to Committees
5. Part C: Responsibilities of the Chair and Deputy Chair
6. Part D: Matters Delegated to Officers
7. Major Decisions
8. Urgent Decisions
9. Financial Procedures
10. Matters Reserved for the Shareholder

Make It York

1. INTRODUCTION

The purpose of this Scheme of Delegation ('the Scheme') is to enable decisions made by the Make It York Board (MIY) to be taken efficiently and effectively; help Board Members carry out their role effectively; and ensure decision making is transparent and accountable to funders, shareholder and members.

2. SCHEME OF DELEGATION

- The Scheme gives details of the delegation of responsibilities within MIY, but should be read in conjunction with the Company's Articles of Association which state:
- Subject to the Articles, and in particular Article 29, the Directors may delegate any of the powers which are conferred on them under the Articles as they think fit **under a formal and published scheme of delegation approved by the Shareholder..**
- If the Directors so specify, any such delegation may authorise further delegation of the Directors' powers by any person to whom they are delegated, **subject to prior approval from the Shareholder.**
- The Directors may revoke any delegation in whole or part, or alter its terms and conditions, **subject to the prior approval of the Shareholder.**
- **Schedule 2 of the Company's Articles of Association 'Matters Reserved for the Shareholder' should also be read in conjunction with this document.**

Within the Scheme decisions of MIY are divided into four separate parts:

A Matters that are Reserved to the Board.

B Matters Delegated to Committees

C Responsibilities of the Chair, Deputy Chair and Company Secretary

D Matters Delegated to Officers

3. A: MATTERS RESERVED TO THE BOARD

The Board is responsible for directing the affairs of MIY in accordance with its charitable objects and ensuring that its functions are properly performed. The Board reserves to itself the following powers except only to the extent that such powers have been wholly or partly delegated by the Board to a Committee or an Officer:

- Adopting and changing the governance arrangements;
- Approving and adopting strategies, policies, business plans, investment programmes and the budget;

Make It York

- Approving the statement of accounts, income and expenditure and balance sheets;
- Appointing the Chair and Deputy Chair of the Board;
- Agreeing and amending terms of reference for committees, deciding on their composition and making appointments to them including the appointment of Chairs to the committees;
- Approving procedures for the recruitment for Board Members;
- Recommending persons for appointment as Board Members;
- Approving the MIY Business Plan;
- Approving proposals to provide services on behalf of other organisations;
- Making recommendations to general meetings of MIY including the appointment, remuneration and terms of engagement of the external auditors;
- Approving membership of, and appointing representatives to, outside bodies;
- The appointment or termination of the Managing Director;
- Approving the discharge of any of the MIY functions by another organisation;
- Agreeing changes to policies, strategies and procurements that are a MAJOR DECISION;
- Monitoring MIY's budget, performance and implementation of policy decisions;
- Responding to consultation papers from Government, City of York Council or other bodies;
- Agreeing personnel policies, other than minor or technical changes to existing policies
- Approving the appointment of Co-optees
- Review regularly its own effectiveness.

4. PART B: MATTERS DELEGATED TO COMMITTEES

4.1 Audit and General Committee

MIY has one sub-committee of the Board, the purpose of this Committee Audit and General Committee (AGC) is to:

- Scrutinise MIY financial statements;
- Manage MIY responsibilities concerning all aspects of external and internal audit;
- Monitor the effectiveness of internal control and business assurance;
- Review, monitoring and scrutinising MIY risk management systems; and

Make It York

- Focus on any other matter delegated by the Board
- Review regularly its own effectiveness.

5 PART C: RESPONSIBILITIES OF THE CHAIR, DEPUTY CHAIR AND COMPANY SECRETARY

5.1 Chair's Responsibilities

- Establish constructive working relationships with the Managing Director and Executive Team and attend meetings with the Managing Director on a regular basis.
- Represent MIY at public occasions and on outside bodies.
- Make comments on behalf of MIY to the press and other media in accordance with MIY's Communication Policy.
- Take decisions delegated to the Chair.
- Ensure when a vacancy arises that the Managing Director is replaced in a timely and orderly fashion.
- Agree with the Managing Director the agenda for all the Board's meetings.
- Take action on disciplinary and other personnel matters concerning the Managing Director in accordance with personnel procedures.
- Liaise with the Managing Director on the strategic development and planning of MIY, bringing such reports and recommendations to the Board for discussion and approval.
- Ensure the efficient and proper conduct of the Board and general meetings
- Ensure that all Board Members are given the opportunity to express their views before any important decision is taken, but at the same time to ensure that only those who are eligible to speak (for example, those without a conflict of interest) are invited to do so.
- On a resolution where there is an equality of votes, the Chair shall have a second or casting vote and shall use their vote to vote against any resolution which proposed to alter the existing situation unless voting against the resolution would be deemed to be detrimental to the best interests of MIY.
- To ensure that the Board fully complies with MIY governance arrangements.
- To satisfy him/herself that every meeting of the Board has been properly convened by notice and properly constituted by the attendance of a quorum.

5.2 Deputy Chairs' Responsibilities

- To assist and support the Chair in fulfilling their duties and responsibilities.
- To deputise for the Chair in their absence.
- To meet with the Chair and Chief Executive as required in between Board Meetings.

Make It York

- To undertake such other duties as may be delegated to them by the Board.

5.3 Company Secretary's Responsibilities

- Maintain an up-to-date version of the governance arrangements and ensure that it is widely available for consultation by members, staff and the public.
- Keep the minutes of Board and general meetings.
- Ensure that Board decisions are recorded, together with the reasons for those decisions
- Advise whether decisions of the Board are in accordance with MIY policies
- Report to the Board if they consider that any proposal, decision or omission would significantly contravene MIY Governance principles.
- Advise Board members on the scope of powers and authority to take decisions, financial impropriety, probity and governance issues.
- Restrictions on posts: The Managing Director cannot act as the Company Secretary.

6 PART C: MATTERS DELEGATED TO THE ROLE OF MANAGING DIRECTOR AND THE ROLE OF THE EXECUTIVE AND MANAGERS

6.1 General

This Scheme delegates to the Managing Director and other Managers the powers and duties necessary for the discharge of MIY's functions subject to the specific exceptions as stated in 6.2 below.

The aim of this delegation is streamlining and simplifying the decision-making processes of MIY and accordingly the Scheme should be interpreted widely rather than narrowly. Where functions are delegated, these should be taken to include all powers and duties necessary to carry out those functions delegated by MIY.

The Managing Director will report to Board for information any new procurement or contract decisions taken within their delegated authority that exceed £50,000. The Scheme does not delegate to the Managing Director or other Managers any MAJOR DECISIONS or any other matter reserved to Board or delegated to committee. Major decisions are defined in 7 of the Scheme.

All powers and duties that the Managing Director or other Managers is authorised to exercise or perform must be exercised or performed on behalf of and in the name of MIY and in accordance with the governance and management arrangements and in accordance with the Code of Conduct. Where any matter involves professional or technical considerations not within the sphere of the competence of the Managing Director or other Managers they must consult an appropriate professional or technical advisor.

In exercising delegated powers, the Managing Director or other Managers should only act within the approved policies and budgets.

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In addition to the general powers conferred upon them as Managing Director, these Managers will be authorised to exercise all the powers and duties specifically conferred on subordinate Managers in their department. All powers and duties conferred upon subordinate Managers will be exercised in accordance with any direction issued by the Managing Director.

6.2 Exceptions (staffing decisions)

The Managing Director will be responsible for appointing, managing, disciplining and dismissing all employees within MIY subject to complying with:

- Employment policies and conditions of service;
- Any appropriate schemes or arrangements laid down by Board;

The following matters must be dealt with by the Managing Director or their delegated officers in consultation with an HR advisor:

- Authorising payments of honoraria that exceed 2% in the case of any one employee or in circumstances that are not covered by the policy guidelines.
- Determining applications from employees for their post to be regraded.
- Authorising payments for employees in the case of early retirement, voluntary redundancy and redeployment.
- Authorising the creation of additional temporary posts for more than six months, where budget provision exists.
- Authorising requests for leave which are either not covered by a policy or which exceed the limits in the relevant policy.

The Managing Director in conjunction with their Executive Team may take action to secure the safety and welfare of employees and to take immediate action where in their opinion there is danger to life and limb. Develop, review and monitor Human Resource Policies and standards. Approve changes to staffing levels or organisational structure within agreed budgets.

6.3 Responsibilities of the Managing Director

The Managing Director will have responsibility for all management, operational and non-major decisions about the following functions and areas of responsibility. The Board has delegated to the Executive Team the responsibility of jointly assuming the powers and duties of the Managing Director in their absence.

The Managing Director will

- Provide effective leadership across MIY demonstrating sound management style to ensure that the agreed management framework is consistently implemented and to provide advice, support and guidance to managers and others.
- Manage, motivate, develop and communicate effectively with officers who report direct.

Make It York

- Approve a joined up business plans for the services provided making sure that they are clearly aligned to and contribute to the achievement of MIY's vision and strategy.
- Contribute to the development of appropriate policy and strategy for MIY and when approved, be accountable for consistent and effective communications, implementation and monitoring of policy in all areas of MIY.
- Support Board Members by: providing advice; ensuring effective implementation of decisions; taking delegated decisions within the policy, budgetary and legal framework; supervising the preparation of documents for consideration by the Board; and ensuring the provision of induction and training programmes for Board Members.
- Maximise opportunities and benefits arising from partnership working and new funding sources.
- Manage and monitor financial resources in line with financial and audit requirements.
- Encourage new ideas and innovation designed to improve the standards of services.
- Maintain an efficient and prompt investigation of complaints in line with policies
- Ensure equality of access and opportunity in service provision and personnel practices.
- Determine and publicise a description of the overall departmental structure of MIY showing the management structure and deployment of Officers.

7 MAJOR DECISIONS

A Major Decision is:

- any decision in relation to the MIY function which results in the incurring of expenditure which is significant. The threshold for "significant expenditure" is £100,000.
- Any decision involving the making of a grant or loan to any organisation unless it is less than £50,000.
- Changes to staffing levels or the organisational structure that have an additional cost of £50,000 per year or more or where there is no budget provision unless in either case the change is incidental to a major decision taken by the Board.

8 URGENT DECISIONS

Because of the cycle of Board meetings, there is likely to be the need to make urgent major decisions ahead of the next Board meeting. In this event, an urgent major decision will be made as follows:

- The Managing Director will prepare a report in the format of the Board report for the Chair of MIY, who may then approve the major decision, subject to approval by one other Board Member.

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- The full report and the decision of the Chair and other Board Member should then be reported to the next available Board meeting for information.

9. FINANCIAL PROCEDURES

- The financial procedures are the rules that all members of MIY should follow.
- The Board of Directors appoint the External Auditor.
- The MD and Executive prepare draft Budgets for the Board to approve.
- The Head of Finance shall monitor the financial performance of the organisation and report to the MD on monthly basis. Quarterly financial reporting to the board along with explanations of any material variances from the budget/forecast.
- The Head of Finance is also responsible to arrange the year-end audit.
- Finance department's daily routine tasks involve bank and credit card reconciliation, invoicing and credit control, process supplier invoices and payments.
- Head of Finance is responsible for the quarterly VAT return and dealing with any queries with HMRC.
- Head of Finance is responsible for monthly payroll.

The table below sets out the financial approval limits.

	Amount
Board	Above £100,000
Chair	Up to £100,000
MD	Up to £50,000
Dual Executive	Up to £5,000
Executive	Up to £1,500
Budget Holder	Up to £750

All limits apply to pre-vat limits except for Shambles Market and York Pass.

Below sets out the Expenses amounts:

- Accommodation maximum of £200 per night in London/£130 per night outside York
- Daily expenses £25
- Use of public transport will always be encouraged, rather than use of personal cars or taxis.
- Line manager must sign expenses.

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Below sets out the tendering limits.

Amounts up to £500	One quote obtained
Amounts up to £5,000	Three quotes obtained
Amounts up to £25,000	Full tender procedures apply

Formal Tendering procedures must always be followed unless in exceptional conditions eg. Pandemic, specific unique work and must always be signed off by the MD and Chair.

Formal Tenders need to use MIY tender templates and standard terms and conditions.

10. MATTERS RESERVED FOR THE SHAREHOLDER

Schedule 2

Matters reserved for the Shareholder

Without the prior written consent of the Shareholder, the Company shall not:

- alter its objects or Articles or adopt any Articles or pass any resolutions inconsistent with them;
- grant any interest or other rights to any party in relation to the Company;
- issue debentures;
- create or acquire a subsidiary or dispose of shares in a subsidiary;
- appoint or dismiss a Director;
- permit an issue, transfer, or transmission of shares to anyone other than the Shareholder;
- unless required to do so by law, do or permit to be done anything as a result of which it may be wound up (whether voluntarily or compulsorily), except as provided for in this agreement;
- enter into a scheme of arrangement within the meaning of s895 and Part 26 of Companies Act 2006;
- create a fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over all or part of its undertaking or assets, except to secure its indebtedness for sums borrowed in the normal course of the business;
- borrow amounts in excess of a maximum aggregate sum outstanding at any time of £10,000;
- except where a matter is included in the budget, make a loan or advance or give credit ;
- give a guarantee or indemnity to secure the liabilities or obligations of any person;

Make It York

- factor or assign any of its book debts;
- sell, lease, create an interest in or otherwise dispose of the whole or a material part of its undertaking or assets, or contract to do so;
- enter into a contract or arrangement, or amend and/or terminate and/or suspend any contract or arrangement, which creates a potential liability for the company in excess of £500,000, or makes any material change in the nature of the business;
- enter into or vary a contract or arrangement (whether legally binding or not) with a Shareholder or director of the Company or with any person as nominee for any of them other than as permitted under the Service Agreement (including any ancillary agreements);
- take or agree to take or dispose or agree to dispose of an interest in, or licence over, land;
- enter into a partnership, profit-sharing or joint venture agreement;
- adopt a pension scheme or similar arrangement;
- permit the registration (upon subscription or transfer) of any person as an additional shareholder of the Company;
- apply for the listing or trading of any shares or debt securities on any stock exchange or market;
- pass any resolution for its winding up or presenting any petition for its administration;
- alter the name of the Company or its registered office;
- alter the Area in which the Company is to operate;
- adopt or amend the strategic business plan in respect of each financial year;
- change the nature of the Company's business or commencing any new business by the Company which is not ancillary or incidental to the business;
- form any subsidiary or acquire shares in any other company or participating in any partnership or joint venture (incorporated or not);
- amalgamate or merge with any other company or business undertaking;
- make any loan (otherwise than by way of deposit with a bank or other institution the normal business of which includes the acceptance of deposits or in the ordinary course of business) or grant any credit (other than in the normal course of trading) or give any guarantee (other than in the normal course of trading) or indemnity;
- grant any rights (by licence or otherwise) in or over any intellectual property owned or used by the Company;
- establish or amend any profit-sharing, option, bonus or other incentive scheme of any nature for Directors or the Managing Director or Senior Management Team of the

Make It York

Company or to establish or amend such a scheme for other employees other than one which is self-financing or dependent on the annual budget being achieved;

- agree to remunerate (by payment of fees, the provision of benefits-in-kind or otherwise) any officer of or consultant to the Company at a rate in excess of £50,000 per annum or increasing the remuneration of any such person by a rate in excess of £2,000 per annum; or
- determining and approving any matters relating to terms and conditions of the service contract for the Managing Director, including any remuneration or variation to the remuneration of the Managing Director;
- approve any early retirements or ill-health retirements;
- permit any dividends or other distributions to be paid;
- agree any remuneration of any Directors of the Company;
- appoint or remove the Chair of the Company;
- permit a transfer of shares (under Article 6), a transmission of shares (under Article 7), calculate or pay dividends (under Article 8) or capitalise profits (under Article 9);
- approve any scheme of delegation or any amendments to said scheme of delegation under Article 13;
- a decision which could otherwise be taken by the company, but which would, if being taken by the Council, amount to a key decision; or
- exercise any powers to issue instructions to company Directors.

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Make It York

Quarterly Narrative Report

January – April 2021

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Introduction

This report covers the period January – April 2021 and further reports will be produced on a quarterly basis.

The report has been produced with input from the Senior Management Team following the departure of the Managing Director from Make It York in March 2021.

Positive discussions are ongoing between a small group of MIY directors and CYC representatives with respect to a new SLA and updated papers will be discussed at the CYC Executive Committee on the 20th May.

While we are all very aware of current challenges, the future for York remains very bright and the opportunities for 2021, including those around the York Central development, the green economy and the current government's levelling-up agenda remain very significant.

Marketing and Communications

Leisure Marketing

On 11th January, we launched a new 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 number of new initiatives, competitions and awards designed to engage residents, businesses and virtual 'visitors' to the city during lockdown and beyond.

The new #LoveYork website hub promoted the virtual 'York At Home' experiences available in the city, alongside various takeaway and online delivery options that York businesses were promoting during lockdown. We also launched a new #LoveYork virtual market in early January promoting online products, gift vouchers and offers from a wide range of York businesses. With over 35 local traders, retailers, hotels and attractions featured, the platform offered a diverse selection of products from York's array of independent businesses.

We also worked on a new online #KidsLoveYork hub for children, filled with fun activities, crafts and recipes from organisations across the city. From learning how to craft a Viking helmet, to making prehistoric cheese and creating sock puppets, the hub contained a wide variety of interactive activities for kids of all ages to help keep them entertained during lockdown. The initial #LoveYork campaign also included a series of new social media competitions, promoting prizes from local businesses, as well as a special celebration of York's local music venues with activity in support of Independent Venues Week (25th -31st Jan 2021) – a 7-day celebration of music venues around the country.

The brand new #LoveYork Awards, a fun and inclusive social media initiative, launched on Monday 25th January to lift spirits and showcase York's amazing leisure tourism, hospitality and retail businesses. Taking place across the Visit York social media channels, York residents and virtual 'visitors' were invited to vote for their favourite York businesses and experiences nominated for each of the 11 award categories.

These virtual awards supported York's leisure, tourism, hospitality and retail businesses by showcasing the great work they've done over the last year, as well as their resilience, creativity and passion. A number of award categories focused on the 'best of the best' experiences and initiatives introduced by organisations during the period of national lockdowns and Covid-19 restrictions and voters were also encouraged to choose their favourite virtual and foodie experiences, to cast their votes for businesses who've gone above and beyond in the 'Going the Extra Mile' award category and to choose the true 'Lockdown Hero'.

The #LoveYork Awards also looked to the future, asking people to vote for the restaurants and cafes, bars and pubs, hotels and B&Bs, as well as attractions and events they were looking forward to returning to and experiencing again the most, once restrictions were lifted. Overall, more than 6,400 residents, 'visitors' and York fans voted for their favourites in the #LoveYork Awards – choosing over 25 different businesses to be awarded the Gold, Silver and Bronze prizes.

As part of the celebratory #LoveYork campaign, a new #LoveWalking hub was also created to help inspire local residents to explore the city. The hub includes a variety of themed trails, walking inspiration and tips for exploring York on foot – showcasing the unique offer of the city.

Launched on 8th March, and as part of the #LoveWalking campaign, Little Vikings (York for Kids) have created a brand new family-friendly I Spy Trail. This permanent free walking trail is the perfect way for families to explore York, with 22 weird, wonderful, iconic and interesting things to spot along the circular route. The hub also includes a variety of other themed trails for residents to enjoy and highlights some of the best walking spots including the city's iconic walls, Visit York's chocolate trail, which explores how the city was built on chocolate and the sweeter side of York's history – and the famous York Cat trail, which celebrates the unique history of York's cat statues. The campaign has been inspired by Welcome to Yorkshire's #Walkshire activity which showcases Yorkshire's diverse landscapes and invites people to share their walks using #Walkshire.

Running parallel to the 'live' campaigns, the £134k tourism recovery marketing budget was originally planned to be utilised between July and December 2020 but, due to various national and regional lockdowns, we carried forwards a budget of £61k into this year. We now have an 8-week TV campaign scheduled with Channel 4 (North, Midlands and London macro regions) to start on 17th May, so taking us through to the end of the first full week of July. We're investing £50k in this TV campaign and it's being match-funded by channel 4, thereby giving us £100k media spend and a really strong campaign. We're targeting an ABC1 45+ audience travelling without kids to try and bolster midweek stays. Public Health have also recently signed-off the 30 second TV advert creative. Other campaign elements include photography, paid social media activity, press / influencer visits and group travel advertising.

Running alongside the TV advert and campaign, we've been working closely with CYC and the Welcome to Yorkshire digital team on a 'we're good to go' safety standard video. This was filmed w/c 29 March and is still being edited and tweaked, the idea being that this can be used from late April / early May onwards to inspire confidence to return to York across all our

channels. The premise is that the video focuses on the city preparing and getting ready to fully reopen and showcasing all the safety measures we have in place.

In terms of publications, the Love York summer guide is now in the final stages of proof reading and amends before its early May launch. We haven't produced the usual visitor guide or mini guide this year, however there was an appetite from attractions to support a printed summer guide... as such, we'll be printing 50k copies of this, as well as having a digital version available, for distribution via regional leaflet racks with NPD, Take One and Info Display.

Our 'book of ideas' press kit for 2021, which goes out nationally to press with invites for visits to York, is almost finalised. The purpose of this is to provide inspiration for journalists, travel writers and influencers who are looking for fresh ideas and reasons to visit and write about York. Other leisure comms activity of note is centred around maximising publicity for our marketing campaigns, case study activity, member communications, ice trail planning, York pass relaunch and the Rugby League World Cup.

Business Marketing

Business support highlights:

Ongoing development of online content on makeityork.com, with particular focus on case studies, skills/training and signposting for covid-related support and grants.

Content has been developed and submitted for the Little Vikings' 'Moving to York' guide for families, which focuses on supporting people interested in relocating / working in York, as well as the support that MIY offers to people and businesses relocating to the city. Work has also begun on refreshing content for our own 'Living in York' guide, which will be digital-only and will enhance our existing online content.

Work has also started on collating examples of York's world-class achievements and innovations and the pioneers behind these ideas and discoveries. The aim is to build and share these examples across our different platforms to promote the city and its sector strengths from an inward investment perspective and to support business tourism activity showcasing York as a conference destination.

Business tourism activity highlights:

We attended MeetEngland Virtual (9 & 11 February), organised by VisitEngland, and took part in 20 appointments (10 USA buyers, 10 European). Lots of interest in York/Northern England from buyers who are keen to give their clients UK options that aren't just London-based, and definitely a strong focus on incentives and experiences. In addition to individual proposals sent post event to these buyers, follow up information was also sent to all 400 buyers registered for the event.

Working with VisitBritain to supply images and content for refreshing the York page on the 'Events Are Great' website and supplying copy on York venues for a feature in the April issue of 'Conference News', all about conference and meetings venues with outstanding outdoor space (the Principal York was selected).

We attended the Meetings Industry Association (MIA) Destination Summit, 22-23 February, a 2-day virtual conference with around 30 other DMOs focusing on business tourism, sharing best practice and recovery support such as researching and bidding for relevant events that align with city strengths and top tips for virtual and hybrid events.

We hosted sales managers' meetings every 4-6 weeks to gather intelligence from our member venues about returning business, customer confidence and ongoing challenges for the sector and we developed content for the refreshed Visit York business tourism handle on LinkedIn, with similar content shared in a bi-monthly e-news to our conference mailing list.

Digital & Social Media

Make It York

During the period of 5 January to 25 April, the Make It York website had 18,997 page views by 7,130 users. Relevant business content has been added to the Make It York website to signpost businesses to the correct resources and providing insight from the team where necessary, and the Coronavirus Business Support page continues to be the most viewed page after the home page. Meanwhile, social media coverage on MIY platforms resulted in 275,237 impressions and 5,894 engagements, while gaining 593 new followers across all social media channels.

Visit York

During the period of 5 January to 25 April, the Visit York website was visited by 253,836 users, pages on the website were viewed 474,028 times, and Visit York social media channels received 4.2 million impressions, 183,000 engagements and gained 3,497 new followers.

PR & Communications

Total news volume - 218 pieces of coverage

Total news reach - 9.67m

Total news value - £562,256

This includes coverage in outlets such as The Daily Telegraph Online, Mirror online, ITV.com, BBC, Yours Magazine, Prima Magazine, MSN.uk, British Travel Journal, Planet Radio, Yorkshire Post, Yorkshire Live, York Press, Northern Echo and more. We've also had radio interviews with the MIY team on BBC Radio York, YorkMix Radio, Greatest Hits Radio and Jorvik Radio.

This includes a range of local coverage for activity such as our #LoveYork campaign including the #LoveYork awards and launch of the #LoveWalking hub, business support, case studies and April reopening news. We've also been working with travel writers on a number of national pieces to promote York including Daily Telegraph, Yours Magazine & Prima.

Culture and Wellbeing

York Culture Strategy update

Since the launch of the 2020 – 2025 Culture Strategy in December 2020, the team have been busy producing an action plan for the strategy. To facilitate this, more generally we have been:

- Meeting with different cultural partners (individuals, organisations, higher education institutions, etc.) in the city to identify what is already in place and how we might be able to fill any gaps
- Determining where the culture sector may need representation in other work / areas of development in the city
- Looking into what opportunities might be available for making joint cultural bids for funding and researching these potential options at present.

The progress across each Key Priority for the strategy for the first quarter has included:

- **Engagement:** Working on the research phase around engagement, inclusion and equality, to learn more about the current practices of organisations both within York as well as further afield (including the approach taken by large, national organisations). It is our hope that we will be able to utilise this work to enable York to better support and engage those who are disadvantaged.
- **Placemaking:** One of the primary goals of the strategy is to ensure that the culture sector is represented across those groups that are integral to York's place profile (these include capital development projects). We also hope to further develop York's sense of place and raise York's profile regionally by working more closely with cities in both West Yorkshire (including Kirklees, Calderdale, Bradford, Leeds, Wakefield) and the eastern side of North Yorkshire (including Selby, Malton, Scarborough).
- **Children and Young People:** We are supporting REACH, the Cultural Education Partnership, with the second round of their Bags of Creativity initiative, to provide bags to 2,000 disadvantaged children in the city as part of the York Festival of Ideas, supported by the University of York.
- **Talent Development:** Meetings between Make It York and representatives from York St John University and University of York have taken place to discuss the approach for the strategy. It is intended that Make It York will set up a workshop with key higher education partners to develop this approach further, with the anticipation that this might develop into a working group to lead on this priority.
- **Culture and Wellbeing:** see separate section below.
- **York's National and International Profile:** A UNESCO working group has been established, which includes representation from York Mediale, City of York Council, Make It York and the Guild of Media Arts. This has led to the creation of a new page on the UNESCO designation (on the Make It York website), as an early part of this work

and will lead to coordinated partner promotion of the designation as we develop further collateral together.

We are also working to further develop the online Culture Hub on the MIY website, which hosts the strategy and acts as a hub for the city's creative and cultural activity – we plan to include a separate web page for each of the Culture Strategy's six Key Priorities, sharing key info and progress on each area: [Culture Hub | Make It York](#).

Cultural Leaders Group update

MIY, CYC and the Cultural Leaders Group (CLG) have continued to meet on a monthly basis throughout early 2021. This open and continuous communication with the culture sector has allowed us to keep up-to-date on their situations (and concerns) in and out of lockdown.

Cultural Leaders Group Strategy Steering Group (CLGSSG) agreed at their April meeting, to press ahead with creating more adaptive format of the CLGSSG and CLG, to take the form of an Executive body and Forum - with anticipation that this will be in place within six months. This new format will feature a co-chair model, with a Cultural Leader as co-chair and MIY Head of Culture and Wellbeing as co-chair. Subsequent CLGSSG meetings over next six months will look at more detail regarding new model, and it will function as an interim body for this period.

MIY continue to 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.

Culture sector funding update

In April, DCMS published their figures for funding from: CRF2, BFI, National Heritage Lottery Fund and Repayable Finance. Here are the breakdown of the numbers for York and Yorkshire and the Humber:

- Cultural Recovery Fund 2 (Arts Council England):
 - York received £2,965,522 of the total £261,582,823 given out. Of the 297 local authorities that received funding, York ranked 17th (in terms of quantity of funding, not number of successful bids).
 - Yorkshire and the Humber received £19,958,923 of the total £261,582,823 given out. This was approximately 8% of the funding. Of the 11 regions that received funding, Yorkshire and the Humber ranked 6th (in terms of quantity of funding, not number of successful bids).
- National Heritage Lottery Fund:
 - York received £325,300 of the total £44,171,070 given out. Of the 201 local authorities that received funding, York was ranked 44th (in terms of quantity of funding, not number of successful bids).

- Yorkshire and the Humber received £4,238,900 of the total £44,171,070 given out. This was approximately 10% of the funding. Of the 9 regions that received funding, Yorkshire and the Humber ranked 6th (in terms of quantity of funding, not number of successful bids).

York did not receive funding through the BFI funding or the Repayable Finance.

The following were York-based (central and outer) recipients of CRF2 funding: National Centre for Early Music, York Archaeological Trust, York Theatre Royal, York Museums Trust, The Crescent, Performing Arts etc. Ltd., J-Night, MCR Music Ltd., National Association of Writers in Education, Society of Ticket Agents and Retailers.

The following York-based companies were recipients of the National Lottery Heritage Fund: York Minster, Central Methodist Church York, Council for British Archaeology.

Culture and Wellbeing

York's Cultural Commissioning Partnership (CCP) was reinstated during 2020, to coordinate and share information on work around culture and wellbeing in York, as well as raise the profile of the sector, and undertake joint funding bids to increase capacity to develop social prescribing projects together. This group Chair and Secretariat are by Make It York.

The Partnership submitted a joint bid to Arts Council England and the National Academy of Social Prescribing in January 2021, for their Thriving Communities Fund. Whilst the bid was ultimately unsuccessful (only 37 awards were made across the country), it showed how the Partnership could put together a cohesive, large-scale (£50k) application in a very short amount of time with the facilitation of Make It York. We are now looking at further options to adapt this bid and whether relevant to other trusts/ foundations funding sources.

The CCP now includes representation from City of York Council, Joseph Rowntree Housing Trust, Explore York, Converge (YSJU), Accessible Arts & Media, York Teaching Hospital NHS Foundation Trust, National Centre for Early Music, York @ Large, York Museums Trust, York Theatre Royal, Make It York, Tang Hall Big Local, Arts for Health, York CVS, Pilot Theatre and York Archaeological Trust.

As part of the launch of the Culture Strategy in December 2020, through the Better Care Fund, Make It York and City of York Council awarded funding of more than £10,000 to seven social and cultural initiatives across the city – with the aim of easing loneliness, isolation and mental ill-health. Make It York is currently working with these projects to create case studies about the work this funding has enabled, which we are sharing on the MIY website and socials, to promote and raise awareness of these projects. Make It York has also become a partner on Live Well York, to further promote cultural wellbeing through their website.

Events

Planning is underway for the Rugby League World Cup this November, and RLWC are working with all bodies and taking advice regarding covid-safety.

The events team is working alongside the commercial team to plan potential options for a summer of sport city centre offer, and to start planning for the 2021 York Christmas offer.

We are working closely with York BID and City of York Council to plan potential activity for Yorkshire Day on 1 August 2021, and this is currently in the discussion and planning stages between our teams.

We will be releasing the dates for Ice Trail 2022 shortly to members for their involvement, and planning for this event is ongoing internally between our teams.

We are working alongside Visit England to coordinate the Tourism Awards 2022, and anticipate that these will happen in late March – early April 2022.

Commercial and Revenue Generation

- VIC has now reopened (reduced hours/days). Positive results post lockdown – encouraging engagement with residents linked to public transport. Footfall dropped the second week post lockdown
- Shambles Market was fully reopened and food traders continued to report strong results. Other traders reported mixed results – largely linked to product portfolio and target market.
- Membership showed positive results with above average new membership take up. Regular evening events continued to be popular – over subscribed, positive feedback. Excellent showcase for members to promote and support one another.
- Positive feedback received on the role our team played in highlighting needs for grants.
- City centre pop up created to alleviate congestion in market.
- Additional seating provided following collaboration with BID/CYC - particularly pleasing feedback from major businesses and independents. Welcomed as a safe way to encourage shoppers/visitors back in to the city.
- Shambles market sponsor identified. Excellent way to promote the market as an intrinsic part of city centre.

Business, Network Innovation and Inward Investment

Key Account Management

During the period there were **40** virtual conversations with key accounts and as it was in 2020 there was a lot of conversations around Covid 19 support; including the furlough scheme, social distancing and preparations for getting staff back into the workplace.

COVID – 19 – A popular topic with companies especially the impact of the lockdown and the preparations for returning staff and the drive to ensure a socially distant workplace. There was also concern about the impending end to the furlough scheme and the impact this may have on redundancies. Brexit was also a popular topic in that some companies were still

struggling with the new paperwork. As we got into February some companies experienced import delays that affected their supply chains.

Innovation is still continuing to play a major role in companies big and small and many see it as a chance to enter new markets. As we got into March and April, business confidence increased largely due to the reopening roadmap where firms were able to plan for getting back to some sense of trading normality.

With much of the UK consumer services sector closed due to lockdown restrictions, sales in February/March remained markedly weaker than a year ago. Contacts in the travel and tourism industry reported a sharp pickup in domestic holiday bookings for the remainder of this year following the Government's announcement of plans to ease restrictions in the coming months.

Looking ahead, experts expect a gradual recovery in spending when currently closed companies are permitted to reopen, though demand could be tempered by consumer uncertainty about the economic outlook. Companies operating outdoor activities or venues were generally more optimistic about their near-term prospects than those operating in enclosed spaces. There is cautious optimism that conditions would stabilise from mid-2021, and a few expected a return to modest growth as the vaccination programme progresses and restrictions are loosened.

York Top 100 Companies

Make It York alongside The Press and York St John University, produced the York Top 100 Companies list 2021. The list, normally produced during Business Week in November, was delayed until April because of the Covid 19 delayed company reporting rules introduced during the pandemic. The raw data was collected at the end of January as the cut off point and the analysis carried out by York St John staff. The list was compiled by an algorithm looking at turnover, growth, profit and staff numbers.

The list showcased the city's biggest success stories with Pavers occupying the number one spot for the first time. The highest climber was Adva Optical, the One to Watch was the Vetpartners Group while LNER took the Newcomer of the Year award. Work is now ongoing to engage further with the companies on the list as part of the KAM initiative.

<https://www.makeityork.com/news-updates>

Business Support

Provided general business support via the Growth Managers to **93** businesses. Including but not limited to:

- A re-useable beeswax food wrap manufacturer is expanding. They are about to move to a larger unit and are looking at new machinery/kit, engineering solutions/manufacturing process, are taking on more staff and considering internships and apprenticeships.

- A marine business offering bunkering solutions and on-board ship blending systems, for the abatement of SOx, CO2 and NOx exhaust gas emissions is looking at developing relationships with Universities to attract talent and training and apprenticeships. They are looking for Capex funding for a new Water Treatment System and are looking to expand internationally.
- A security business is looking for training in team-leading and management, performance management, is looking at apprenticeships and internships and would like support with their business growth through coaching and mentoring.
- A lighting manufacturing company
- A Video production company
- A company supplying industrial equipment

Delivered **7** Connect over Coffee virtual business support events attracting approximately **123** delegates. Topics included but not limited to:

- Brand Collaboration Workshop – Holly Davies, Yorkshire Brand Stories
- SEO – How to wow with you content – Helen Reynolds, Ink Gardener Copywriting
- Winning public sector contracts - Sarah Dixon, Development Manager at Bid for Success
- Managing Stress to Improve Performance - Emme Langton
- Help to take on new talent - Marianne Hewitt, Business Partnership Adviser – Skills for Growth & Bob Watmore, City of York Council.

Growth Managers Observations

- There has been a noticeable increase in businesses wanting start-up support especially those business that trade B2C. The Ad;venture program only support B2B start ups so supporting these start-ups is proving challenging with the current level of resource. We are working closely with YNY LEP to help with this.
- The lack of capital grants is becoming a concern as businesses are no longer able to get any support with premises/unit fitout. The Business Growth Program administered through the Leeds City Region has been a big help for businesses in the past and helped to create jobs over the years.
- Some food outlets that want to supply more wholesale or B2B – butchers and cafes. Businesses are realising how important it is to have more than one route to market.
- Still seeing marketing as a business need – many don't have a strategy, time, and find it difficult or don't know how to do it and they are not always promoting themselves to the max.
- Spoken to a few businesses in the last week that are doing well – increased t/o and taking on more staff – they seem to be manufacturers, food related and ed tech or tech related.

Case Study - We Drifters - Make It York – a great example of York business support working together. We Drifters has landed in York and was supported by Christine Hogan, Ad:venture is supporting them as they are a fairly new business and they wanted help expanding to B2B, and Brian supported with initial retail advice.

Inward Investment

Handled **11** Inward investment enquiries for the period, including but not limited to:

- Engineering business looking for 4-6 hectares on which to locate a stone-crushing plant.
- London-based digital finance business looking for talent and flexible space.
- Activity leisure and start-up space provider looking for a site in York.

Indigenous Investments

Handled **29** indigenous investment enquiries for the period, including but not limited to:

- Expanding digital electronics business looking for co-working space to bring back workforce to office p/t.
- Start-up looking for city centre space in which to open a jazz club.
- Engineering company looking for industrial space to expand.
- Plant-based chocolatier looking for workshop and sales space.
- Logistic company looking for depot to expand. A planning application has been submitted and the company has committed to a £12M investment creating an additional 200 jobs in the city.
- Bosch subsidiary, ETAS Centre of Excellence for Embedded Software development, will be expanding in York. ETAS Ltd specialises in solutions to develop embedded systems for the automotive industry. Its newly expanded centre will develop the technology to support future generations of advanced autonomous and highly automated driving.

Foreign Direct Investment

Handled **6** Foreign investment enquiries for the period including but not limited to:

- Canadian business recycling horse waste - referred to stables in Malton.
- US carbon fibre manufacturer looking for 5 hectares to include building and parking for 40+ cars.
- Immersive tech business interested in relocating the business to UK, particularly interested in York owing to heritage sites and R&D activity.
- Indian-based company looking to set up a highly automated hydroponics business in the UK.

Ongoing work to build and maintain a rapid response team across the city and beyond. New relationships in relation to skills (LCR LEP), travel (iTravel York), biotech sector (BioVale).

There is ongoing work to develop pages on 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.

The Business Team are attending regular meetings with CYC Economic Development Team as well as the Business Support Team from the YNY LEP. Meeting to make introductions where relevant and to improve the working relationship between LEP and MIY business team.

HR and Operations

Staffing

There continues to be emphasis on realigning roles and reviewing assignment of projects, but any major changes are on hold until the SLA is agreed.

An employee who has been shielding since last March will be returning to work to provide weekend cover in Shambles Market from 15/16 May.

Recruitment

Recruitment for the new position of Shambles Market Manager took place at the end of March. The first-round interviews were conducted by MIY and representatives from the YMTF conducted second round interviews. The number of applications was disappointing and none of the applicants were successful. The vacancy has been re-advertised with first round interviews scheduled for 18 May. The YMTF will once again be involved in the interview process.

The key requirements for the new MD position will be agreed between MIY, CYC and stakeholders once the SLA is signed off.

Resignations

Sean Bullick the Managing Director, left the business on 28 March.

The Creative & Cultural Development Manager has resigned to take up a position at York St John University. The job description is being finalised so recruitment can start on a replacement.

Furlough

The furlough claim for April and future months will be reduced as a result of lockdown easing for non-essential businesses. Shambles Market reopened to all traders on 12 April and has been fully staffed 7 days a week since. The Visitor Information Centre reopened on 16 April and is gradually increasing its opening hours in response to footfall and demand.

Premises

Ongoing costs of occupation of the Museum Street building were presented at the 13 April Board meeting. Directors were supportive of the need to reduce costs by investigating alternative premises for the office staff, but were keen that a physical Visitor Information Centre was not lost. Museum Street cannot be vacated until the VIC is re-sited and various options are being reviewed.

In the short term, the office space at Museum Street will be modified to be COVID safe and to give staff access work and meeting space from June 21 (latest advice). This will be on a hot desk booking model and we will look to develop a more defined agile working environment.

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Make It York

Quarterly Narrative Report

May – July 2021

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Introduction

This report covers the period May – July 2021.

The report has been produced with input from the Senior Management Team following the departure of the Managing Director from Make It York in March 2021.

Greg Dyke has chaired a Senior Management Team meeting on a weekly basis and will continue to do so until a new MD is in post.

While we are all very aware of current challenges, the future for York remains very bright and the opportunities for 2021, including those around the York Central development, the green economy and the current government's levelling-up agenda remain very significant.

HR and Operations

Recruitment

- Recruitment for the Managing Director post is well underway, with interviews scheduled for early September.
- Interviews for the replacement Digital Marketing Executive post took place on the 30th July.
- We have appointed a freelance Events Manager to provide maternity leave cover from 31 August.
- An experienced Market Manager will start in this new role on 13 September.
- A temp with sales experience has been hired to cover the recently vacated Sponsorship and Advertising Sales Executive position.

Premises

- Subsequent to an H&S review, a phased return to the Museum Street office started on the 2nd August. This will be on a hybrid office/homeworking basis with a limited number of hot desks available for pre-booking.

We are continuing to evaluate the economics of alternative premises to Museum Street. The future of the VIC is the key element in consideration as office staff could move to cheaper serviced offices almost immediately.

Marketing and Communications

Leisure Marketing

Tourism Advisory Board

Coordinated by MIY, Tourism Advisory Board (TAB) meetings continue to take place on a monthly basis to ensure we're meeting the needs of the sector and taking into account feedback from all relevant stakeholders as we evaluate and plan our leisure marketing campaigns. Minutes from all 2021 TAB meetings can be provided if further information is required on specific content, discussions and attendees.

Recovery Strategy Campaign

Our tourism recovery strategy campaign ran from 17th May through until 11th July.

The aim of this was to promote the city as a staycation destination and to complement the safe reopening of the city. This campaign was run in partnership with CYC and, as you'll be aware from previous updates, used the council's recovery strategy budget that was originally planned to be spent between July and December 2020 but, due to various national and regional lockdowns and pauses in activity, we ended up carrying forwards a budget of £61k into this year.

In a nutshell, the activity included a new 30 second TV advert, an 8-week broadcast TV campaign on channel 4, a new 'good to go' safety video produced in conjunction with Welcome to Yorkshire, a new printed 'Summer Guide' to the city and paid social media activity... the overall aim here being to increase visitor spend and to inspire people to choose York as their summer break destination.

TV Activity

We invested £50k of the recovery budget in a TV campaign with Channel 4, which was also match-funded by Channel 4 through their greenhouse fund for new advertisers, thereby giving us £100k media spend and a really strong campaign. The match-funding was particularly attractive in choosing Channel 4 for this campaign as it delivered significantly better coverage than we could have achieved with any other media. We targeted an ABC1 45+ audience travelling without kids to try and bolster midweek stays as previous sector feedback told us that midweek visitation would be the major challenge this year without any international tourism and a weakened group travel sector. This is also a further reason why the Channel 4 programming was a particularly good fit.

To remind you on the detail, we bought linear (live) TV spots on two of Channel 4's macro regions for a 2-month campaign: The North with a total of 6,460,000 ABC1 adults and the Midlands with a total of 3,765,000 ABC1 adults. There are twice as many adults in both regions (almost 20million combined) but our TV spots only appeared in shows that were

watched by a majority of upmarket ABC1 adults. We also bought VOD (video on demand) in the London region, so £10k match funded to £20k, on All4 and targeting the same ABC1 upmarket shows in the London region. The campaign delivered an OTS (opportunity to see) of 3.3, meaning it was seen that many times on average. Overall the campaign delivered close to 9 million impacts in total.

Looking at further campaign analysis, the campaign over delivered by £15k of real value, so for the £50k spend we received £115k of genuine media value across the Channel 4 North and Midlands Macros and All4 through the London area.

We also added a couple of questions relating to the TV advert to our June visitor survey, with 24% of people claiming to have seen it.

'Good to Go' Safety Video

Running alongside the TV advert and campaign, we worked with CYC and the Welcome to Yorkshire digital team on a 'we're good to go' safety standard video. This now sits within the Love York hub on the VY website, as well as being used in social media posts between 10th May and 11th July. The purpose of this video was to inspire confidence in visitors to return to York across all our channels. The premise was that the video focused on the city preparing and getting ready to fully reopen and showcased all the safety measures we have in place.

#Love York Summer guide

An A5, 36-page 'Love York Summer Guide' was distributed from May onwards, with 50,000 copies zooming around Yorkshire and slightly beyond with NPD, Take One Media and Info Display, as well as through our own Visitor Information Centre. An online version is also available and is being promoted across our website and social media channels. This year's summer guide is in lieu of the traditional 'mini guide' and 'visitor guide' that we produce in a 'normal' year and we're aiming for these to return in 2022.

Paid Social Media Activity

Kicking off from 17th May, we used the TV advert and 'Good to go' videos across our social channels and allocated £2.5k from the recovery strategy budget to significantly boost the reach of these (across the same geographic regions as the TV campaign).

To give you an idea of what we're achieving organically across our VY social media channels, for April we achieved over 1.2 million impressions, meaning this many people have seen our content. To put that figure into context, the 2019 pre-pandemic impressions figure for April was 809,000, so we're already seeing strong interest and a 48% increase over the same month two years ago. This 1.2 million reach would equal roughly a £36k spend if we were paying to promote our content and we're hoping to continue to grow this over the coming months.

Between May and July 2021, the Visit York website was visited by 323,378 users, an 8.7% increase on previous all-time-high figures from 2019, and pages on the website were viewed 1.05 million times. Visit York social media channels received 4.3 million impressions, 163,973 engagements and gained 2,187 new followers with all metrics exceeding previous records during the same time period in previous years.

The new Visit York website also launched on the 15th of June and has already had 201,719 users visiting the site, a 5% increase on the previous record numbers from the same time period in 2019. The new website has an improved design and greater functionality to showcase the city's activities, events and the wide range of Visit York member businesses to over 115,000 online visitors to the platform each month.

Summer of Sport

You'll have seen that we launched our summer of sport campaign on Friday 9th July, with activities taking place through until early September.

This is supported by online and social media with a hub at <https://www.visitYork.org/summer>

This is a collaboration between Make It York, Thor's Tipi and First Bus York, with activity that includes an interactive sporty sculpture trail, pop-up tipi bars, urban running routes, free yoga classes and outdoor ping pong tables.

Our new 'summer of sport' activity leaflet and map was ready in time for the event launch on 9th July and we've produced 15,000 copies.

Six interactive sports-themed sculptures have been installed across the city centre offering photo opportunities for residents and visitors to get involved in. From celebrating on a winner's podium and driving a racing car, to posing with weights, the trail aims to get people moving around the city to enjoy the installations and share pictures on social media using #SummerinYork. Trail sponsors include York BID, Middletons Hotel, First Bus York, York City Knights and St Peter's York.

Until September 5, a pop-up Thor's Tipi bar is on Parliament Street offering a range of tropical-inspired drinks, cosy evenings around fire pits, and weekend DJ sets. Thor's is also joined on Parliament Street by a variety of York-based food vendors – including Yuzu Street Food, KREP, Shambles Kitchen, Sloppy's Burgers, Stam & Maria and The York Roast Co.

The colourful new outdoor seating will also remain across the city.

Outdoor ping-ping tables sponsored by Jorvik Viking Centre are located on Parliament Street, which residents and visitors can use for free and free yoga classes will also take place in Thor's tipi each week in partnership with Emperor's Gym. Kicking off from July 14, the classes will run each Wednesday (7.30AM -8.30AM) and Friday (8.30AM - 09.30AM) with pre-booking required by email to leisure@middletonsyork.co.uk. For runners, two urban running routes have been devised in partnership with York Knavesmire Harriers.

Summer Days Out Campaign with York Park & Ride

We're working closely with First Group on a Yorkshire-wide days out campaign that is encouraging families to use the park & ride scheme to enjoy the city throughout the summer holidays.

The focus here is on exploring 'hidden gems' in the city rather than well-known attractions and venues and includes activity with Capital FM Yorkshire, VOD with ITV, YouTube and podcast advertising and paid social across the VY channels.

Adam & Jojo from the Capital FM breakfast show filmed in York earlier this year and we are running an on air and on online competition to win £1,000 for a day out in York.

Plus launching on Monday 9 Aug, a new 30 sec clip for Video on demand with ITV hub and a new 15 sec clip for Youtube advertising targeting Yorkshire families with a little help from Polly at Little Vikings and her family. See video [here](#).

Brand new hub page for this at <https://www.visitork.org/summer/summerdaysout>

This campaign is being funded by an £85k partnership with First Bus.

LNER Autumn campaign

Planning in a national campaign (to begin in September) with LNER, targeting London and the South East for short break takers and to promote both Haunted York and Christmas, targeting go getters and empty nesters. Looking at a mix of Capital FM, Classic FM, digital and outdoor media.

Halloween

Launching in mid-to-late September, we're looking to run a month-long 'Haunted York' campaign from 1-31 October 2021.

We're formulating this into an activity plan which will also support the current city of York drive for Purple Flag status and York's evening economy.

In previous years our Haunted campaign has run for a period of two weeks to cover the school half-term, however by extending this to cover the whole of October we feel that we can hit two distinct audiences.

Regional family and pre-nester focus targeting Yorkshire, the North East and North West. We will look to target pre-nesters from mid-September onwards and families in the run up to during the weeks when the school holidays are taking place.

New photography

We've worked with Ravage Productions on new imagery to use across the new VY website and other digital and publication use and we're also now working with Milner Creative for new Shambles market imagery and a new series of 'farm to fork' videos showcasing the market as a hub for local produce.

Business Marketing

Business tourism highlights

Business tourism activity has focused around positive messaging that York is ready to safely welcome delegates for business events when the time is right:

- We are working with event organisers who have postponed events since March 2020 to support rescheduling these if/when they can. A few have committed to new dates, but most are still uncertain and subject to confirmation.
- We have been promoting newly-opened venues such Sandburn Hall hotel and Malmaison, sharing enticing new product with a conference audience to encourage a return to York to enjoy the enhanced events offer in the city.
- We are supporting the Liberal Democrats again with their planning for the Spring Conference 2022, and coordinating dates and spaces for the 2023/24 events too.
- The Visit Britain Domestic Events fund is an opportunity for not-for-profit organisations to apply for funding to support events happening before the end of the year, so we've been sharing this with eligible clients.
- We have continued to host sales managers' meetings every 4-6 weeks, gathering vital intelligence from member venues about returning business, customer confidence and ongoing challenges for the sector. These meetings have also been an opportunity to encourage members to provide ongoing business intelligence to the Meetings Industry Association (MIA) to feed into research shared with DCMS.
- Engagement with the refreshed Visit York business tourism channel on LinkedIn is increasing, followed targeted invitations to relevant contacts to follow these updates, and our bi-monthly e-news to our conference mailing list shares similar content.
- Meetings with key venues as more colleagues have returned from furlough.

Business support highlights

- Ongoing updating of content on makeityork.com, in particular signposting around changes to covid-related support, current grants and lockdown restrictions as well as training/apprenticeships content.
- Provided 350 words for Commercial Property Monthly for their Yorkshire and North East feature.

- Worked on the York Business Week survey to gather feedback to help shape content for this year's programme.
- We continue to gather examples of York's achievements, innovations and pioneers to be jointly used to promote the city and its sector strengths in future inward investment activity and in business tourism activity showcasing York as a conference destination as appropriate.
- The previously mentioned MIY feature in the Little Vikings 'Moving to York' guide for families will not be included in the publication, reflecting the changes regarding business support provision. Similarly, work on the Living in York guide has also been paused.

Digital & Social Media

Make It York

Between May and July 2021, the Make It York website had 13,428 page views, an increase of 10% compared the same period last year and was visited by 5,915 users, an increase of 29.6% compared to the same period last year. Relevant business content has been continually updated by the team to signpost businesses to the correct resources and the 'Meet the Team' page was the most viewed page on the site during this period after the home page. Meanwhile, social media coverage on MIY platforms resulted in 151,678 impressions and 3,250 engagements, while gaining 311 new followers across all social media channels.

Visit York

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A global hub for displaying York's tourism offer, the new website was developed by our team at Make It York together with the web development supplier DestinationCore and supported by the Visit England grant funding.

- New modern design with greater functionality
- Visually impactful and intuitive experience for both member businesses and leisure visitors
- More dynamic and interactive content for popular hub pages like the #LoveYork hub
- More dynamic and user-friendly interface of the site's mobile version

- Improved user journey contributing to higher engagement
- New login system for members - offering a more advanced and easier way to edit product pages, events and offers
- Integration with the TXGB booking system
- Interactive itinerary building functionality, allowing users to share their itineraries online

PR & Communications

Period from 1 May 2021 to 31 July 2021

- Total news volume: 143
- Total news reach: 4.84 million
- Total news value: £543,485

National coverage in The Sun (print & online) plus The Sun Scotland, iNews, The Sunday Times, The Daily Star Online, Travel Weekly, Boundless Magazine, TopicUK, MSN.

Local and regional coverage in York Press, YorkMix, Yorkshire Post, Yorkshire Live, Sheffield Star, Your Local Link, Lancashire Times, Yorkshire Times,

Broadcast included BBC Radio York, YorkMix Radio and Greatest Hits Radio.

Coverage themes: York as a staycation destination, Summer Of Sport campaign, Rugby League World Cup 2021, Youth Traders market competition at Shambles Market, Yorkshire Day celebrations, Cultural Grants, PAPI and MIY Business Grant event, new Visityork.org website, Christmas Markets and York's covid recovery.

Fifteen press trips organised/supported including: The Sun, Express, OK!, Woman, LA Times, Daily Star, Bradt Guide, BRITAIN Magazine, The Telegraph and influencers such as 'The Cutlery Chronicles', 'Mummy Travels' and 'Londoner'. These cover a mix of proactive invites to media and reactive requests.

Culture and Wellbeing

York Culture Strategy update

The culture, wellbeing and events team have produced an action plan for the strategy, which takes the form of a RAG report with key actions to achieve the outcomes/ recommendations within the strategy and a quarterly reporting framework. This has been shared with the Cultural Leaders Group Strategy Steering Group and Cultural Leaders Group to gain their feedback. Following this, we have created a shared drive space where CLG members can input projects/ updates to be included in the Culture Strategy RAG quarterly reporting.

The progress across each Key Priority for the strategy for the second quarter has included:

- **Engagement:** Working on the research phase around engagement, inclusion and equality, to learn more about the current practices of organisations both within York as well as further afield (including the approach taken by large, national organisations). Planned conversations with York Travellers Trust and Joseph Rowntree Foundation.
- **Placemaking:** Ensuring culture is taken into consideration in placemaking conversations – MIY staff now sit on the Castle Gateway Advisory group, My City Centre, CYC Vacant Premises group. Meetings have also taken place with the creative sector on creative-led workspace in York, and initial design meeting with CLG members to produce proposal on key role culture can play in the York Central development. Also, ongoing conversations with regional culture contacts, including on the forthcoming North Yorkshire Culture Strategy and synergies with this.
- **Children and Young People:** MIY are supporting REACH, the Cultural Education Partnership, and have created a web page for them to showcase cultural and creative activity for children and young people in York, on the Culture hub of the MIY website, as they do not have their own website.
- **Talent Development:** MIY is giving support in kind to SLAP (Social Live Art Performance), who are planning to develop an Incubation and Artist Development project for emerging artists that create 'Live' work and are based in York, supporting them to develop their artistic practise and business knowledge. Now the new Cultural Development Manager has started (in late July), we will also set up a workshop with key higher education partners, with the anticipation that this might develop into a working group to lead on this priority.
- **Culture and Wellbeing:** see separate section below.
- **York's National and International Profile:** The UNESCO working group of York Mediale, City of York Council, Make It York and the Guild of Media Arts, continues to meet on a regular basis. MIY is working to create partner packs to raise profile and

awareness of the designation. MIY contributed to a range of case studies on creative initiatives in York, which was submitted by the Guild of Media Arts to the UNESCO Creative Cities Network, for their forthcoming Creative Cities publication. MIY is also taking part in forthcoming meetings to restart conversations about plans for a potential event in 2022, to celebrate the city's significant anniversaries next year.

We are also working to further develop the online Culture Hub on the MIY website, which hosts the strategy and acts as a hub for the city's creative and cultural activity – we plan to include a separate web page for each of the Culture Strategy's six Key Priorities, sharing key info and progress on each area.

Cultural Leaders Group update

The Cultural Leaders Group (CLG) have continued to meet on a monthly basis throughout 2021. This open and continuous communication with the culture sector has allowed us to keep up-to-date on their situations, facilitate collaboration, as well as inviting guest speakers to present.

Recent guests include Olivia Chatten, Master of the Guild of Media Arts and Business Development Manager at York Science Park, to present on the Guildhall development plans, and Rachel Cowgill, Prof. of Music at University of York and Research Theme Champion for Creativity, to discuss her role. At our most recent meeting, we also discussed the role of culture in York Central, and this has led to a forthcoming workshop where members of the CLG will work together to co-create a proposal for the key role of culture in the development, to share with the York Central Strategic Board.

The Cultural Leaders Group Strategy Steering Group (CLGSSG) continue to meet on a monthly basis to develop and refine plans to create an open and inclusive Culture Forum and Culture Executive, in place of the current CLG and CLGSSG structure, as a key recommendation of the Culture Strategy. We are well on the way to developing a Terms of Reference for the new Exec and Forum, which describes how these will function and key processes and responsibilities of each. Following our most recent meeting (29/06) MIY will edit the ToR with latest feedback and also look to produce a Person Specification for members of the new Exec. We anticipate sharing these papers with the broader CLG in the autumn for their input and feedback, before we then look to launch the Forum.

MIY continue to 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.

Culture and Wellbeing

Through the Better Care Fund, MIY and CYC awarded over £12,000 to seven social and cultural initiatives across the city, for projects running from December 2020 – March 2021. Since their completion, MIY has been working with the projects, from music and art through to dance and storytelling, to create a series of case studies about the work this funding has enabled. The case studies can be read here (links at bottom of article): [New Cultural Wellbeing Grants Awarded to Seven Local Community Projects \(makeityork.com\)](#)

It is our plan to create a Culture and Wellbeing page on the Culture hub of the MIY website, where these case studies and cultural wellbeing initiatives in the city more broadly will be shared. This resource (and the case study work already done) will act as a qualitative evaluation measure to capture the impact of the projects in the charity/ social enterprises and participants own words, in line with the recommendation for Cultural and Wellbeing evaluation in the Culture Strategy. We have discussed this model of evaluation with CYC and Converge, who have done significant work in this area.

City of York Council has confirmed that the Better Care Fund will provide funding for 2021, which means we will be able to run the cultural commissioning grants programme again this year, to support resident wellbeing through arts, culture and heritage activity. York CVS, Make It York and City of York Council are collaborating on this year's funding process, bringing together two funding streams made available by the Better Care Fund, of a total £50,000, so organisations can now be considered for both via one simple application process. Organisations are being invited to apply for grants of up to £5000 to support initiatives that boost mental and physical wellbeing across the city and reduce isolation through cultural and social engagement. We anticipate that successful applicants will be notified by late August.

York's Cultural Commissioning Partnership (CCP) meetings are ongoing on a monthly basis, to coordinate and share information on work around culture and wellbeing in York, as well as raise the profile of the sector, and undertake joint funding bids to increase capacity to develop social prescribing projects together. This group Chair and Secretariat are by Make It York.

Events

2021 has seen a cancellation/postponing of all events from January - July* due to COVID restrictions and lockdowns.

Make It York worked with City of York Council and York BID to deliver a range of seating across the city to encourage residents to visit the city centre and the use of outdoor spaces with social distancing thereby enabling city centre hospitality businesses to operate from April - June.

From late June, Make It York have worked with a range of local businesses, partner organisations and community groups to deliver a '**Summer of Sport**', offering a range of physical activities and additional seating areas for residents and visitors. Taking inspiration from the sporting events across the summer (Wimbledon, Euros, Olympics and later in the year, Rugby League World Cup – *nb, now postponed to 2022*), the offer includes a sports themed sculpture trail, vintage carousel, pop up cafe/bars in Parliament St and Tower Gardens, urban walking and running routes, ping pong and free yoga classes. There will also be a number of activations throughout the summer, including York community sports clubs and a new pop-up 'Festival of Archaeology' on August bank holiday.

For **Yorkshire Day**, we developed a programme of activity from 30 July - 1 August, in collaboration with City of York Council, the Civic team, York BID, and the Yorkshire Society, to create a cohesive, celebratory atmosphere in the city centre and raise the profile of the event. This included dressing the city with white rose bunting, Yorkshire deckchairs, giant TV screens showing archived footage of York and fun family movies in St. Sampson's Square and Tower Gardens, Yorkshire themed food stalls, selfie opportunities, window dressing, as well a high-profile marketing campaign across our channels, and opportunities for PR.

This summer-long programme will ensure a vibrant and animated city centre whilst supporting local businesses to encourage residents and visitors to enjoy York's attractions, retail and hospitality offer.

Plans are in place to programme events for the rest of the year, government restrictions pending, including: Festival of Food & Drink (September), family friendly Halloween themed events (October), the Christmas Market (November/December), York Design Week (October) and Aesthetica Short Film Festival (November).

We have now released the dates for Ice Trail 2022, which will take place on the weekend of 5 – 6 February: planning for this event is ongoing internally between our teams.

We are working alongside Visit England to coordinate the Tourism Awards 2022, and anticipate that these will happen in late March – early April 2022.

*with the exception of Festival of Ideas which delivered a mainly digital programme

Commercial and Revenue Generation

Membership

There is a 70% retention rate to date and all members have paid their membership fees. During 2021-22 we have acquired 45 new members to date, making a total of 640 members and we are averaging 3 member events each month. Face to face events will be starting again when restrictions are lifted, but forums will remain online.

Members are positive about the new website and we continue to work on members page set ups.

Training member events that have been held include:

- Website Copy
- B2B members Forum
- New restaurant launch

City Centre

- THORS TIPI and Street Food Village offering opened on Parliament Street on the 21st June
- YO1 Beach Café / Club opened on the 24th June and will run until Sunday 5th September. It will open daily between 10am and 7pm and is located in Tower Gardens
- The Summer of Sport marketing campaign launched on the 9th July, showcasing sport activations around the City including a Sport Sculpture trail, ping pong tables and free yoga classes
- Yorkshire Day plans took place during the first weekend in August
- Rugby League World Cup – 100 days to go events are scheduled for late July and August (this has since been postponed to 2022)
- Shambles Market Sponsorship has been confirmed and we are planning to release a partnership piece at the end of August. MIY will work closely with them around branding opportunities in the market including signage, parasols and stall boards
- The Young Traders Event held in Shambles Market went well. It was held on Tuesday 29th June and is a good feeder for the Market sponsor

Sponsorship and Publications

Ice Trail sponsorship opportunities have been communicated to members and confirmations are starting to come in. The Commercial team will focus on this event during August and September

Promotion of the **Christmas Guide** has started and there is significant interest.

The team are starting conversations with previous print advertisers regarding the requirement and formatting of the next **Visitor Guide**. We are looking at possible changes in format along with print numbers.

Visitor Information Centre (VIC)

Full time opening hours resumed on 1st July. The VIC team are spending considerable time assisting visitors with pre booking of attraction tickets. Footfall and income are steadily increasing. Online pre-booking has impacted both York Pass and attraction ticket sales in the VIC.

Average daily footfall can be between 250 – 687 per day vs an average 1200 – 1400 per day in June 2019.

The Grand Central Lego train has now returned to GC Head Office freeing up a considerable area for both merchandise and a new desk area enabling a staff member to cover an area of the VIC previously unmanned. This should provide opportunities for more customer engagement in terms of merchandise.

A new stock line; Eboracum candles with a price point a little higher than average has been well received with sales on the first day. In addition, we have extended our range of Staves art prints. Better resident engagement would help to grow quality merchandise sales. We are continuing to clear old product ranges.

York Pass

- Online sales are going well with June being 100% over budget. However, VIC YP sales are struggling due to pre booking conditions. Trade sales are performing beyond expectation due to Online Travel Agents' targeting of the UK domestic market rather than the international market
- Reduced attraction line up with a focus on city centre attractions in 2021
- An ongoing challenge is that attractions are asking for more than 50% due to continued low-capacity post covid and a number of contracts are still to be finalised

Business, Network Innovation and Inward Investment

Key Account Management

During the 3-month period there were 21 virtual conversations with key accounts. The conversation over the last couple of months have mostly been about the difficulty recruiting staff, and the impending reduction in furlough support from those companies that have staff on furlough. The government's roadmap out of lockdown was also a topic of conversation.

COVID – 19 – During May, most firms were optimistic about the upcoming months as the positive vaccine rollout continued to instill confidence in the business community. Some sectors were doing better than others with the consumer services, public transport and hospitality sectors lagging behind the likes of the construction sector. During June, companies were disappointed about the delay in moving out of lockdown but also recognise that public health comes first. That being the case, the impact of the 4-week delay will hit the hospitality and leisure sector even though some have been trading at a reduced capacity. July saw further relaxation of covid restrictions, but businesses are still cautious especially with the sustained rise of the delta variant. Contacts reported robust retail sales, in particular for household goods and DIY products, supported by strong housing market and home-improvement activity.

According to the Bank of England, spending on hospitality and leisure continued to strengthen as social distancing restrictions were relaxed around the UK. Contacts reported robust bookings at most hotels, self-catering accommodation, and visitor attractions, partly due to restrictions on foreign travel. Restaurants, bars and personal care services, such as hairdressers and salons, also reported strong demand. However, many contacts reported staff shortages, which in some cases was constraining activity.

Contacts in accountancy, legal and consultancy continued to report good levels of demand, as did companies in IT. Recruitment activity was reported to have increased to pre-pandemic levels, partly due to shortages of temporary workers. By contrast, activity relating to business travel, corporate hospitality and events remained subdued. Labour shortages were said to be limiting growth in some sectors, such as logistics.

Manufacturing output was supported by strong demand for food, beverages and construction-related products. However, activity growth was constrained by shortages of materials and labour. And contacts in some sectors reported stockpiling materials and components in anticipation of continued supply-chain disruption. Contacts said they were adapting to the new arrangements for trading with the EU.

Demand for bank credit from some small and medium-sized enterprises, centred around asset finance to support investment. Supply-chain issues led to a rise in demand for working capital finance. Bank credit was readily available in stable and growing sectors, though some smaller businesses and those in sectors that have been most affected by the pandemic continued to report tight credit availability.

The city has seen over 43 commercial properties change ownership in the last 12 months to June 2021 with the office and retail sector making up the bulk of these. Of the 20 different transactions, the ten where the purchase price is known represents an investment of £14.6m. (this does not include the recent Helmsley Group purchase of units on Coney Street). The buyer make up includes 8% by the new user, 35% by institutions and 57% by private investors.

There is a lot of ongoing conversations around office space and usage going forward. Most companies are looking to maintain their current space but planning to use it differently with a mixture of remote and office working, using the space for teams to meet up one or two days per week. Some have surveyed their staff, and this was the most favoured way forward. Others are considering subletting parts of the office to other companies that are looking for informal city centre working space for small teams. The good news is we have not seen any evidence of mass exodus of city based office workers.

Demand for industrial property on the on the outskirts of the city continue to be strong with several units being developed speculatively, while there is significant available office space in the city centre for the first time in a while. This is mainly due to new developments like Hudson Quarter and the Toft Green developments.

Innovation is still continuing to play a major role in companies big and small and many see it as a chance to enter new markets. This has not changed in the last few months and businesses expect to continue to review products and assets with a view to mutually beneficial collaborations.

Nationally, rent collection figures 60 days after due date reveal that commercial tenants in the UK have paid 70% of all rents due at the 60-day mark. March quarter day, down -4% from the same point in the previous December quarter. While this marks a rise of 49% on the level of rent collected on the due date of 25 March, it remains lower than the equivalent period in the preceding two quarters. These are national figures but likely to closely reflect York's position.

Looking ahead, Britain is set for a "sharp snap back" in spending by shoppers as restrictions ease, according to experts at Deloitte. The firm found "going to a shop" topped the list of leisure activities people are most likely to do after lockdown. Separate research suggested that the UK's economy will grow at its fastest rate on record this year, helped by the rebound in consumer spending. The forecasting body has upgraded its 2021 growth forecast from 5% to 6.8%, which would mark the fastest rate seen since Office for National Statistics (ONS) records began. There is cautious optimism that conditions would stabilise in the coming months, and a few expected a return to modest growth as the vaccination programme progresses into the summer.

Top 100 Club - Having conversations with York St John University about establishing the Top 100 Executive Club. A networking group created from the York Top 100 list of companies. WE are exploring what added value we can add to the club with special incentives from the University. There is also the potential to arrange networking groups with Top 100 from other areas. There is the potential to do this by sector or non-competing sectors to encourage collaboration.

Business Support

In the last quarter, MIY has provided general business support via the Growth Managers to 122 businesses, including but not limited to:

- A re-useable beeswax food wrap manufacturer is expanding. They are about to move to a larger unit and are looking at new machinery/kit, engineering solutions /manufacturing process, are taking on more staff and considering internships and apprenticeships. To follow on from this, the Growth Managers have managed to secure a PAPI grant of £20,000 to assist the company, securing equipment and further innovation
- A QSPM business that specialises in care homes confirmed that they are as busy as they have ever been and there is high demand for care beds. They are seeking extra staff and hoping to develop closer relationships with universities.
- Working with a marketing business who are offering a new all-in-one marketing hub for small businesses which connect businesses looking for marketing help with providers. The business is just about to go live with their website and would like 100 users to test it, so that they can refine their offer.
- A natural health supplement manufacturer and retailer is experiencing server problems with the EU Transition, they are looking at setting up a hub in Ireland to help with this. Referred the company to DIT and they are now receiving intensive help.
- Supported a production company to access a £6.5k Digital Enterprise grant
- The Growth Managers have also supported a further education skills consultancy/provision to receive a £50k capital investment from BEF via Investment Readiness. They have signed new contracts with various institutions across USA and Australia.
- Other support included an SEO Agency, a recording studio, a landlord of a business park and a couple of tech businesses.

We delivered 6 Connect over Coffee virtual business support events attracting approximately 81 delegates. The concept has proved to be very effective and colleagues from neighbouring local authorities are asking for help and advice to do something similar in their area.

Recent topics included but not limited to:

- All about the networking! This meeting focused on making connections, so the businesses had the opportunity to take part in a lot more Zoom breakout rooms than usual.
- How the City of York Council sources contractors and suppliers, including tendering processes and an opportunity to give comments and views on how it can be improved. Phill Monk, Commercial Procurement Team, City of York Council.
- How to create a consistent pipeline of new opportunities? Jo Eckersley, NBD Rocks!
- GDPR Essentials – What businesses need to know, Samantha Dunwell Dunwell Data Protection – 14 delegates attended

Connect Over Coffee customer quotes:

“Excellent networking, one of my two favourites to attend” *Hannah Swierstra, Balance VA Services*

“I really love Connect over Coffee - thank you for organising it and for creating such a positive, supportive space for York business owners to meet” *Lucy Pembayun, LEaF Translations*

“I really enjoy them, well run, slick and great business opportunities. Thank you, Louise, for running them” *Rebecca Mason, The Social Media Tree*

Further Support

Funders Roadshow - Led by Brian and Louise, over 40 businesses attended on 10th June. The event featured presentations by PAPI plus 15 funders/skills providers. The Growth Managers are now directly working with 5 new leads from the roadshow - PAPI have picked up 5 leads and 4 funders have had continued contact with businesses. A great result for everyone involved.

Growth Managers met with the Good Business Charter and helped to raise awareness and introduced LEP colleagues.

Both Growth Managers are giving CYC support on the criteria and potential voucher scheme distribution for the £1.2m ARG fund.

Growth Managers Observations

We are still seeing a high demand for jobs and interest in internships, kickstart and apprenticeships and developing close working relationships with Universities. Companies in a number of sectors reported temporary, but material, staffing issues as a result of employees being required to self-isolate.

The creative and digital networks exist but are not maximizing the grants and funding opportunities available to them. York Creatives have now signposted the Growth Manager contacts details on their website.

The lack of capital grants is a major concern as businesses are no longer able to get any support with premises/unit fit out. The Business Growth Program administered through the Leeds City Region has been a big help for businesses in the past and helped to create jobs over the years. This is from both the SME and larger company sectors.

A lot of firms are looking for some form of digital support - be that capital investment or website redesign.

Inward Investment

Handled **12** Inward investment enquiries for the period, including but not limited to:

- A Cheshire-based restaurant group is looking at York for expansion. 6500-10,000 sq ft building or 1 acre+ on which to build
- Carter Jonas client looking for Industrial/warehouse with office space; 2,500-3,500 sq ft with access for machine tools
- Manufacturer of compostable masks looking for 10,000 sq ft with good power supply
- Private tuition and exam centre looking for space in York. Yet to determine clearer search parameters but have provided information on working in York and access to talent
- An established retailer in Knaresborough looking to relocate to York. Looking for city centre space for around £12,000 pa
- Travel company - office space for 20+ people, with potential to take more and sublet.
- Govt dept/civil service roles - 100,000 + 250,000 sq ft of city centre space, close to station
- Cloud networking business - considering a relocation to York.

Indigenous Investments

Handled **19** indigenous investment enquiries for the period, including but not limited to:

- Car rental business looking for second location, east York, 0.5 acres+
- Fuel experts looking to relocate manufacturing premises - 15,000 sq ft unit on 1-1.5 acres.
- Dry florist, cafe and bakery looking for less than 1000 sq ft.
- Recording studios and label - temporary office space during refurbishment
- 4 x start-up businesses - retail space
- Start-up business looking for light industrial space on the outskirts of York.
- Executive recruitment business looking to relocate their growing team to larger premises.
- Funding provider for churches considering freehold office space between 700 and 1500 sq ft in York city centre.
- Occupational therapy business - clinic and storage

Foreign Direct Investment

Handled **4** Foreign investment enquiries for the period including but not limited to:

- Serum Institute of India / DIT - shell laboratory space
- Tool manufacture, already present in UK - office space for digital team
- Food manufacturer looking for up to 270,000 sq ft of warehouse/manufacturing/office space + parking and infrastructure
- Aeroponics and pyrolysis project – looking for land to lease

Other Activity

- Tool manufacturer based in Doncaster, has indicated it will be landing at Raylor Centre. Follow-up meeting tba for further support re recruitment and for introductions.
- BoConcept, Danish furniture company, has opened at Monks Cross. This has been a long-term project; now assisting with recruitment and promotion.
- Training consultant is setting up at York Science Park.
- TT and film production company - their offer has been accepted on city centre premises, hoping to move towards end of July. Catch-up meeting shortly.
- Specialist structural engineers, focusing on two likely sites - Clifton and York Business Park
- Hull-based coffee business is in conversation with York Conservation Trust and Barry Crux re Stonegate property
- Website and communications planning for amalgamation of MIY business team and CYC economic development team.
- Continuing to work with CYC Economic Development teams on identifying the right businesses and contacts for the forthcoming Bosch lunch
- Sovereign Group requested a meeting to discuss York's offer as a business location. SG is an independent corporate and trust service provider and assists companies and individuals to establish themselves in the UK. We have made introductions to YNY LEP and key people in the city. Ongoing engagement

Premises and Developments

- Meeting with Merchant Taylors' Hall - assisted with review of business plans and made connections for regular use of space at the Hall.
- York Biotech Campus - meeting with YNY LEP to determine best practice with communications and update on demand and supply. Challenge for YBC is lack of growth space but positive side of this is current expansion on site of existing tenants - Labskin, Abingdon Health in particular.
- York Conferences - new relationship with Sales & Events Supervisor with aim to better understand space offer (including Guildhall) and make connections re sector assets. New co-working space available at Spark Studios. Viewing the space in July.
- Sector Focus – With Growth Manager, met with a well-connected entrepreneur and champion of York's creative and digital sector. New contacts given and made; better understanding of networks and space provision, particularly for arts.
- Meeting with DC Labs. An update on activity at Labs and progress with a year left on the programme. Of particular interest: Cutting Room facilities for co-design projects and Digital Creativity speaker series.
- Ongoing work to build and maintain a rapid response team across the city and beyond. New relationships in relation to skills (LCR LEP), travel (iTravel York), biotech sector (BioVale).

- The Business Team are attending regular meetings with CYC Economic Development Team as well as the Business Support Team from the YNY LEP. Meeting to make introductions where relevant and to improve the working relationship between LEP and MIY business team.
- Met with Brickman Yale (property management business. Providing feature briefs on specific properties) enabling Inward Investment Executive to pick out relevant enquiries and target for likely tenants.
- Provided supporting piece for entry of Hudson Quarter into Property Week Awards.

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Make It York

Quarterly Narrative August – October 2021

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Introduction

This report covers the period August - October 2021 and is written to reflect the deliverables in the current SLA (as detailed in the text boxes).

The report has been produced with input from the Senior Management Team following the departure of the Managing Director from Make It York in March 2021.

Greg Dyke has chaired a Senior Management Team meeting on a weekly basis. Sarah Loftus will take up the post of Managing Director from the 15th November.

We are continuing with a hybrid working model, which has resulted in a reduced office space requirement. We continue to look at options and to minimise running costs as much as possible and a review of premises will be undertaken when the new MD is in post.

While we are all very aware of current challenges, the future for York remains very bright and the opportunities for 2022 onwards.

Visitor Economy

Destination Management Organisation (DMO)

DMO:

- Leading on leisure marketing of York to make the most of York's offer and attract visitors to the city.
- Maintain and develop Visit York as a membership body supporting and developing the tourism sector.
- Work with the visitor economy sector to ensure that a quality product is offered to both visitors AND residents, and that it is accessible and welcoming to all.
- Encourage all York residents to enjoy the tourism and cultural offer of York including year-round promotion and targeted residents' events.

Leisure Marketing

Summer of Sport

We launched our summer of sport campaign on Friday 9th July, with activities taking place through until early September. This was supported by online and social media promotion with a hub for all activity at visityork.org/summer

This activity (and the associated marketing campaign) was a collaboration between Make It York, Thor's Tipi and First Bus York, with plans that included an interactive sporty sculpture trail, pop-up tipi bar, urban running routes, free yoga classes and outdoor ping pong tables.

Six interactive sports-themed sculptures were installed across the city centre offering photo opportunities for residents and visitors to get involved in. From celebrating on a winner's podium and driving a racing car, to posing with weights, the trail aimed to get people moving around the city to enjoy the installations and share pictures on social media using #SummerinYork. Trail sponsors included York BID, Middleton's Hotel, First Bus York, York City Knights Rugby Club and St Peter's School York.

Until September 5, a pop-up Thor's Tipi bar was located on Parliament Street offering a range of tropical-inspired drinks, cosy evenings around fire pits, and weekend DJ sets. Thor's was also joined on Parliament Street by a variety of York-based food vendors – including Yuzu Street Food, KREP, Shambles Kitchen, Sloppy's Burgers, Stam & Maria and The York Roast Co.

Outdoor ping-ping tables sponsored by Jorvik Viking Centre were located on Parliament Street, which residents and visitors could use for free. Free yoga classes also took place in Thor's tipi each week in partnership with Emperor's Gym. Kicking off from July 14, the classes ran each Wednesday (7.30am -8.30am) and Friday (8.30am - 09.30am). For runners, two urban running routes were devised in partnership with York Knavesmire Harriers.

Hidden Gems

We worked closely with First Group who invested with us in a Yorkshire-wide days out campaign that encouraged local and regional families to use the park & ride scheme to enjoy the city throughout the summer holidays.

The focus here was on exploring 'hidden gems' in the city rather than well-known attractions and venues and included promotional activity with Capital FM Yorkshire, Video On Demand with ITV (see the advert [here](#)), YouTube and podcast advertising and paid social media activity across the Visit York channels.

Adam & Jojo from the Capital FM Yorkshire breakfast show also filmed content in York for the Capital FM website as part of the campaign and we also ran on-air and on online competitions to win £1,000 for a day out in York.

#LoveYork with LNER

Launched on 20th September, we worked closely with LNER in pushing out Autumn and Christmas messaging for short breaks to York across the London region.

This particular campaign promoted travel by train from London, highlighting the ease and convenience of travelling to the city by train whilst also showcasing York's amazing offer.

We used outdoor advertising on the London Underground for a period of 2 weeks, featuring key campaign partners - York Minster, National Railway Museum, JORVIK Viking Centre, Castle Howard and The Grand.

We also ran radio advertising with both Classic FM London and Capital FM London and we purposely used 2 different radio stations with slightly different creative – Classic FM for the 'empty nester' audience and Capital FM for a younger 'go getter' audience, along with a competition element to win a 2 night stay in York.

All creative pushed people to the updated Love York hub at visityork.org/loveyork and you can see the London underground creative and listen to the radio adverts [here](#).

Haunted York

This year, we ran a month-long 'Haunted York' campaign, which ran from 1st until 31 October, in partnership with both York Dungeon and First Bus.

Officially known as the most haunted city in Europe, we worked in close partnership with York Dungeon and First Bus to make sure we retained this title indefinitely.

In previous years our Haunted campaign has run for a period of two weeks to cover the school half-term, however by extending this to cover the whole of October we felt that we could hit two distinct audiences.

We targeted pre-nesters from early October onwards and families in the run up to / during the weeks when the school holidays were taking place.

We created an umbrella for all Haunted content on our Visit York Halloween hub at visityork.org/haunted and you can see the campaign video [here](#).

The campaign videos and photography provided content for our website and social channels, which were also boosted across our social media channels regionally (courtesy of an investment from First Bus).

Christmas

We continue to work hard behind the scenes to put plans in place for a Christmas event that will really deliver the festive magic that York is renowned for (and we sadly missed last year). So, we were even more thrilled than we usually would have been to announce that the ever popular St Nicholas Fair will be returning to the centre of York this year between 18th November and 23rd December – with an array of local traders selling everything from handmade crafts to seasonal treats.

The announcement press release has been distributed and the campaign hub is live at visityork.org/Christmas. Coach and group operator promotion, along with domestic marketing activity, is ongoing to include the production and print of the York Christmas guide (50,000 copies going out via NPD, Info Display and Living North fairs and magazine). The online version is also live on Issuu and can be found [here](#).

Visit York Tourism Awards

The Visit York Tourism Awards will be returning on Thursday 3rd March 2022 at York Racecourse.

Sponsored by LNER, next year there will be 15 awards categories, with 13 of these categories eligible for the winners to be put forward to the national Visit England Awards for Excellence 2022. Deadline for entries was Friday 29 October 2021.

North Yorkshire Moors

Our annual partnership campaign with North Yorkshire Moors has been confirmed for early 2022 to promote York and Beyond and twin centre breaks, including promotion of the Dark Skies Festival in February/March 2022.

Digital Channels

Visit York

During the period of 1 July to 30 September, the Visit York website was visited by 405,691 users, an increase of 31% compared to the same period last year and had 1.1million page views, an increase of 1% compared the same period last year.

The 'Christmas', 'What's On', and 'Things To Do' pages were the most viewed pages on the site during this period after the home page, and work continued to develop the site including introducing a new 'Trusted Supplier' section for B2B Visit York Members and further improvements to the functionality and usability for member logins.

Visit York social media channels received 5.1 million impressions, 203,877 engagements and gained an impressive 2,547 new followers.

Make It York

During the period of 1 July to 30 September, the Make It York website had 13,192 page views, an increase of 12% compared to the same period last year and was visited by 5,730 users, an increase of 36% compared to the same period last year.

The 'Meet the Team' page was the most viewed page on the site during this period after the home page. Meanwhile, social media coverage on MIY platforms resulted in 150,410 impressions and 3,685 engagements, while gaining 324 new followers across all social media channels.

An updated Make It York website launched on 1st October focusing on our new priorities, whilst retaining a page signposting users to the CYC business support team.

PR & Comms

From 1 July 2021 to 30th September 2021:

- Total news volume: 179
- Total news reach: 23.5M
- Total news value: £852799

Topics of focus for this period included Yorkshire Day, Summer of Sport, RLWC 2021, Culture Grants, new staff appointments, York's post-pandemic recovery and the Christmas Markets announcement.

National coverage was secured in titles such as The Telegraph, OK! magazine, iNews, The Sun (print & online), Woman and Home, Mail Online and Daily Mirror.

Local and regional coverage in a range of titles including York Press, YorkMix, Yorkshire Post, Northern Echo, Yorkshire Reporter, Yorkshire Business Daily, Hull Daily Mail, Nottingham Post and Yorkshire Times.

Broadcasts included BBC Radio York, YorkMix Radio and Greatest Hits Radio.

We had sixteen press trips during this period which we supported with itineraries including: iNews, The Telegraph, Fabulous Magazine (The Sun), European Business Express, Leeds Guide, Jetsetter Magazine and influencers such as You Can Travel, 'American & The Brit' and 'Hues of Delahaye'. These cover a mix of proactive invites to media and reactive requests.

Visit York Membership

There is currently a **93%** retention rate of Visit York members, which is the best retention rate that Make It York has ever experienced.

During 2021-22, we acquired **89** new members to date, many of whom have upgraded to Gold membership, which is a demonstration of the value placed on website engagement. We are experiencing a lot of returning members from the pre-Covid period.

A minimum of one member event per week is taking place. These events include showcasing new openings, forums, networking and Halloween showcases from members.

Visitor Information Centre (VIC)

The VIC team are spending considerable time assisting visitors with pre booking of attraction tickets. Footfall and income are steadily increasing although remain significantly down on pre pandemic levels.

Merchandising income is low due to the low price point items. Popular items include books and bottled water. We are continuing to clear old product ranges.

During Halloween, York Dungeon dressed an area of the VIC and this helped to promote ticket sales in the VIC. Other attractions have expressed an interest in doing something similar with Castle Howard keen to discuss dressing for Christmas.

Volunteers have supported the VIC throughout the summer. Although a smaller team, their help has been welcomed, especially with lower staff levels and a busy Christmas period approaching.

E-shop sales remain low and discussions on whether to renew the licences are ongoing.

Tourism Sector Development

Tourism Sector Development

- Attract new business tourism to the city by providing a clear and effective process for responding to conference enquiries with high quality response and support and working proactively to attract new enquiries appropriate to the city)
- Work with tourism sector businesses to increase their productivity and help them become even better employers, paying decent wages and offering flexible employment, by promoting the adoption of the Good Business Charter. Facilitate cross-sector work to improve York centre as a destination for business, visitors and residents including:-
 - (a) leading on approaches to maximise private-sector led investment into city centre improvement; and
 - (b) working with the Council and with businesses to stimulate a stronger evening economy.

Business Tourism Marketing

Business tourism activity has focused around positive messaging across our channels that York is open for business events, and supporting event organisers who are planning events for next year:

- Event enquiries are returning slowly and we are currently supporting four events for 2022, including a political studies conference for 700 in conjunction with the University of York and an international bee health conference for 150 with FERA. Our support ranges from venue/accommodation searches to social programme suggestions.
- We attended the ICCA conference 9-10 September in Hull, meeting with industry colleagues and other UK destinations to share best practice and recovery planning to showcase the UK to the international associations market.
- Ongoing work with our digital team to develop a venue search function within the conference section of visityork.org to replace the existing third-party search, which will give greater control over appearance and functionality.
- We've continued to host sales managers' meetings every 4-6 weeks, gathering vital intelligence from member venues about returning business, customer confidence and ongoing challenges for the sector. Leisure visitors continue to account for the majority of business, with corporate travellers being slower to return, which is in keeping with the wider picture across the sector.

Research & Insight

Please refer to our latest research and insights report [here](#) from QA Research. This provides a snapshot of key continuities and changes in the Visit York monthly survey data since lockdown and into this financial year (the most recent data covers the June to August period this year).

The latest BID Research, as presented to the Tourism Advisory Board by Andrew Lowson in early October, also provides an insight into York's summer recovery in a national context (footfall, visitor origin, spend recovery etc.). Please see the presentation [here](#).

The latest hotel occupancy and room rates for the last 3-month period (courtesy of HAY) are here:

	Occupancy:	Rate:
August	86.6%	£133.19
September	85.3%	£119.60
October	81.3%	£108.70

The city has been very busy, notably on all weekends (Race weekends have seen strong production, demand and rate). Nearly every hotel experienced and reported record rates, and revenue during August 2021, assisting profit by the VAT reduction to 5%.

As of 1st October, VAT has returned to 12.5% on accommodation, non-alcoholic beverage and food.

There are still severe staff shortages in all hospitality businesses, which are pushing and challenging businesses. Supply/delivery challenges are ongoing, and notably massive implications with utility cost hikes – which is a major cause for concern amongst accommodation providers. Some concerns about availability of food groups, and shortages around Christmas, are also prevalent.

Conference, banqueting, group enquiries and business travel all seem to have returned in earnest during September. Lots of pent-up demand, so enquiry levels are consistently strong at the moment.

Tourism Advisory Board

- Convene and facilitate a TAB for York, which brings together a diverse range of stakeholders in the sector and has an independent chair.
- Take a lead in the development and delivery of a tourism strategy as part of the city's new Economic Strategy.

The Tourism Advisory Board continues to meet on a monthly basis with four well attended meetings having taken place between July and October 2021.

Culture, Wellbeing and Events

York Culture Strategy, *York's Creative Future*

- Drive an ambitious and cohesive programme of cultural development for the city covering the arts, heritage and creative industries.
- Work with the CLG to lead on the development and evaluation of the Culture Strategy, ensuring full engagement with other city strategies and plans, including the Local Plan, Skills,
- Deliver/commission events both for the creative sector and for others, e.g. Culture Awards or equivalent that are profile raising, increase collaboration and demonstrate best practice.
- Convene and support the CLG as the strategy “owners”, providing the secretariat and driving the agenda, resourcing the partnership and co-chairing alongside an elected cultural leader.
- Develop a sustainable independent executive structure and constitution for the CLG.
- Receive regular strategic advice from the both the cultural and creative sectors maintaining appropriate liaison arrangements to inform the Make It York board of directors and to steer the company's plans.
- Maintain positive and comprehensive relationships with national and regional strategic support bodies.
- Put together the necessary partnerships to make funding bids to deliver the Culture Strategy.
- Advise and support cultural providers with regard to new initiatives liaising with the council as appropriate.

Cultural Leaders Group (CLG) structure

In line with the recommendations of the Culture Strategy, we have proceeded to prioritise reforming the Cultural Leaders Group into a more open and inclusive structure, which is a key priority within the strategy. This also relates to the MIY SLA outcome 5.2, that "By end of Year 1: Cultural Leaders Group (“CLG”) Executive structure in place (timing to be subject to the views of and input from the CLG Strategy Steering Group). Action and funding plans for the strategy established and agreed."

There will be two main components of this new structure, as follows:

- The Cultural and Creative Forum will be a large unincorporated group that is open to any and all working in the cultural and creative sector. This group will be referred to as the “Forum”.
- The Forum will be led by a smaller group that will be elected by the Forum at large. The smaller, leadership group will be referred to as the “Executive Group”.

It is anticipated that the Forum will be a broad and diverse group of representatives from the cultural and creative sector, which enables knowledge sharing, partnership development and network building, while the Executive Group will oversee the direction and implementation of the strategy, (being elected to have authority in this by the Forum, as their representatives). “The Executive Group of the Culture Forum will provide the citywide leadership, advocacy, direction and oversight for the strategy, including establishing a diverse investment portfolio to realise the city’s cultural ambitions.” (from York’s Creative Future)

The documentation for the new Forum and Exec structure has now been completed and signed off by the Cultural Leaders Group Strategy Steering Group, who currently lead on the direction of the strategy, alongside MIY. This includes a Terms of Reference, a Person Specification for Exec Group members, and details of how the election process, to form the new Exec Group, will work. The documentation was sent onto the full CLG in early October, for their input and feedback at the 28 October meeting of the CLG.

Following feedback, we will look to reform the CLG into the Culture Forum and open up membership across the sector – we anticipate this will take place in January 2022, with elections to the Exec then happening in February 2022 (exact timings tbc, pending feedback and uptake to new Forum).

CLG Meetings

The Cultural Leaders Group have continued to meet on a monthly basis throughout 2021. This open and continuous communication with the culture sector has allowed us to keep up-to-date on their situations, facilitate collaboration, as well as inviting guest speakers to present.

We held our first in-person meeting since early 2020, in September 2021, kindly hosted by Explore Libraries: this focused on an update on Culture Forum and Exec planning progress, Q2 report on the Culture Strategy, and a large portion of the meeting was given over to partner updates.

CLG Communications

MIY continues to provide a fortnightly e-news update to the CLG, detailing current culture news, funding updates, and MIY news, which we encourage the sector to contribute to, to act as a further information channel. We recently migrated this to a mailchimp platform and anticipate opening up the readership beyond the CLG when we launch the Culture Forum, so that it becomes a much broader resource across the sector and anyone who is interesting in accessing the e-news is able to subscribe to it.

We have now further developed the online Culture Hub on the MIY website, which hosts the Culture Strategy and acts as a hub for the city’s creative and cultural activity – there is now a complete web page for each of the Culture Strategy’s six Key Priorities: Engagement, Placemaking, Children and Young People, Talent Development, Culture and Wellbeing, and York’s National and International Profile. These pages share key information and progress on each priority area, as well as relating them back to the strategy’s recommendations and outcomes. We will now look to update the main Culture Hub homepage, which was created during the 2020 lockdowns – and this will soon include info on how to join the new Culture Forum.

Action Plan

The culture, wellbeing and events team produced an action plan for the strategy in early 2021, which takes the form of a RAG report with key actions to achieve the outcomes/ recommendations within the strategy and a quarterly reporting framework. From this, we also produce a quarterly written update report.

We are currently revising the reporting model for the quarterly reports, to make it more user friendly for CLG members, with an online short form to complete to submit their latest updates/ news. We are also updating the report format to make it more visually appealing, and it will be structured around key achievements and case studies. We will begin to host this quarterly report on the Culture Hub for information on strategy progress.

Quarter three progress

The progress across each Key Priority for the strategy for the third quarter has included:

Engagement:

- Building on the research and initial meetings, MIY have become established members of engagement focused groups, including 100% Digital York, CYC's Our Big Conversation consultancy group, and the MCN network.
- Connections are now being established and built with organisations tackling racism in York and diversity specialists, including Speak Up Diversity. The York Festival of Diversity event lead has joined MIY as Events Manager (maternity cover), ensuring further synergy with this area of the strategy.
- Alongside CYC and Ways to Wellbeing, we administered culture and wellbeing grants to 19 organisations in August 2021, many of whom work with groups with protected characteristics (see wellbeing update below for more info).

Placemaking:

- Creative Workspace meetings have started between Guild of Media Arts, York Creatives, University of York, CYC, York Conservation Trust and MIY representatives, to consider availability and need of creative workspaces within the city, and to help simplify processes to access these for creatives.
- My City Centre Draft Vision published Sept 2021, with revitalising empty units through experience-based businesses and temporary arts spaces, utilising underused upper floor spaces for SMEs and gaining Purple Flag status as key objectives.
- Conversations are ongoing with regional/ national culture reps – including re-establishing links with Selby Culture Reps; new contact with Tees Valley reps; conversation with Exeter Culture leads (approx 5 years ahead of our process) - their recruitment documents informed York's new Culture Forum TOR and Executive Group Person Spec.

Children and Young People:

- MIY are supporting REACH, the Cultural Education Partnership, and have created and update a web page for them to showcase cultural and creative activity for children and young people in York, on the Culture hub of the MIY website, as they do not have their own website.
- Looking at how to further support the project, given limited capacity (volunteer-based).

Talent Development:

- Initial meeting of University of York, York St John's, SLAP (Social Live Art Performance) and Art is My Career (York Design Week) reps held in October, to help shape the direction of this priority – they highlighted lack of skills among graduates for real world arts organisations, tension between an academic training and a vocational one.
- First meeting on culture sector data collection held in early October, with key business data pulled quickly. Developing relationship with CYC data dept.

York's National and International Profile:

- Planning for Makers and Shapers has restarted, led by York Civic Trust, with support from Make It York and other partners. Ambition is for this to be a city-wide project from 2022- 24, celebrating the anniversaries of past innovators and inspiring those of today and the future and re-introducing the role, reputation and history of York as a cutting-edge city.
- UNESCO Creative City partners packs drafted and plan to launch to coincide with York Business Week (See below in UNESCO designation update).
- Culture addition to CYC International Prospectus written and submitted with strong focus on innovation, cultural industries and media arts.

Culture and Wellbeing

MIY, CYC and Ways to Wellbeing worked together to award cultural and social prescribing grant funding of £60,000 from the Better Care Fund in August, to support organisations across York's voluntary and community sector with initiatives designed to boost physical and mental wellbeing.

The objective of the grants is to help isolated people engage in their communities, combat mental ill-health, improve physical health, enable participation in culture and creativity or access to employment and learning opportunities.

Nineteen York-based charities, social enterprises, voluntary and community groups, received awards of up to £5000 each - to support a range of new initiatives for York residents. Spanning a diverse range of creative art forms and social activities the grants support activities from fairy trails and community coffee mornings to youth theatre workshops, excavation projects, craft workshops and creative cafes.

We are now showcasing case studies from the 2020 round of this grant funding on the Culture and Wellbeing page on the Culture hub of the MIY website. We plan to grow this case study resource on the web page, so that it becomes a qualitative evaluation measure that captures the impact of culture and wellbeing projects, in line with the recommendation for Cultural and Wellbeing evaluation in the Culture Strategy. We have agreed this model of evaluation with the Cultural Commissioning Partnership.

Cultural Commissioning Partnership

The new Terms of Reference for the partnership was agreed at the meeting on 20 July. Meetings are ongoing on a regular basis, to coordinate and share information on work around culture and wellbeing in York, as well as raise the profile of the sector, and undertake joint funding bids to increase capacity to develop social prescribing projects together.

Following the completion of the ToR, the next step for the group is to create an action plan from the objectives within this, and an approach to joint culture and wellbeing communications.

The CCP group Chair and Secretariat are by Make It York.

UNESCO designation

- Support the Guild of Media Arts as the focal point for UNESCO City of Media Arts designation by facilitating and undertaking activities that maximise the potential benefits of York's UNESCO designation and ensure sustained development in line with the Four Year Monitoring Report and Plan of 2018.
- Work with UNESCO Focal Point – the Guild of Media Arts – and the Council to deliver 2018- 22 UNESCO Creative City objectives.
- Support the focal point to convene wider stakeholder groups in the city to maximise the impact of the designation to the city.
- Communicate regularly with the creative sector e.g. through mailings and social media.
- Promote the creative sector through media channels highlighting York's profile as a Creative city.
- Monitor and evaluate progress leading to the 2022 Report to UNESCO.
- Support the Focal Point to collaborate with UK Creative Cities and other designations, UK UNESCO Commission, Media Arts Network, and Creative Cities Network.
- Promote the designation within the city, e.g. through the BID, Retail and Hospitality Forums.

The UNESCO Creative City of Media Arts working group of the Guild of Media Arts, York Mediale, City of York Council and Make It York, continues to meet on a regular basis.

As part of the designation profile raising work being undertaken by the group, MIY has now created a comprehensive partner pack as a toolkit for businesses to provide information about the designation, with input and collaboration from all. The packs include key

information on York as a UNESCO Creative City of Media Arts, the aims of Creative Cities around creative activity and collaboration, information on key media arts organisations in the city, and how partners can get involved in promoting York as a UNESCO Creative City. We are currently working on the pack design internally at MIY and following sign off by the group, anticipate that the packs will be ready to launch at York Business Week 2021 (w/o 8 November).

The Head of Culture and Wellbeing attends Guild of Media Arts Court Meetings as an Observer.

Events

- Work with business, visitor economy and cultural sectors in developing the Framework to ensure its fit with wider city strategies / objectives.
- Bring the Framework to the Council for approval, and put in place systems to evaluate the success of the Framework.
- Take the initiative in building coalitions and partnerships for specific initiatives to fill identified gaps in product e.g. to deliver the York Mystery Plays.
- Engage businesses and visitors in mass participation sporting events commissioned by the Council.
- When the need arises, take a lead in supporting cultural events of strategic significance e.g. Rugby League World Cup 2021.

We are in the process of transferring the responsibility of events on CYC land including the following sites: West Bank Park, Rowntree Park, Rawcliffe Country Park and Hull Road Park back to the Council. This will include transferring the premises licences, performing rights society licence and event bookings.

The events team are reviewing the current event booking systems for Shambles Market, City Centre, Eye of York, Tower Gardens and Knavesmire to streamline the process to online enquiries and support/guidance. The team are working on a draft event toolkit for event organisers for each site, highlighting the various site-specific details and required legal and health and safety permissions, including an event management plan template. The revised process will also enable a cross departmental committee approval to ensure scrutiny on quality and frequency of events and that they can match with Make It York and Culture Strategy objectives.

Following consultation with the Council's Licensing and Environmental Protection teams, an Acoustic Consultancy firm has been commissioned to produce a Noise Management plan for the Knavesmire to ensure all future events can adhere to the licensing objectives and mitigate against noise issues on the site.

The Culture and Wellbeing team plan to review both the Events Strategy and Event Framework in the first quarter of 2022. The Events Strategy will focus on alignment with both the Culture and Tourism Strategies.

Make It York events

Visit York Tourism Conference – will be held on Thursday 13th January 2022 and will be held at York Racecourse. Planning is ongoing around the conference theme of ‘What kind of tourism do we want in the future and how can the visitor economy create value for the city beyond visitor spending and the jobs that follow?’

Residents Festival – will take place over the weekend of 29/30th January 2022. Entries are now open for Residents Festival and planning is underway for a resident and family-friendly city-centre offer.

Ice Trail - will take place during the weekend of 5/6th February 2022. This popular trail returns with c.40 ice sculptures across the city. CYC are supporting the event with a grant which will enable a 'headline' sculpture and features to increase the impact of the event. The grant will also enable an evaluation report, helping to secure the viability of the event for future years.

Visit York Tourism Awards – will take place on Thursday 3rd March 2022 and will be held at York Racecourse. Planning is ongoing for this annual event open to York businesses and organisations to submit an application and be recognised against select categories. These categories are set in line with the national Visit England criteria alongside two awards which are local awards, specific to York. The Awards event is an evening event of entertainment, a three-course meal and the awards themselves.

Makers and Shapers Festival- MIY are working with York Civic Trust on plans for a city-wide celebration of York's heritage spanning 2022-2024, based on the outcomes of the York Narrative. There are a large number of citywide partners engaged (Bootham School, York Museums Trust, York Philosophical Society, York Archaeological Trust, York University, York Explore etc) to create a programme of events and anniversaries. The main focus being York's heritage, community engagement and the inclusion of media arts, adhering to the Culture Strategy's key objectives.

Rugby League World Cup 2022 - due to the postponement of the championships in 2021, revised plans are now being discussed with the steering group to look at community engagement and awareness across the 2022 incorporating partner and third-party events. The budget for 2021 will be carried over to 2022 with no costs incurred from the postponement.

City Centre, Events and Markets

City Centre Vibrancy

City Centre:

- Make proposals to the Council for any new ideas for commercial exploitation of the Footstreets, Eye York and Tower Gardens and Knavesmire.
- Contributing expertise, ideas and experiences to the MyCityCentre Project which will set the city centre strategy.
- Contribute to the Council's Retail Strategy, and join with the BID, Retail Forum, Indie York and others to attempt to attract appropriate new retail operators to the city.
- Create a high-profile calendar of city centre festivals, activities and events ensuring that partners such as the BID are enabled to contribute. Identify times when new events would add value to the York experience and work on filling these gaps.
- Promote the events calendar through all appropriate means including through highly visible city centre information.

City Centre

The Culture and Wellbeing team are members of the My City Centre stakeholders' group, providing input into the current Vision document and consultation on events across the city and their positive impact on creating a vibrant city centre.

The team also sits on the following partnership groups: City Centre Anti-Social Behaviour, Counter Terrorism task group and Publicly Accessible locations working group.

Activations are taking place throughout the footstreets that we manage and include charity events, product launches and Council initiatives.

The Food & Drink Festival that took place 18th-25th September appeared to be a success. A review will be undertaken by the MIY events team.

Calendar of Events

The events team are currently working with the Commercial team to plan out a calendar of events for 2022 to enable a balance of cultural and commercial events across the year. Once finalised, this will be made publicly available on the Make It York website.

Commercial Events

Commercial Events

- Run safe and sustainable commercial events, including specialist markets, to generate surplus for investment.
- Maintain an up-to-date, comprehensive and publicly accessible overall list of events happening across York.
- Provide a toolkit to allow event organisers to self-serve including guidance on event management and highlighting where permissions would be required.
- Manage all enquiries from any individual or organisation requiring support / guidance with regard to putting on an event in York in the first instance
- If a proposed event falls within the Footstreets, Tower Gardens or the Eye of York:
 - decide whether to permit the event;
 - take responsibility for ensuring that the event organiser complies with all safety and other legal requirements in the planning and delivery of the event, including referring the event to the Council's Safety Advisory Group.
 - provide any appropriate management or other support to the event organiser
- If the proposed event is on land other than the Footstreets, Tower Gardens or the Eye of York determine whether the event falls within Make It York's remit and objectives, and if so:
 - seek relevant Council approvals to proceed;
 - provide appropriate management or other support to the event organiser; and
 - if not, sign post the event organiser to web-based and other information resources as appropriate.
- Work within relevant laws and Regulations that exist and ensure compliance with all licenses and permissions associated with particular sites at all times.

Christmas Market and Winter Lights Switch On

All Christmas Market stalls (**68**) have been sold. Suppliers are 70% Yorkshire based and are returning traders. Mulled wine pitches were approved by CYC and we have sold 2; 1 on Blake Street and another on Davygate.

The Carousel will return to King's Square throughout the Christmas period.

Plans for York Christmas Market have passed through the Safety Advisory Group. The event will take place Thursday 18th November until 23rd December. This year's revised layout takes into consideration concerns around COVID 19 and crowd management. It will feature a reduction in the number of retail huts by a quarter with the huts aligned back-to-back to ensure wider pedestrian areas along Parliament St. It will also include two additional beverage pitches on Davygate and Blake St.

To address ongoing counter terrorism measures, the market requires hostile vehicle mitigation barriers which have been revised from 2019 to follow the ongoing footstreets model to include Blake St and Lendal, avoiding the barriers in St Helen's Sq. The barriers and associated costs for stewarding are to be covered by CYC.

There will be no public event for the Winter Light switch on this year, MIY and York BID are planning an online soft-launch. We will be working in partnership with York BID on a tender for the next 3-4 years of Winter lights across the city to go out in early 2022.

Sponsorship and publications

Ice Trail 2022 sponsorship has been successful with **44** sculptures now confirmed.

2022 Tourism Awards sponsorship deals are coming in and we will be ready for an announcement shortly.

2022 Visit York Tourism Conference sponsorship packages have been sent out to members. LNER have been confirmed as headline sponsor.

Christmas Guide is being distributed and has been well received.

Mini Guide sales are steadily coming in. The deadline is the end of November with print in January, ready for early distribution next year.

Seasonal Guide communication has been circulated and seems to be a welcome decision.

York Pass

Online sales continue to go well. York Pass usage equates to 4.38 visits per pass compared to 6.98 in 2019.

A smaller than usual print run has been done to promote the winter itinerary for York Pass. The publication will also be used as a free give away map over the winter months until the 2022 mini guide, with map, is printed.

There is a plan to restart the **Explorer Pass** in April 2022 which will have a 3 or 6 day duration. We have verbal commitments for participation from a number of key attractions.

We are awaiting costing and timing proposals for a York Pass web based app as the York Pass is now fully digital.

Shambles Market

Markets:

- Operate the Shambles Market and facilitate a Market Traders' Forum.
- Develop a new Markets Strategy for York which includes considering how best to use the powers in the Market Charter to support inclusive growth across the city.
- Work with traders and other stakeholders to develop the market business plan in order to maximise its financial performance and continue to develop the offer.
- Operate York's market charter on behalf of the Council (in line with the Markets Policy at Appendix 1).
- Maintain and update as necessary the Market Regulations (in consultation with the traders). The current Market Regulations are set out at Appendix 2.

Staffing

The new Market Manager arrived on 13 September and has made a very positive start.

Training/Development

The Market Manager attended the 2-day NABMA conference in Stratford upon Avon in October. This annual event is an opportunity for operators to network and share knowledge of all aspects of running a market. A key point from the conference is how markets are crucial to the post-covid high street. They are integral for food and independent start-up businesses, youth initiatives, other food offers and for keeping firm ties with traditional produce.

Rules & Regulations

Meetings with the York Market Traders Forum have started to discuss amendments and updates to the Rules and Regulations governing Shambles Market. The Manager is in regular contact with the YMTF who will be the traders' representatives in these discussions.

Working with YMTF

A stronger relationship between MIY and YMTF is already being forged with regular meetings as well as more informal sessions and exchange of feedback. Work has started to establish a date and venue for the overdue AGM.

There have also been proactive discussions between YMTF and MIY re traffic management and problem solving for the Christmas market.

Social Media

Improved reach and number of new followers on Instagram since September when social media for the Market was taken over by the Market team for an 'on the ground' approach. Future blog partnerships have been initiated. Worked in connection with York Mumbler team for Halloween. Traders are appreciative of new focussed social media coverage.

Partnerships

The First Bus/Shambles Market 'Local' partnership continues to be strong.

Halloween

The market will be dressed for Halloween and there will be a number of free family friendly events taking place during the half term period. Collaboration with MIY members and local community groups in the activities, ensures 'lovelocal'. York Mumbler will include Shambles Market in their Halloween trail.

Events

As the Market is generally unused during the evening, research is underway as to what initiatives could be developed for the space that will fit with the broader MIY events programme. We aim to improve our local young traders market intake with existing traders acting as mentors and creating new exciting offers to the market for the future.

A piece of monitoring work will also be carried out in the new year to establish the market's demographic and highlights areas that could be improved.

Make It York

Quarterly Narrative

October 2021 – January 2022

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Visitor Economy

Destination Management Organisation (DMO)

Leisure Marketing

DMO:

- Leading on leisure marketing of York to make the most of York's offer and attract visitors to the city.
- Maintain and develop Visit York as a membership body supporting and developing the tourism sector.
- Work with the visitor economy sector to ensure that a quality product is offered to both visitors AND residents, and that it is accessible and welcoming to all.
- Encourage all York residents to enjoy the tourism and cultural offer of York including year-round promotion and targeted residents' events.

#LoveYork with LNER

Launched on 20 September, we worked closely with LNER in pushing out Autumn and Christmas messaging for short breaks to York across the London region. Promoting travel by train from London, highlighting the ease and convenience of travelling to the city by train whilst also showcasing York's amazing offer. Incorporating outdoor advertising on the London Underground for a period of 2 weeks, featuring key campaign partners - York Minster, National Railway Museum, JORVIK Viking Centre, Castle Howard and The Grand, York. We also ran radio advertising with both Classic FM London and Capital FM London and we purposely used 2 different radio stations with slightly different creative – Classic FM for the 'empty nester' audience and Capital FM for a younger 'go getter' audience.

Over 13,000 competition entries with 4,000 new contacts gathered. E-newsletter to over 100,000 contacts on the Classic and Capital databases.

Haunted York

We ran a month-long 'Haunted York' campaign from 1 - 31 October, in partnership with both York Dungeon and First Bus. Officially known as the most haunted city in Europe, we worked hard to make sure we retained this title. By extending the campaign to cover the whole of October, we targeted pre-nesters from early October onwards and families in the run up to / during the weeks when the school holidays were taking place. We created an umbrella for all Haunted content on our Visit York Halloween hub and developed a spooky new campaign video and photography.

We achieved a #hauntedyork social reach of 386k, with 92k views of the video we produced in conjunction with York Dungeon and First Bus.

Comparing with 2019, we witnessed a 54% increase in webpage views and a 1021% increase in Haunted campaign traffic from social.

York won Group Leisure's Best UK Destination Award.

Christmas in York

50K copies of the Christmas guide were produced and a brand new Christmas set of videos for sharing via social and digital channels. We advertised the festival from September onwards as part of our national campaign with LNER in London and to coach operators throughout the UK via Group and trade magazines and trade PR. Guides were also circulated via the Living North Christmas Fairs in both York and Newcastle. Really positive feedback on the layout and content of the market. Christmas research took place and is currently ready to be evaluated for key outcomes.

Digital Channels

Visit York

During the period of 1 October to 1 January, the Visit York website was visited by 630,031 users, an increase of 16.37% compared to the previous highs of 2019.

There were 1.6 million page views of the site during this period, the most viewed pages being 'Christmas' and its sub-pages, 'What's On', and 'Things To Do'. The site was developed with the introduction of a new 'Membership login' module with improved usability for Visit York members and work continued on other developments including a new accommodation booking service and improved media news feed.

Visit York social media channels received a record 6.4 million impressions during this period, 233,470 engagements and gained 6,312 new followers – numbers aided by the new and hugely popular #VisitYorkAdvent social media giveaway ran with gifted prizes from Visit York members throughout December.

Looking at December specifically, 174,705 users visited the Visit York website, which is a **94.31% increase on** December 2020 and a **13% increase** on the previous record high from December 2019 (153,248 users). The most popular pages were:

1. Christmas Market event page (104,776 page views)
2. Christmas Hub
3. Home
4. Christmas Market Trader List
5. What's On
6. Things to Do
7. Search
8. Things to do – Attractions

9. Christmas Events
10. Shopping

We've also recently launched an updated membership login which makes it easier for members to edit their listings, and we're continuing to work on new features such as an integrated accommodation booking service and updated media news feed.

In December, **Visit York social channels once again broke the record for the most new followers gained in a single month - 2,636 and** beating last month's previous high of 2,229.

Much of this was down to the hugely popular #VisitYorkAdvent giveaway, which ran on Visit York social media channels and required users to retweet the giveaway post and follow both us and the Visit York member in question. It resulted in:

- **5K** unique entries
- A potential reach on Twitter of **5.4 million (!)**
- **17.3K** engagements
- Reach of **150,000** on YorkMix radio – as each day's prize was announced to their listeners
- Thousands of new followers for Visit York members!

Visit York now has a total of **132,619** followers across Facebook, Twitter and Instagram.

The **102 posts** on Visit York channels throughout December generated the following:

- **1.7 million impressions** (up from the previous record high of 1.1 million in December 2020)
- **74,036 engagements** (up from the previous record high of 38,763 in December 2020)

Make It York

During the period of 1 October to 1 January, 4,336 users visited the Make It York website which resulted in 8,745 page views. The 'Meet the Team' page was the most viewed page on the site during this period after the home page, closely followed by 'Work with us'. New content was developed for the website during this period detailing Make It York's role in events run in the city, and a number of digital forms were created to allow businesses and organisations to easily submit relevant information regarding their applications.

Meanwhile, social media coverage on MIY platforms resulted in 72,008 impressions, 2,243 engagements, and 970 link clicks to the Make It York website, while gaining 207 new followers across all social media channels.

PR & Comms

Between 1st October and the 1st January, there were:

Total News Volume: 228

Total News Reach: 31,495,556

Total News Value: £1,411,008.17

Topics of focus for this period included Haunted York and Halloween activity, VYCON announcement, Visit York Tourism Awards finalists announcement, intro interviews with Sarah Loftus, York Christmas Festival and St Nicholas Fair.

National coverage was secured in titles such as: The Sun, Woman & Home, Daily Mirror, Prima, i Newspaper, City AM, Mail Online, Best, Woman and The Daily Telegraph.

Local and regional coverage in a range of titles including York Press, York Mix, Yorkshire Post, Northern Echo, Harrogate Advertiser, Yorkshire Live, Newcastle Journal, Hull Daily Mail and Leicester Mercury.

Broadcast coverage included BBC Breakfast, BBC Radio York, York Mix Radio, Greatest Hits Radio, YO1 Radio, Jorvik Radio and ITV Tyne Tees.

We had five press trips during this period which we supported with itineraries including: The Daily Telegraph, Hearst Magazines, Postcards Magazine (Travel Leaders), TravelWise and Express & Star.

Visit York Membership

We had **37** new members join between October and January, **11** in December, making this the best ever December total. This gives a yearly total of **116** new members, which is the highest level of new members since the membership model started.

Retention rate for this year is **93%**. We now have **832** members in total.

Member events have been held weekly, examples include, a Christmas showcase at Fairfax House, Carol Services, B2B member forums and a Van Gogh experience.

Member health checks were offered along with training sessions on Google my business, social media etc.

An annual member survey will be distributed in February with analysis being presented before the new financial year.

Publications

The Christmas Guide was distributed with an 80% pick up rate. Distribution channels included NPD, Info Display, VIC, Shambles Market traders, Christmas market, F and B options and Park and Ride sites.

Mini Guide will have a reduced number of pages (48-72 pages) due to a diminished interest in advertising. The increase in pricing for print paper is volatile and changing daily, therefore it was felt best to stick to initial deadlines. Advertisers include flagship attractions, smaller attractions, retailers, food and drink outlets, and a limited number of hotels.

Spring/Summer guide – sales are now open and the guide will be published in April.

Visitor Information Centre (VIC)

Footfall is steady and we are operating with reduced opening hours (10am until 4pm) until February half-term. The leaflet room is currently closed but reopened during Residents Festival and will open again during February half-term. Our Volunteer Co-ordinator is exploring options and roles for our Volunteers including distributing literature at York Train Station, as LNER has granted us a licence to do this.

York Pass

Online sales continue to be steady with trade sales starting to show signs of reigniting.

The Pass usage amounts to 5.2 visits per pass v 6.51 visits per pass in 2019.

Increased costs at flagship attractions will result in increased YP pricing, particularly child passes and one day adult passes. Increase amounts are yet to be confirmed, but it is anticipated that it will be c. 10% per pass.

Work is underway to develop an attraction pre-booking facility within the digital York Pass, which will allow pass holders to have a smoother and easier pre-booking process. It is hoped this will be live in late March.

Onboarding new attractions and an Explorer Pass are also being explored.

Tourism Sector Development

Tourism Sector Development

- Attract new business tourism to the city by providing a clear and effective process for responding to conference enquiries with high quality response and support and working proactively to attract new enquiries appropriate to the city)
- Work with tourism sector businesses to increase their productivity and help them become even better employers, paying decent wages and offering flexible employment, by promoting the adoption of the Good Business Charter. Facilitate cross-sector work to improve York centre as a destination for business, visitors and residents including:-
 - (a) leading on approaches to maximise private-sector led investment into city centre improvement; and
 - (b) working with the Council and with businesses to stimulate a stronger evening economy.

Business Tourism Marketing

Meetings and conference enquiries

Business tourism activity continues to focus on supporting event organisers planning meetings and events in York this year and beyond. The majority of current enquiries are for domestic events, with international interest slower to return. These are a mixture of rescheduled events postponed during the pandemic, new enquiries from organisers exploring York as an appealing option to encourage in-person attendance rather than virtual and some existing clients keen to return based on positive previous experiences, e.g.

Feedback from Newcastle University (organiser of a student and staff event with external visitors from industry) *“My experience of the Visit York team was so rewarding in early 2020 that I returned to them without any hesitation for another event I am organising in 2022. The team are so efficient and friendly that they make the whole experience much less time consuming and take any unnecessary stress away from you as the organiser.”*

There are 8 active enquiries at the moment for 2022, including a political studies conference for 700 in conjunction with the University of York, an international bee health conference for 150 organised by FERA, smaller bookings from Newcastle University and a workshop series with the Royal Association of Engineering. Visit York support includes venue/accommodation finding, delegate travel deals, gala dinners and social programme suggestions.

Website development

Ongoing work is being undertaken with our digital team to develop a venue search function within the conference section of visityork.org to replace the existing third-party search, which will give greater control over appearance and functionality.

UNESCO toolkit

Content creation and design liaison for the new UNESCO toolkit, launched in conjunction with a virtual event during York Business Week. The [toolkit](#) contains information, links and [digital assets](#) to encourage businesses to find out more about York's UNESCO designation and get involved. More social assets will be added on a regular basis to refresh and update content.

Upcoming January activity:

- The first sales managers' meeting of the year, with a presentation by LNER to highlight business travel product and benefits to key Visit York member venues.
- Ongoing preparation for MeetGB (15 February), Visit Britain's flagship event for UK DMOs and suppliers to connect with international buyers in the meetings and events sector. This event will be virtual again this year.
- Continuing conversations with members regarding stand partnership opportunities to return to domestic trade shows such as the Conference and Hospitality Show Leeds (24 May 2022) and The Meetings Show (London, 29-30 June 2022).

Research & Insight

Our face-to-face visitor surveys continued to take place via QA Research on a monthly basis, and we carried out 200 Christmas markets specific surveys and a Christmas markets trader survey.

We have also received the 2020 data in the correct format from QA Research to pass through to Tourism South East, who can start working on our 2020 economic impact modelling.

Helen Wilkinson started with MIY as our new Research and Insights Executive on 11th January and her first priority was to focus on analysing and reporting back on the Christmas market surveys.

Tourism Advisory Board

- Convene and facilitate a TAB for York, which brings together a diverse range of stakeholders in the sector and has an independent chair.
- Take a lead in the development and delivery of a tourism strategy as part of the city's new Economic Strategy.

The Tourism Advisory Board has continued to meet on a monthly basis and the minutes from the November meeting are available on request. The December meeting was an informal in-person networking session, so no minutes were taken. The February meeting took place on the 11th February.

Culture, Wellbeing and Events

York Culture Strategy, *York's Creative Future*

- Drive an ambitious and cohesive programme of cultural development for the city covering the arts, heritage and creative industries.
- Work with the CLG to lead on the development and evaluation of the Culture Strategy, ensuring full engagement with other city strategies and plans, including the Local Plan, Skills,
- Deliver/commission events both for the creative sector and for others, e.g. Culture Awards or equivalent that are profile raising, increase collaboration and demonstrate best practice.
- Convene and support the CLG as the strategy “owners”, providing the secretariat and driving the agenda, resourcing the partnership and co-chairing alongside an elected cultural leader.
- Develop a sustainable independent executive structure and constitution for the CLG.
- Receive regular strategic advice from the both the cultural and creative sectors maintaining appropriate liaison arrangements to inform the Make It York board of directors and to steer the company’s plans.
- Maintain positive and comprehensive relationships with national and regional strategic support bodies.
- Put together the necessary partnerships to make funding bids to deliver the Culture Strategy.
- Advise and support cultural providers with regard to new initiatives liaising with the council as appropriate.

Culture Strategy governance and new Culture Forum

The governance documents and process to change the Cultural Leaders Group (CLG) into an open and inclusive Culture Forum have now been completed, with the CLG Strategy Steering Group signing off the final Culture Forum and Exec Terms of Reference in November 2021. This then passed to the CLG and has now been ratified. It is anticipated that this change will enable a broader and more diverse group of representatives to contribute to future direction of the Culture Strategy, and to enable knowledge sharing, partnership development and network building.

Membership to the Culture Forum opened in December 2021, with cultural and creative partners sharing through their networks and PR launching about the forum in early January. The Culture Forum has thus far attracted 60 new members, representing a broad range of creative freelancers, as well as members from a wider range of cultural and creative organisations. This makes a total membership of c.100 and counting.

There will be two introductory ‘taster sessions’ for new Culture Forum members in early January to provide background on the Culture Strategy and to answer any questions they might have. The first Culture Forum meeting will then take place on 27 January 2022.

Once forum members have had the chance to establish themselves, we will start the process to elect an Executive Group, who will oversee the direction and implementation of the strategy, (being elected to have authority in this by the Forum, as their representatives). This group will take over from the existing CLG Strategy Steering Group. We anticipate beginning the election process in late spring.

Culture Sector Communications

MIY continues to provide a fortnightly Culture e-news update, with latest culture news, funding updates, and MIY news, which we encourage the sector to contribute to, to act as a further information channel. We have now expanded its readership – while previously being a resource for CLG members, it is now open to anyone across the sector and beyond who is interested in signing up to it (which can be done via the MIY website). The e-news currently has a readership of 130 people, and growing.

We have now completed the Culture Hub on the MIY website, which hosts the Culture Strategy and acts as a hub for the city’s creative and cultural activity. In addition to complete web pages for each of the Culture Strategy’s six Key Priorities - Engagement, Placemaking, Children and Young People, Talent Development, Culture and Wellbeing, and York’s National and International Profile – we now have an up-to-date main Culture Hub homepage, a page with information about the new Culture Forum and how to sign up, and a new page for the Culture Strategy itself, which we are also using to upload and share quarterly updates on strategy progress.

Action Plan

The culture, wellbeing and events team produced an action plan for the strategy in early 2021, which takes the form of a RAG report with key actions to achieve the outcomes/recommendations within the strategy and a quarterly reporting framework. From this, we also produce a quarterly written update report.

Quarter four progress

The progress across each Key Priority for the strategy for the fourth quarter has included:

Engagement:

- Building on the research and initial meetings, MIY have become established members of engagement focused groups, including 100% Digital York, CYC’s Our Big Conversation consultancy group, and the MCN network.
- Connections are now being established and built with organisations tackling racism in York and diversity specialists, including Speak Up Diversity. The CLG publicly supported the motion for York to become an anti-racist and inclusive city in October 2021.

- Much engagement work is focused around attracting new participants to the Culture Forum, with over 60 freelancers and new organisations signed up to join so far. MIY are running taster sessions throughout January to introduce the Culture Strategy and Forum to new members.
- Plans for Makers and Shapers have progressed, with community engagement at the heart of the design process and a legacy project to ensure future engagement. A bid is being prepared to support the programme of events and activities planned for 2022 - 24.

Placemaking:

- Creative Workspace meetings continue between Guild of Media Arts, York Creatives, University of York, CYC, York Conservation Trust and MIY representatives, to consider availability and need of creative workspaces within the city, and to help simplify processes to access these for creatives.
- Conversations are ongoing with regional/ national culture reps – including re-establishing links with Selby Culture Reps; new contact with Tees Valley reps, and new contact with Harrogate reps following the opening of the Culture Forum.
- Links are also being developed across the north as part of the Northern Culture Network, which is a consortium of northern cultural consortia, which shares information and is advocating together for the importance of northern culture.

Children and Young People:

- MIY are supporting REACH, the Cultural Education Partnership, and have created and maintain a web page for them to showcase cultural and creative activity for children and young people in York, on the Culture hub of the MIY website, as they do not have their own website.
- REACH have been offered a temporary home by York Theatre Royal and are working to unlock funding from IVE to progress and expand their work. MIY continue to look at how to further support the project, given limited capacity (volunteer-based).
- MIY partnered with St Barnabas Primary School, Leeman Road, to decorate a Christmas Tree in the Minster Christmas Tree Festival. Children designed baubles on the theme of their favourite thing about York.

Talent Development:

- Ongoing conversations with organisations and higher education providers to help shape the direction of this priority, including meeting with University of York Careers department to discuss changes in talent development during the pandemic and issues facing students in the city.
- Developing relationship with CYC data department to facilitate up-to-date data on the cultural and creative sector, including number of people it now employs in the city.

- SLAP have gone live with their artist accelerator programme, to support new artists in the city. This is supported by an Arts Council England grant, which MIY wrote in support of and we are providing support in kind.

Culture and Wellbeing

- Two workshops were held for the Cultural Commissioning Partnership in late 2021, facilitated by MIY (who chair and act as secretariat to the group) - to create an action plan across communications and engagement, funding, people and strategy, to ensure a joined-up citywide approach to culture and wellbeing for partners.
- Next steps will be to finalise the action plan and start to implement key deliverables, which include a range of activities from site visits, best practice review, to future joint funding bids and building engagement.
- Nineteen York-based charities, social enterprises, voluntary and community groups, received cultural wellbeing grants in the summer, spanning a diverse range of activities, including fairy trails, youth theatre workshops, excavation projects and creative cafes. These activities continued over this period. Evaluation will begin when the funding period ends at 31 March, with case studies developed for the Culture and Wellbeing hub on the MIY website, to build the evidence bank for how culture supports wellbeing.

York's National and International Profile:

- The UNESCO Creative City partner packs launched during York Business Week (please see UNESCO section below for full update).
- The cultural leaders have been supporting and inputting into the listings guide process.

UNESCO designation

- Support the Guild of Media Arts as the focal point for UNESCO City of Media Arts designation by facilitating and undertaking activities that maximise the potential benefits of York's UNESCO designation and ensure sustained development in line with the Four Year Monitoring Report and Plan of 2018.
- Work with UNESCO Focal Point – the Guild of Media Arts – and the Council to deliver 2018- 22 UNESCO Creative City objectives.
- Support the focal point to convene wider stakeholder groups in the city to maximise the impact of the designation to the city.
- Communicate regularly with the creative sector e.g. through mailings and social media.
- Promote the creative sector through media channels highlighting York's profile as a Creative city.
- Monitor and evaluate progress leading to the 2022 Report to UNESCO.
- Support the Focal Point to collaborate with UK Creative Cities and other designations, UK UNESCO Commission, Media Arts Network, and Creative Cities Network.
- Promote the designation within the city, e.g. through the BID, Retail and Hospitality Forums.

The UNESCO Creative City of Media Arts working group of the Guild of Media Arts, York Mediale, City of York Council and Make It York, continues to meet on a regular basis.

A new toolkit and social media assets have been created for York's UNESCO Creative City of Media Arts designation, in partnership by Make It York, City of York Council, The Guild of Media Arts, and York Mediale. The packs include key information on York as a UNESCO Creative City of Media Arts, the aims of Creative Cities around creative activity and collaboration, information on key media arts organisations in the city, and how partners can get involved in promoting York as a UNESCO Creative City. This launched in November, as part of a York UNESCO Creative City event at Business Week, organised by MIY and the Guild of Media Arts, which attracted a small, but highly engaged audience of c.25 participants. The packs and event promotion were shared across MIY and partner organisation channels.

The event featured a panel discussion with experts who had benefitted from the designation, discussing its benefits for the city and local businesses. The panel included Oswin Wan, Lead Digital Artist, Viridian FX; Olivia Chatten, Business Development Manager, York Science Park, and Master of the Guild of Media Arts; Tom Higham, Creative Director, York Mediale; Dee Patton-Statham, Headteacher, St Georges Roman Catholic Primary School, and was Chaired by Prof. Chris Bailey, Clerk of the Guild of Media Arts.

The next steps for the UNESCO working group include producing an engagement plan and identifying further events and opportunities to take part in, to continue to profile raise for the designation.

The Guild of Media Arts and Mediale have been speaking with colleagues in Viborg, Denmark, a fellow UNESCO Creative City of Media Arts, about joint working and collaboration. This has

been supported by MIY, and very positively received by both countries' arts councils. Plans for a digital residency exchange are now in the early stages.

The Head of Culture and Wellbeing attends Guild of Media Arts Court Meetings as an Observer. Louise Saw, Business Growth Manager at CYC, will also be joining the Court as an Observer from 2022. The business team have been very supportive of the new toolkits and helping to share communications about them across CYC channels.

City Centre, Events and Markets

City Centre Vibrancy

City Centre:

- Make proposals to the Council for any new ideas for commercial exploitation of the Footstreets, Eye of York and Tower Gardens and Knavesmire.
- Contributing expertise, ideas and experiences to the MyCityCentre project which will set the city centre strategy.
- Contribute to the Council's Retail Strategy, and join with the BID, Retail Forum, Indie York and others to attempt to attract appropriate new retail operators to the city.
- Create a high-profile calendar of city centre festivals, activities and events ensuring that partners such as the BID are enabled to contribute. Identify times when new events would add value to the York experience and work on filling these gaps.
- Promote the events calendar through all appropriate means including through highly visible city centre information.

City Centre and Open Spaces

Blue Sky Acoustics were commissioned to produce a noise management plan for the Knavesmire in line with the premises licence. This will ensure all future events can adhere to agreed noise levels and site planning to future proof the site for events and mitigate against previous noise issues. This will be in place by the end of the first quarter of 2022.

We are currently working with the Council to create an event booking process to transfer enquiries about local council land (West Bank Park, Rowntree Park, Rawcliffe Country Park and Hull Road Park) working with Friends groups and Environment and Community officers. This will also include the transfer of premises licences back to CYC as well as the Performing Rights Society licences for these sites.

The Culture and Wellbeing team are members of the My City Centre stakeholders' group, providing input into the current vision document and consultation on events across the city and their positive impact on creating a vibrant city centre.

The team also sits on the following partnership groups: City Centre Anti-Social Behaviour, Counter Terrorism task group and Publicly Accessible locations working group.

Activations are taking place throughout the footstreets that we manage and include charity events, product launches and Council initiatives.

Events

Events and Programmes Committee

A cross-departmental Events Committee has now been established to oversee the delivery of MIY's annual calendar of events, review applications for third-party events, raise the profile for events, review tenders and ensure a responsive and coordinated internal approach.

This group is currently meeting on a weekly basis to ensure close oversight of event planning and agree necessary adaptations to events, in light of the continuing uncertainties around Covid and potential restrictions.

As part of the Committee's work, an Events section is now available on the MIY website, which outlines MIY's role in delivering, attracting and facilitating events and festivals, profile MIY-led events, and explains how to book an event/hire city centre space – along with associated online documents and booking forms. The website can be viewed [here](#)

Alongside the improved events booking processes, a City Centre Space Rate Card was approved by Senior Management Team and was implemented from January 2022. This has allowed for a fairer, more streamlined approach and is competitive in relation to other cities.

The Committee has also implemented policy relating to the use of city centre space by local charities and community groups, allowing for 2 days per month to be offered free of charge and use of the King's Square area.

Make It York events

Visit York Tourism Conference was held on **Thursday 13th January 2022**. This was moved to an online virtual format given the current uncertainties around Covid and high rates of transmission. Participants for the event stands at c.280 virtual attendees. The event scrutinised what kind of tourism we want for the future, how can we get more from York's visitor economy and ensure we create value for the city, and what the future of international tourism looks like. Speakers included Group NAO, VisitBritain, and Glasgow Convention Bureau. MIY MD Sarah Loftus opened the event and Chair Greg Dyke closed the event.

Residents Festival the traditional Residents Festival went ahead across the weekend of **29/30th January 2022**, with offers and discounts for residents from attractions and local businesses. In addition to this, City of York Council are supporting the development of a city centre offer to enhance the impact of the current offer, with a programmed stage of mixed acts, curated by the York Venue Network in the city, and an entertainment hub area on Parliament St. This will go ahead on 2nd and 3rd April, rather than alongside the traditional offer, due to covid considerations.

Ice Trail has been moved from February to the weekend of **5/6th March 2022**, to ensure a safe and successful event, given present uncertainties with Covid and based on guidance from the city's Safety Advisory Group, Public Health and City of York Council. There will be over 40

sponsored sculptures across the city, curated to an 'Around the World' theme. Sponsors consist of retailers, attractions, business services, restaurants and bars. CYC are supporting the event with a grant which will enable a 'headline' sculpture and evaluation report, helping to secure the viability of the event for future years.

Visit York Tourism Awards will take place on **Thursday 3rd March 2022** and will be held at York Racecourse. Judging has now finished and applications were submitted by York businesses and organisations, against select categories. These categories are set in line with the national VisitEngland criteria alongside two local awards, specific to York. The Awards event is an evening of entertainment, a three-course meal and the awards themselves. Sponsorship is requested for each category and is now finalised. LNER are headline sponsors.

Trailblazers Festival MIY are working with York Civic Trust on plans for a city-wide celebration of York's heritage spanning 2022-2024. Current partners are a broad coalition of heritage, voluntary and cultural groups, with over twenty organisations and societies, committed to developing and delivering a programme of events and activities that will celebrate and build links between the past and the present in the city. Our ambition is to make York Trailblazers city-wide in its action and international in its impact and collaboration by utilising existing networks, especially York's UNESCO Creative City status and creating new ones.

Rugby League World Cup 2022 due to the postponement of the championships in 2021, revised plans are now being discussed with the steering group to look at community engagement and awareness across the 2022 incorporating partner and third-party events. The budget for 2021 will be carried over to 2022, with minor costs incurred from the postponement.

Calendar of Events

The Events Committee will oversee the delivery of MIY's annual calendar of events.

The Committee are currently working on a calendar of events for 2022, but given current uncertainties around Covid we have had to adapt our spring events offer and this has affected forward planning for the annual offer (given postponements of events early in the year and needing to keep back-up dates free in case of further Covid waves/ government restrictions).

Events Strategy and Events Framework

Planning on the Events Strategy and Event Framework will start in the first quarter of 2022, when the events team has capacity, following the Christmas period. The Events Strategy will focus on alignment with both the Culture and Tourism Strategies.

The team continues to build and maintain partnerships for specific initiatives through both our events and cultural work, to ensure engagement with event delivery partners and to advocate for forthcoming cultural events.

Commercial Events

Commercial Events

- Run safe and sustainable commercial events, including specialist markets, to generate surplus for investment.
- Maintain an up-to-date, comprehensive and publicly accessible overall list of events happening across York.
- Provide a toolkit to allow event organisers to self-serve including guidance on event management and highlighting where permissions would be required.
- Manage all enquiries from any individual or organisation requiring support / guidance with regard to putting on an event in York in the first instance
- If a proposed event falls within the Footstreets, Tower Gardens or the Eye of York:
 - decide whether to permit the event;
 - take responsibility for ensuring that the event organiser complies with all safety and other legal requirements in the planning and delivery of the event, including referring the event to the Council's Safety Advisory Group.
 - provide any appropriate management or other support to the event organiser
- If the proposed event is on land other than the Footstreets, Tower Gardens or the Eye of York determine whether the event falls within Make It York's remit and objectives, and if so:
 - seek relevant Council approvals to proceed;
 - provide appropriate management or other support to the event organiser; and
 - if not, sign post the event organiser to web-based and other information resources as appropriate.
- Work within relevant laws and Regulations that exist and ensure compliance with all licenses and permissions associated with particular sites at all times.

The St Nicholas Christmas Fair was a huge success. The new layout of the stalls was well received by traders, visitors and the Safety Advisory Group (SAG). Every day saw a steady flow of visitors including increased footfall during weekdays.

Following on from the success of the 2021 market, evaluation and planning for this year has begun. Discussions with York Minster and York Museums Trust, to see how the Christmas offer can develop in future years, continue to take place.

MIY will hold monthly cross-agency meetings including CYC and York BID, the first one having been held in February. The remit of the meetings will be to review Christmas 2021, ensure communication is consistent and to anticipate any issues that could arise during the 2022 Christmas period.

Evaluation of feedback is currently being reviewed. Initial feedback from 35 traders is that they have all stated that they would like to return in 2022 and that the York Christmas Market offers value for money.

Debrief meetings with local businesses such as Marks and Spencer's and Browns are taking place to ensure that all feedback from city partners is taken into consideration for the 2022 period.

Tenders

The tender process has been reviewed by the Events Committee and a new template proforma has been produced. All tenders will be published on the MIY website and potential suppliers will be able to register to receive alerts when tenders are published.

A number of tenders relating to the Christmas 2022 offering will go live at the end of February.

Shambles Market

Markets:

- Operate the Shambles Market and facilitate a Market Traders' Forum.
- Develop a new Markets Strategy for York which includes considering how best to use the powers in the Market Charter to support inclusive growth across the city.
- Work with traders and other stakeholders to develop the market business plan in order to maximise its financial performance and continue to develop the offer.
- Operate York's market charter on behalf of the Council (in line with the Markets Policy at Appendix 1).
- Maintain and update as necessary the Market Regulations (in consultation with the traders). The current Market Regulations are set out at Appendix 2.

Christmas

The market was at full occupancy and had excellent footfall for around 5 days each week leading up to Christmas. Traders were very happy. Many of the high-quality gift/homewares stalls had to fully restock mid-season. To decorate and animate the market, the Yorkshire Workshop Theatre Company built a Santa sleigh for Instagram moments, which caused quite a stir and plenty of photographs were taken with the backdrop of the Shambles Market. The only negatives to report were that some traders complained about where the sleigh was situated and sadly, it was damaged during the night during its last few days. The sleigh is now in storage awaiting repair.

We arranged pop up community choirs on different weekly days which received great feedback and passing audiences thoroughly enjoyed it. After initial concerns about traders leaving the market during the evening, the staff and traders worked well together.

Training/Development

A member of the team has completed a Fire Marshall course and another staff member has completed the IOSH certification with our Health and Safety providers.

Rules & Regulations

Meetings with the York Market Traders Forum (YMTF) have now been completed and updated Rules and Regulations relating to governance of Shambles Market have been produced. The Market Manager is in regular contact with the YMTF who represented the traders during these discussions.

Working with YMTF

A stronger relationship between MIY and YMTF is already being forged with regular meetings taking place, as well as more informal sessions and exchanges of feedback. The long overdue AGM was held on 16th January. Voting was casted on Zoom and 'on the ground' with a ballot box for those unavailable to access zoom.

Access times for the winter market traders has been agreed with CYC Officers. The market will now close at 4pm with waiver permits created. Silver Street administrators have gone above and beyond to ensure that traders are happy and receive said permits.

Social Media

Since September 2020, when social media posts for the market were taken over by the Market team 'on the ground', there has been an ongoing, improved audience and the number of new followers on Instagram has increased. Meetings with local bloggers/influencers have taken place to update them about new year and spring/summer collaborations. The Shambles Market website needs to be updated with clearer directions and this will be done in the next couple of months.

Partnerships

The First Bus/Shambles Market 'Local' partnership continues to be strong. We have met with them to discuss some of the food traders' plans for future investment and further collaboration, which they are keen to see happening.

The company that provides MACCS, the market admin system has recently gone into administration, so the team is researching an alternative method of daily logging of accounts.

Initial invites for a Shambles Market Working Group have been sent to lead partners we work with daily and we are excited to be involved in future development discussions. This group will include 6 traders who are not YMTF leads.

Charlie Croft from CYC and the Market Manager have met to start identifying new projects for regeneration and improvements for the market.

We continue to abide by national guidelines relating to Covid and are actively discouraging crowding.

Events

Ideas for events to be held in the market during 2022 are beginning to take shape. These events will benefit the evening economy and wider community and will create a dedicated space for York's various local and tourist demographics during the spring and summer months.

We aim to improve our local young traders market intake with existing traders acting as mentors. We are creating exciting offers to attract new traders to the market to futureproof it. Partnership and complementary working with Parliament Street for future events is

underway. Farmers Markets are also being researched to ensure their productivity can continue for the city.

A piece of monitoring work will be carried out this year to establish the market's demographic and highlight areas that could be improved.

Schedule 1

The Specification

Part 1- Objectives

The following are objectives to be achieved by Make It York as a *Teckal Company*, for the purposes of public and procurement law in the United Kingdom, through the provision of the Services:

- (a) contribute to the stronger co-ordination and promotion of the city of York's profile and cultural offer taking every opportunity to articulate York's brand position, regionally, nationally and internationally;
- (b) work towards increasing the value of the visitor economy through promoting innovation and higher quality in the existing offer, encouraging high value visitor economy investment and attracting higher spending visitors;
- (c) nurture new cultural ideas and initiatives;
- (d) create entrepreneurial partnerships to bring projects to life, reducing duplication and displacement of private sector activity in the fields that Make It York works in;
- (e) generate income from activities to support the delivery of the business plan and these Objectives; and
- (f) work with the Council and other partners to attract funding to support and enhance the delivery of the activities set out below.

Part 2- Service Specific Requirements

1 General

- 1.1 Develop and deliver agreed initiatives and programmes within the remit of the areas set out in this agreement that further the Council's strategic priorities. These initiatives and programmes will further articulate York's narrative, fill identified gaps in provision not addressed by other providers and must not duplicate or displace other existing or potential provision.
- 1.2 Develop a detailed annual business plan for Make It York, liaising with the Council to ensure that all activities are consistent with the Council's priorities (the "**Business Plan**").
- 1.3 Provide regular and timely advice for Council senior managers as required on remits relevant to these Service Specific Requirements and summarising what has been submitted in a quarterly narrative report.
- 1.4 Represent York on operational working groups relevant to these Service Specific Requirements as agreed with the Council.
- 1.5 Undertake research and business intelligence required in order to successfully fulfil the obligations set out in these Service Specific Requirements.
- 1.6 Ensure coherent local communications and press releases that further articulate the narrative, in alignment with the Council's Marketing & Communications Team.
- 1.7 Work co-operatively in areas where the Council or commissioned partners remain the lead organisation responsible, but the remit is overlapping with these Service Specific Requirements.
- 1.8 Make business cases to the Council, in writing, for activities, initiatives or investment proposals that are not currently part of the SLA where Make It York considers they would support the

Objectives set out in Part 1 of this Schedule, and would add to or enhance these Service Specific Requirements set out here.

- 1.9 Collect relevant data, including user feedback, to evidence performance against the Objectives set out above, and the Outcomes set out below, as well as these Service Specific Requirements.

2 **Economic Development**

- 2.1 Though Make It York is not expected to provide specific resource for economic development activity, it will play an important role in promoting York as a business location through all its activity and in particular in its marketing activities.
- 2.2 Make it York will work with the Council to signpost businesses and inward investors to a 'single front door' approach within the Council for businesses and start-up, to make it easy for all businesses to access this front door and to *promote a positive business* environment in York through supporting and developing appropriate networks and other initiatives.

3 **Visitor Economy**

3.1 Key Deliverables:

- *Destination Management Organisation* – promotion of York as a leisure and business visitor destination; running the Visit York membership scheme; liaison with LEP, Visit Britain, Welcome to Yorkshire, etc. to make the most of all available support and contribute to national and regional marketing initiatives.
- *Tourism sector development* – working with tourism sector businesses to increase their productivity and help them become even better employers; provision of sector intelligence through a monthly report.
- *Tourism Advisory Board (“TAB”)* – Convene the TAB as a representative body for all those involved in the tourism sector,

and contribute to the development of a new Tourism Strategy.

3.2 **Outcomes** (to be set or confirmed in Tourism Strategy)

- (a) *Destination Management Organisation* – increase in visitor numbers and hotel occupancy and room count to be specified in Tourism strategy and agreed by the TAB; aim for growth in Visit York membership of 2% year on year in post pandemic York;
- (b) *Tourism sector development* – Aim for 5% Gross Value Added (“**GVA**”) increase shown in the Office of National Statistics (“**ONS**”) Local Authority Level Statistics across 3 years of agreement if practical when taking into account and fully understanding the impact of the pandemic;
- (c) *TAB* – TAB to meet actively each month (12 meetings per annum); and
- (d) *Aim to increase average visitor spend by 5% above RPI* – Base figure to be set once the impact of the pandemic is fully understood.

*Detailed delivery: Destination Management Organisation (“**DMO**”)*

- 3.3 Leading on leisure marketing of York, working with Welcome to Yorkshire, national and regional bodies to make the most of York’s offer and attract visitors to the city.
- 3.4 Maintain and develop Visit York as a membership body supporting and developing the tourism sector.
- 3.5 Work with the visitor economy sector, Welcome to Yorkshire, the York Business Improvement District (“**BID**”) and other partners to ensure that a quality product is offered to both visitors AND residents, and that it is accessible and welcoming to all.
- 3.6 Encourage all York residents to enjoy the tourism and cultural offer of York including year round promotion and targeted residents’ events.

Detailed delivery: Tourism sector development

- 3.7 Work with tourism sector businesses to increase their productivity and help them become even better employers, paying decent wages and offering flexible employment, by promoting the adoption of the Good Business Charter. Facilitate cross-sector work to improve York centre as a destination for business, visitors and residents including:-
- (a) leading on approaches to maximise private-sector led investment into city centre improvement; and
 - (b) working with the Council and with businesses to stimulate a stronger evening economy.
- 3.8 Attract new business tourism to the city by providing a clear and effective process for responding to conference enquiries with high quality response and support, and working proactively to attract new enquiries appropriate to the city.

Detailed delivery: TAB

- 3.9 Convene and facilitate a TAB for York, which brings together a diverse range of stakeholders in the sector and has an independent chair.
- 3.10 Take a lead in the development and delivery of a tourism strategy as part of the city's new Economic Strategy.

4 City Centre, Events and Markets**4.1 Key Deliverables:**

- *Markets* – Day-to-day management of the Shambles Market; operation of the Market Charter on behalf of the city; in consultation with the Council, development of a new Markets Strategy; supporting new retailers to trade.
- *City Centre vibrancy* – Contributing expertise, ideas and experiences to the MyCityCentre Project, which will set the city centre strategy; working with city centre landlords, including those

distant from York if they can be found, to ensure they are invested in the city.

- *Commercial events* – Keeping the city centre relevant and enticing by curating a programme of public events in the footstreets; running commercial events such as the Christmas market in a safe and sustainable manner, to generate commercial opportunities for local businesses and generate surplus for investment in the economy.

4.2 **Outcomes (to be set or confirmed in City Centre Strategy)**

- (a) *Markets* – 5% year on year growth in surplus from Shambles Market with a commitment from the Council to support measures taken to achieve this; Year 1 creation and adoption by the Council's Executive of a Markets Strategy leading to delivery as specified in that strategy; Year 2 onwards independent evaluation of customer sentiment to be undertaken.
- (b) *City Centre Vibrancy* – to aim to help bring tenants to vacant city centre premises as a direct result of Make It York's engagement; serious involvement by Make It York's staff and/or board of directors in MyCityCentre engagement and workshop sessions
- (c) *Commercial events* – Minimum of £500,000 generated each year through commercial events for investment (distribution to be outlined by MIY in subsequent year's business plan); Year 2 onwards independent evaluation of customer sentiment to be undertaken.

Detailed delivery: Markets

- 4.3 Operate the Shambles Market and facilitate a Market Traders' Forum.

- 4.4 Develop a new Markets Strategy for York which includes considering how best to use the powers in the Market Charter to support inclusive growth across the city.
- 4.5 Work with traders and other stakeholders to develop the market business plan in order to maximise its financial performance and continue to develop the offer.
- 4.6 Operate York's market charter on behalf of the Council (in line with the Markets Policy at Appendix 1).
- 4.7 Maintain and update as necessary the Market Regulations (in consultation with the traders). The current Market Regulations are set out at Appendix 2.

Detailed delivery: City centre vibrancy

- 4.8 Make proposals to the Council for any new ideas for commercial exploitation of the Footstreets, Eye of York and Tower Gardens.
- 4.9 Contributing expertise, ideas and experiences to the MyCityCentre Project which will set the city centre strategy.
- 4.10 Contribute to the Council's Retail Strategy, and join with the BID, Retail Forum, Indie York and others to attempt to attract appropriate new retail operators to the city.
- 4.11 Create a high-profile calendar of city centre festivals, activities and events ensuring that partners such as the BID are enabled to contribute. Identify times when new events would add value to the York experience and work on filling these gaps.
- 4.12 Promote the events calendar through all appropriate means including through highly visible city centre information.

Detailed delivery: Commercial Events

- 4.13 Run safe and sustainable commercial events, including specialist markets, to generate surplus for investment.

- 4.14 Maintain an up-to-date, comprehensive and publicly accessible overall list of events happening across York.
- 4.15 Provide a toolkit to allow event organisers to self-serve including guidance on event management and highlighting where permissions would be required.
- 4.16 Manage all enquiries from any individual or organisation requiring support / guidance with regard to putting on an event in York in the first instance
- 4.17 If a proposed event falls within the Footstreets, Tower Gardens or the Eye of York:
 - (a) recommend whether to permit the event;
 - (b) take responsibility for ensuring that the event organiser complies with all safety and other legal requirements in the planning and delivery of the event, including referring the event to the Council's Safety Advisory Group.
 - (c) provide any appropriate management or other support to the event organiser
- 4.18 If the proposed event is on land other than the Footstreets, Tower Gardens or the Eye of York determine whether the event falls within Make It York's remit and objectives, and if so:
 - (a) seek relevant Council approvals to proceed;
 - (b) provide appropriate management or other support to the event organiser; and
 - (c) if not, sign post the event organiser to web-based and other information resources as appropriate.
- 4.19 Work within relevant laws and regulations that exist and ensure compliance with all licenses and permissions associated with particular sites at all times.

5 Culture

5.1 Key Deliverables:

- *Culture Strategy* – An ambitious and cohesive programme of cultural development for the city covering the arts, heritage and creative industries.
- *Events Framework* – A city wide Events Framework consistent with the aims of the cultural strategy that enables the city proactively to identify the events that it wishes to host and attract and also enables the Council to respond in an informed way when opportunities are brought forward.
- *UNESCO designation* – Ensure the people of York understand and appreciate the importance of York’s UNESCO Creative City of Media Arts status and maximise its impact.

5.2 Outcomes:

- (a) *Culture Strategy* – By end of Year 1: Cultural Leaders Group (“**CLG**”) Executive structure in place (timing to be subject to the views of and input from the CLG Strategy Steering Group). Action and funding plans for the strategy established and agreed.
- (b) *Events Framework* – By end of Year 1: Research undertaken on cost/benefit analysis as well as relevant infrastructure issues. By end of Year 2: Strategy in place following stakeholder consultation and adoption by the Council.
- (c) *UNESCO Designation* – By end of Year 1: Stakeholder arrangements in place for i) helping to steer the designation, and ii) to involve wider city stakeholders in maximising the benefit of the designation. Year 2: submission of 2022 report meeting UNESCO requirements and widely owned plan with ambitious objectives for the next 4 years.

Detailed delivery: Culture Strategy

- 5.3 Drive an ambitious and cohesive programme of cultural development for the city covering the arts, heritage and creative industries
- 5.4 Work with the CLG to lead on the development and evaluation of the Culture Strategy, ensuring full engagement with other city strategies and plans, including the Local Plan, Skills, Tourism, Events, and Economic Strategy.
- 5.5 Deliver/commission events both for the creative sector and for others, e.g. Culture Awards or equivalent that are profile raising, increase collaboration and demonstrate best practice.
- 5.6 Convene and support the CLG as the strategy “owners”, providing the secretariat and driving the agenda, resourcing the partnership and co-chairing alongside an elected cultural leader.
- 5.7 Develop a sustainable independent executive structure and constitution for the CLG.
- 5.8 Receive regular strategic advice from the both the cultural and creative sectors maintaining appropriate liaison arrangements to inform the Make It York board of directors and to steer the company’s plans.
- 5.9 Maintain positive and comprehensive relationships with national and regional strategic support bodies.
- 5.10 Put together the necessary partnerships to make funding bids to deliver the Culture Strategy.
- 5.11 Advise and support cultural providers with regard to new initiatives liaising with the council as appropriate.

Detailed delivery: Events Framework

- 5.12 Work with business, visitor economy and cultural sectors in developing the Framework to ensure its fit with wider city strategies / objectives.

- 5.13 Bring the Framework to the Council for approval, and put in place systems to evaluate the success of the Framework.
- 5.14 Take the initiative in building coalitions and partnerships for specific initiatives to fill identified gaps in product e.g. to deliver the York Mystery Plays.
- 5.15 Engage businesses and visitors in mass participation sporting events commissioned by the Council.
- 5.16 When the need arises, take a lead in supporting cultural events of strategic significance e.g. Rugby League World Cup 2021.

Detailed delivery: UNESCO designation

- 5.17 Support the Guild of Media Arts as the focal point for UNESCO City of Media Arts designation by facilitating and undertaking activities that maximise the potential benefits of York's UNESCO designation and ensure sustained development in line with the Four Year Monitoring Report and Plan of 2018.
- 5.18 Work with UNESCO Focal Point – the Guild of Media Arts – and the Council to deliver 2018-22 UNESCO Creative City objectives.
- 5.19 Support the focal point to convene wider stakeholder groups in the city to maximise the impact of the designation to the city.
- 5.20 Communicate regularly with the creative sector e.g. through mailings and social media.
- 5.21 Promote the creative sector through media channels highlighting York's profile as a creative city.
- 5.22 Monitor and evaluate progress leading to the 2022 Report to UNESCO.
- 5.23 Support the Focal Point to collaborate with UK Creative Cities and other designations, UK UNESCO Commission, Media Arts Network, and Creative Cities Network.

5.24 Promote the designation within the city, e.g. through the BID, Retail and Hospitality Forums.

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

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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	Charlie Croft	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			
Yorwaste Update	Patrick Looker	Yorwaste	To receive an update on performance of the company
Make It York Finance Update	Charlie Croft	Make It York	To receive an update on performance of the company

Amendment to Articles of Association of Make it York Limited	Charlie Croft	Make It York	To receive a report that provides background and information on the proposed amendment to the Articles of Association of Make it York Limited to increase the authorised rate of remuneration for officers of or consultants to the company.
City of York Trading Update	Claire Waind	CYT Ltd	To receive an update on performance of the company
Veritau Ltd Business Update	Max Thomas	Veritau	To receive an update on performance of the company
YPO and YPO Procurement Holdings Ltd Finance Update	Debbie Mitchell	YPO	To receive an update on performance of the company
Update on the Municipal Bonds Agency	Debbie Mitchell	Municipal Bonds Agency	To receive an update on the Municipal Bonds Agency
28 March 2022			
Veritau business plan	Janie Berry	Veritau	To receive an update on performance of the company
Make It York business plan	Charlie Croft	Make It York	To receive an update on performance of the company
Yorwaste Update	Patrick Looker	Yorwaste	To receive an update on performance of the company
City of York Trading Ltd business plan	Helen Whiting	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

Shareholder Committee Draft Work Plan 2022/23

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

Item	Lead officers	Contributing Organisations	Scope
23 May 2022			
Veritau business plan	Janie Berry	Veritau	To receive an update on performance of the company
Yorwaste business plan	Patrick Looker	Yorwaste	To receive an update on performance of the company
City of York Trading Ltd business plan	Helen Whiting	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
31 October 2022			
Yorwaste Update	Patrick Looker	Yorwaste	To receive an update on performance of the company
Make it York Finance Update	Charlie Croft	Make it York	Update on progress against the business plan and identification of issues to feed into the SLA refresh process
City of York Trading Update	Helen Whiting	CYT Ltd	To receive an update on performance of the company
Veritau Ltd Business Update	Janie Berry	Veritau	To receive an update on performance of the company
YPO and YPO Procurement Holdings	Debbie Mitchell	YPO	To receive an update on performance of the company

Ltd Finance Update			
13 March 2023			
Veritau business plan	Janie Berry	Veritau	To receive an update on performance of the company
Make it York business plan	Charlie Croft	Make it York	Approval of the annual business plan (in light of agreed SLA priorities)
Yorwaste Update	Patrick Looker	Yorwaste	To receive an update on performance of the company
City of York Trading Ltd business plan	Helen Whiting	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