



**Notice of a public meeting of
Customer and Corporate Services Scrutiny Management
Committee (Calling In)**

- To:** Councillors Crawshaw (Chair), Fenton (Vice-Chair), Hunter, Hollyer, Kilbane, Mason, Musson, Pearson and Rowley BEM
- Date:** Monday, 25 January 2021
- Time:** 5.30 pm
- Venue:** Remote Meeting

AGENDA

1. Declarations of Interest

At this point, 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. Public Participation

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

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is **5:00pm on Thursday, 21 January 2021.**

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill in an online registration form. If you have any questions about the registration form or the meeting please contact Democratic Services. Contact details can be found at the foot of the agenda.

Webcasting of Remote Public Meetings

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

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

- 3. Minutes** (Pages 1 - 4)
To approve and sign the minutes of the meeting held on 21 December 2020.
- 4. Called-in Item: Make It York - Impact of Covid-19** (Pages 5 - 36)
To consider one of the decisions made by the Executive on 15 December 2020 in relation to the above item, which has been called in by Councillors Douglas, Lomas and Heaton in accordance with the Council's Constitution.

A cover report is attached setting out the reasons for the call-in and the remit and powers of the Customer & Corporate Services Scrutiny Management Committee (Calling-In) in relation to the call-in, together with the original report and the decisions of the Executive.
- 5. Urgent Business**
Any other business which the Chair considers urgent under the Local Government Act 1972.

Democratic Services

Telephone: 01904 552030

E-mail: democratic.services@york.gov.uk

For more information about any of the following please contact the Democratic Services 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

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City Of York Council

Committee Minutes

Meeting	Customer and Corporate Services Scrutiny Management Committee (Calling In)
Date	21 December 2020
Present	Councillors Crawshaw (Chair), Daubeney (Substitute for Cllr Hunter), Fenton (Vice-Chair), Hollyer, Kilbane, Pavlovic (Substitute for Cllr Musson), Pearson and Waudby (Substitute for Cllr Mason)
Apologies	Councillors Hunter, Mason, Musson and Rowley

9. **Declarations of Interest**

Members were invited to declare at this point in the meeting any personal interests not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests, which they might have in the business on the agenda. No interests were declared.

10. **Exclusion of Press and Public**

Resolved: That the press and public be excluded from the meeting during consideration of Annexes B1 and B2 to Agenda Item 5 (Called-in Item: Update on the Asset Management Strategy 2017-2022), on the grounds that they contain information relating to the financial or business affairs of 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 revised by the Local Government (Access to Information) (Variation) Order 2006).

11. **Public Participation**

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

Cllr K Taylor spoke on Agenda Item 5 (Called-In Item: Update on the Asset Management Strategy 2017-2022), as a Ward Member for Holgate. He spoke in support of the call-in, expressing concerns over the type of accommodation to be provided on the site and the record of the proposed provider.

Written comments on Item 5, also supporting the call-in, had been received from another Holgate Ward Member, Cllr Heaton, and circulated to Members before the meeting.

12. Minutes

Resolved: That the minutes of the meeting held on 15 September 2020 be approved as a correct record, to be signed by the Chair at a later date.

13. Called-in Item: Update on the Asset Management Strategy 2017-2022

Members considered a report which set out the reasons for the call-in of one of the decisions made by Executive on 26 November 2020 in respect of the Asset Management Strategy, along with the Committee's remit and powers in relation to the call-in.

The relevant decision was highlighted in the Decision Sheet at Annex 1 to the report. The original report to Executive was attached as Annex 2. The decision, which related to the disposal of Oakhaven, had been called in by Cllrs Melly, Perrett and K Taylor for the following reason:

“A failure to properly assess alternative options, including, following an earlier commitment, consulting the Health and Adult Social Care Policy and Scrutiny Committee on various options, in order to make best use of a site for elderly people's living in a sustainable location.”

Under with the provisions of the council's constitution and the requirements of Local Government Act 2000, the following options were available:

- A – not to refer the matter to Executive, in which case the original decision would be confirmed, or
- B - refer the matter to Executive with specific recommendations.

Cllr Melly addressed the committee on behalf of the Calling-In Members, explaining in more detail the reasons for the calling-in, and responding to questions put by Members. The Executive Member for Finance & Performance then outlined the reasons for the original decisions, and responded to Members' questions. A short break followed, after which questions were put to officers responsible for the report at Annex 2. During the question and answer sessions, Members were advised that:

- The Health Scrutiny Committee had not considered the matter as planned, due to cancellation of their meeting in March 2020 and the item being subsequently overlooked; however, this did not invalidate the Executive's decision.
- Steps were being taken to respond to the advice offered by Members when they considered the Executive report at the meeting of CCSMC on 23 November.
- All processes had been correctly followed when identifying the site for disposal; a holistic approach was taken, with no one objective (such as capital receipts) taking precedence.
- High-level due diligence had taken place in respect of the proposed disposal.

Members then moved into private session to ask questions on the exempt annexes. Following the return to the public session, Cllr Kilbane moved, and Cllr Pavlovic seconded, that Option B be approved. Cllr Hollyer then moved, and Cllr Pearson seconded, that Option A be approved. A named vote was taken on the first motion, in respect of which Cllrs Kilbane, Pavlovic and Crawshaw voted in favour, while Cllrs Fenton, Daubeney, Hollyer, Pearson and Waudby voted against. That motion was therefore declared lost and the motion to approve Option A was declared carried without the need for a vote.

Members went on to consider whether they wished to make any additional decisions or observations arising from their debate. Following this discussion, it was

Resolved: (i) That Option A be approved and that the original decision not be referred back to the Executive for reconsideration.

Reason: The Committee does not consider that there are grounds to make specific recommendations to the Executive in respect of the original report.

(ii) That a request be made for an appropriate Scrutiny committee to undertake scoping work, with a view to developing a strategy for the council on the ethical disposal of its assets.

Reason: In order to clarify the matters currently considered by the council when disposing of its assets and to identify areas for improvement, in the light of the issues raised by the calling-in.

Cllr J Crawshaw, Chair

[The meeting started at 11.00 am and finished at 2.05 pm].



Customer and Corporate Services Scrutiny Management Committee (Calling In)

25 January 2021

Report of the Director of Governance

Called-in Item: **Make It York – Impact of Covid-19**

Summary

1. This report sets out the reasons for the call-in of one of the decisions made by the Executive on 15 December 2020 in respect of funding for Make It York. The report also sets out the powers and role of the Customer and Corporate Services Scrutiny Management Committee (Calling-In) in dealing with the call-in.

Background

2. An extract from the Decision Sheet published after the Executive meeting on 15 December 2020 is attached as Annex A to this report. This sets out all the decisions taken on the called-in item, with the decision that has been called in highlighted in bold. The original report to the Executive, together with its annexes, is attached at Annex B.
3. Resolution (iv) on the Decision Sheet has been called in for review by the Customer and Corporate Services Scrutiny Management Committee (Calling-In) by Cllrs Douglas, Lomas and Heaton, in accordance with the Constitutional requirements, for the following reasons:-
 - a) *“The £1m guarantee over two years is an unacceptable financial risk to council taxpayers at a time when a new two year service level agreement (SLA) between City of York Council and Make it York is in the process of being drawn up and due to be agreed by March 2021;*
 - b) *The 2021-2023 SLA may not include all existing functions so the £1m guarantee should be halted for a short period ensuring that if and when agreed, it reflects the level of Make it York’s future council-commissioned activities;*

c) The council needs to urgently develop a system for effective SLA monitoring before it can confidently commit such significant sums of public money, notional or otherwise, to any external organisation.”

Consultation

4. In accordance with the requirements of the Constitution, the calling-in Members have been invited to attend and/or speak at the Calling-in meeting, as appropriate.

Options

5. The following options are available to the CCSMC (Calling-In) in relation to dealing with this call-in, in accordance with the constitutional and legal requirements under the Local Government Act 2000:
 - a) To decide that there are no grounds to make specific recommendations to the Executive in respect of the decision called in. If this option is chosen, the original decision taken on the item at the Executive meeting on 26 November 2020 will be confirmed and will take effect from the date of the CCSMC (Calling-in) meeting; or
 - b) To make specific recommendations to the Executive on the decision called in, in light of the reason given for post-decision call-in. If this option is chosen, the matter will be considered at a meeting of Executive (Calling-In) to be held on 14 January 2021.

Analysis

6. Members need to consider the reason for the call-in and the original report to the Executive and form a view on whether there is a basis to make specific recommendations to the Executive in respect of the decision called in.

Council Plan

7. There are no direct implications for this call-in in relation to the delivery of the Council Plan and its priorities for 2019-23.

Implications

8. There are no known Financial, HR, Legal, Property, Equalities, or Crime and Disorder implications in relation to the following in terms of dealing

with the specific matter before Members; namely, to determine and handle the call-in.

Risk Management

9. There are no risk management implications associated with the call in of this matter.

Recommendations

10. Members are asked to consider the reason for calling in this decision and decide whether they wish to confirm the affected decision or to refer it back for reconsideration and make specific recommendations to the Executive on the decision called in.

Reason: To enable the called-in matter to be dealt with efficiently and in accordance with the requirements of the Council's Constitution.

Contact Details

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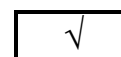
Report Approved



Date: 15 January
2021

Wards Affected:

All



For further information please contact the author of the report

Annexes

Annex A – Extract from the Decision Sheet produced following the Executive meeting on 15 December 2020, setting out the decisions made on the called-in item, with the called-in decision highlighted in bold.

Annex B – Report of the Chief Finance Officer and the Corporate Director of People to the Executive Meeting on 15 December 2020.

Executive

Tuesday, 15 December 2020

Decisions

Set out below is a summary of the decisions taken at the Executive meeting held on Tuesday, 15 December 2020. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

Members are reminded that, should they wish to call in a decision, notice must be given to Democracy Support Group no later than 4pm on the second working day after this meeting. Please note that the recommendations to Council at Items 11 and 12 cannot be called in.

If you have any queries about any matters referred to in this decision sheet please contact Fiona Young.

9. Make It York - Impact of Covid-19

Resolved: (i) That the requirement for Make It York (MIY) to make a revenue return to the council in 2020/21 in respect of trading activity across the city be waived.

(ii) That the first two quarters' rent due from MIY in 2020/21 for use of premises on Museum Street and the Silver Street offices be deferred.

(iii) That a loan facility of £300k from the council be accessed by MIY only if necessary.

(iv) That officers provide a letter of guarantee to MIY with access to a maximum of £1m over the next two years should it be required.

Reason: To secure the future of Make It York.

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Executive

15 December 2020

Report of the Chief Finance Officer and the Director of People
Portfolios of the Executive Members for Culture, Leisure & Communities
and for Economy & Planning

Make It York – Impact of Covid-19**Summary**

1. Make It York (MIY) has formally approached the council for financial support to mitigate the impact of Covid-19 on the company. This paper proposes a series of actions to respond to MIY's request.

Recommendations

2. The Executive is asked to agree to:
 - a) Waive the requirement for MIY to make a revenue return to the council in 20/21 in respect of trading activity across the city centre
 - b) Defer the first two quarters rent due from MIY in 20/21 for use of premises on Museum Street and Silver Street offices
 - c) A loan facility from the council of £300k to be accessed by MIY only if necessary
 - d) Officers to provide a letter of guarantee to MIY with access to a maximum of £1m over the next 2 years should it be required.

Reason: to secure the future of Make It York.

Background - The impact of Covid-19

3. Whilst MIY was previously financially successful, meeting its budget targets and producing a £35k annual dividend for the council, the last two quarters have been extremely difficult for the company, as they have for millions of businesses across the country. MIY's revenues have been decimated and, although the company's board has reduced costs and cut all non-essential spend, these measures have not been sufficient to ensure the business's commercial viability.

4. A report to the council's Shareholder Committee on 5 November set out the company's current financial position and the forecast to March 2025, including details of projected income growth and cost reduction measures, together with associated risks. The report sought to strike a balance between taking the necessary measures to mitigate MIY's current financial position and maintaining sufficient capacity to deliver a meaningful and useful service. The Shareholder Committee asked the MD to do further work to strengthen the evidence base for the projections, to refine them, and to update them to reflect the effects of the current lock-down. That work is reflected in the current paper.
5. Having begun the year relatively cash rich, MIY is now coming to the point where its cash and reserves are almost exhausted, and the company is in a negative balance sheet position. If no action is taken, the following would result:

To March 2021:

- a) Profit and Loss: (£1,260k)
- b) Balance Sheet: (£1,145k)
- c) Year-end cash: (£420k)

To March 2022:

- d) Profit and Loss: (£135k)
- e) Balance Sheet: (£1,280k)
- f) Year-end cash: (£552k)

The Council's company

6. MIY's directors have a legal duty not to run an insolvent business. Unless the council intervenes to support MIY's financial position the directors would have to appoint a liquidator / insolvency practitioner without delay in order to wind up the company.
7. If MIY does not remain a going concern the consequences for the council and for the city will be severe. MIY is wholly owned by the council and, as the city's destination management and city marketing organisation, is charged with providing key functions relating to tourism, inward investment, business support, culture, events and city centre management. Key points to note are:
- There would be major disruption to services if MIY were to be wound up. Notably, Visit York (VY) would immediately cease to function, severely limiting the city's post Covid-19 recovery

plans. The loss of VY would also cause significant damage to the long-term development and management of York's vital tourism economy and would have major repercussions within the sector at both local and national level.

- There would also be disruption to vital operational areas such as management of Shambles Market until such time as alternative management arrangements could be determined and put in place.
- Any requirement to bring services within the council would be complex and disruptive since MIY has its own terms and conditions, reflecting its commercial sector positioning, and any transfer would be subject to TUPE arrangements. Such a transfer would involve the council in very significant additional ongoing expenditure as staff transferred onto council terms and conditions.
- The MIY Teckal company model has been commercially successful for the council reducing the initial subsidy required by MIY from £554k p.a. in 2015 to £290k p.a. currently and facilitating investment in new products and services. This has been achieved through the entrepreneurialism facilitated by the company model leading to the development of new and increased income streams. The benefits of this commercial approach would clearly be lost if MIY were to be wound up.
- If MIY were to be wound up in December the company would leave significant debts. In particular, the company would not have sufficient cash to make the legally required redundancy payments that would be owing to staff. There would therefore be a real prospect of a large number of staff being made redundant without any compensation.
- As the company is wholly owned by the council there is no doubt that its creditors would look to the council for restitution.

Assumptions underlying MIY's projections

8. Profit and loss, balance sheets and year-end cash forecasts are attached as annexes to this paper. They are based on the following assumptions.

Cost reductions:

9. MIY has taken advantage of the government's furlough and furlough extension schemes with respect to VIC and city centre teams. Staff will return from furlough in December if lock-down ends. MIY also took advantage of the government's VAT and rates deferrals. The

other opportunity potentially available to MIY was a Coronavirus Business Interruption Loan; however, given that the company would require a facility of up to £750k for the next two years, and that the bank would require Directors' guarantees in respect of 20% of that, this was not a realistic option.

10. All operating costs have been scale back wherever possible: waste collection, heating, cleaning, security, consumables, etc. It would be possible to reduce costs further by keeping the VIC closed for the five remaining months of this financial year, saving £18,500. As a core MIY function, however, essential to the city's recovery, this is not recommended.
11. The MIY team have considered the scope to reduce property costs; however, the costs of moving and fit out will not currently deliver a saving. This will be monitored over the coming months and may become an option if realistic alternatives become available including an alternative use for the existing premises. The principal opportunity to save costs now is a programme of redundancy and the financial effects of this have been factored into the projections. Options for how these staffing reductions will impact are being considered alongside discussions between the board and the council with regard to MIY's future role.

Revenue projections:

12. Projections across the key areas of the business are as follows:

	Original budget 20/21	Revised budget 20/21	Projected budget 21/22	Projected budget 22/23
VY Membership	£325k	£180k	£249k	£249k
MIY Membership			£50k	£50k
VIC	£833k	£81k	£417k	£639k
Website advertising	£57k	£40k	£77k	£100k
York Pass	£693K	£161k	£350k	£519k
Publications	£299k	£100k	£250k	£250k
Shambles Market	£629k	£321k	£795k	£795k
Other City Centre	£160k	£0	£174k	£174k
Christmas	£875k	£0	£656k	£975k

13. The basis on which these various projections are made is shown in Annex 1. The projections take a prudent approach with regard to income streams that depend on customer footfall; however, reductions are balanced to some degree by new income streams to be delivered by employing new skills within the organisation, such as digital marketing expertise, which will deliver a more proactive approach to sales, including through targeting new organisations. Wherever applicable the projections are based on feedback from existing clients / partners.
14. The projections are of course subject to a range of variables including the ongoing impact of Covid-19. Depending on the length of the crisis, together with limitations on business operation, consumer demand, restrictions on travel, and the wider impact on the economy, the “actuals” may be worse than those forecast. Equally, they may be better. In preparing the forecasts, MIY’s accountants, Morrell Middleton, have sought to take a conservative approach albeit one informed by discussion with around 80 relevant sectoral businesses (drawn from the approximately 700 businesses that they support) with regard to levels of business confidence going forward. Ultimately, should MIY perform less well financially than forecast, it will be necessary to renegotiate elements of delivery through the service contract in order to allow MIY to reduce its costs further.
15. It should be noted that MIY’s accountants have projected that any further lock-down would see a loss of gross profit of circa £90k per month. If Christmas 2021 were to fall within a period of lockdown that gross loss of profit is likely to reach £1m.

Make It York’s ask of the council

16. To enable MIY to continue to operate and deliver its services while also allowing the business the opportunity to return to a positive balance sheet position during the 24/25 financial year, the board of MIY has requested the following from the council:
 - a) 20/21 revenue contribution from MIY to CYC in respect of trading in Shambles Market, the foot streets and Parliament Street to be written off. The rationale for this is that due the COVID crisis MIY has not been able to utilize these assets (including over Christmas which, for accounting purposes makes up over 50% of the rent). The exception to this is Shambles Market, although that has had a significant period of closure and then rent-free occupation. The sum in question is £474k.

- b) Defer 20/21 rent on Museum Street and Silver Street offices. It is proposed that the first two quarters rent are deferred in line with other council tenants. A repayment plan is currently being negotiated with the company with respect to the sum owing.
- c) A loan facility from CYC of £300k to provide a degree of ongoing operational security. To be accessed only if necessary.
- d) A “parent company guarantee” from the council until such point as a positive Balance Sheet position is restored (currently forecast as during the 25/26 financial year). It is not intended that this should lead to expenditure on the part of the council; however, it will provide a guarantee that the council will cover MIY’s liabilities should the company fail. This is required for audit purposes to demonstrate that MIY is a going concern until the Balance Sheet position is restored.

17. The impact of the requested package in MIY’s financial position is forecast to be as follows:

Financial Year	Profit and Loss £'000	Balance Sheet £'000	Year-End Cash £'000
March 2021	(696)	(581)	144
March 2022	(135)	(716)	12
March 2023	194	(521)	222
March 2024	360	(161)	567
March 2025	338	177	885

18. The table above reflects that the company would return to profitability in 2022/23 and retained profit in surplus by 2024/25. There will be further options for cost reduction / income generation to bring this position into a positive position in advance of this date.

What MIY will deliver for the council

19. The current contract between MIY and the council comes to an end on 31 March 2021. Detailed discussions are taking place between the company and officers with regard to the key elements of the contract specification for the next period. Clearly, what MIY can deliver for the council is closely linked to the funding that is available to it. A report on the contract specification will be brought back to the Executive in February. This will also set the ongoing annual

funding to MIY by the council in respect of the service contract going forward.

Options

20. The Executive may:
 - a) Agree the financial support package requested by MIY
 - b) Decline to provide the requested support package

Analysis

21. Option a) offers the prospect of MIY returning to being a going concern as it was before Covid-19. With a lower cost base, a high quality and clearly focussed staff group, MIY will be in a strong position to “build back better”. It will allow for more detailed discussions to take place with the council over the shape of the contract from April 2021 and for options to be developed with regard to the priorities that MIY should address for the council. It will also allow for discussion to take place with regard to the ongoing level of the council’s financial support to MIY during the next contract period.
22. Option b) would result in the MIY directors, in line with their legal duty, ceasing to operate the company as an insolvent business and taking the necessary steps to wind it up. This would lead to the immediate cessation of the important functions that MIY provides, for example, its destination management role. This, in turn, would require the council to decide whether to provide any of MIY’s functions within the council. If so, relevant MIY staff would be subject to TUPE transfer. A winding up of the company would also mean that its financial deficit could not then be recovered and its liabilities would need to be addressed immediately. A large part of MIY’s debt is owed to the council but there are other creditors and they will inevitably look to the council, as MIY’s sole shareholder, to cover MIY’s debt.

Council Plan

23. The proposals in this report further the priorities in the Council Plan with regard to *well-paid jobs and an inclusive economy and safe communities and culture for all*.

Implications

24. **Financial:** The budgetary impact of the recommended position is a budget gap within the Economy and Place budget of £474k in 2020/21 as the planned rental payments will not be received. It is proposed that the cost of this is funded from the general Covid-19

support grant. This will be incorporated into the Monitor 3 update to Members in February 2021. The deferral of rents will result in a reduced rent commercial rent received in 2020/21 but will still be due in future years.

25. Should a cash loan be required by MIY there is capacity within the Venture Fund to provide funding over a short term position to assist with cash flow issues (one to two years).
26. Should Members decide to decline the support package under option B, the council would be required to assume responsibility for the Assets and liabilities of MIY. This would result in a net increase in liabilities on the council's balance sheet in the Statement of Accounts. The ongoing cost of running the services currently provided by MIY would also return to the Council and potentially result in increased net expenditure.
27. The Council would also have to consider TUPE legislation and the terms and conditions of MIY staff to bring them back in house which could potentially be a time consuming and costly process.
28. Should Members decide to provide a financial guarantee to MIY, additional disclosures and accounting adjustments would be made in the Council's Statement of Accounts in line with the CIPFA Code of Practice.
29. **Legal Implications:** The provision of support to MIY under Option A in the form of writing off the revenue contribution for the year 20/21, rent deferral, a potential loan and a parent company guarantee could amount to State aid under Art. 107(1) of the Treaty for the European Union. In order to be considered to be lawful State aid, the following will need to be put in place:
 - a) Writing off any debt(s) or amounts owed to the Council – any debts written off or re-negotiated by MIY and the Council must comply with the Market Economy Investor Principle, that is to say any deal entered into by MIY and the Council in respect of any existing debt(s) owed by MIY to the Council must be comparable to the behaviour of hypothetical private creditors that find themselves in a similar situation, and any terms offered by the Council to MIY should not be more generous than what the rest of the market is doing.
 - b) Rent deferrals – any rent deferrals again must comply with the Market Economy Investor Principle; in this context, they must be comparable to what hypothetical private sector landlords on the commercial property rental market are doing under comparable

circumstances, and again any terms offered by the Council to MIY should not be more generous than what the rest of the market is doing.

- c) Potential loan/guarantee – any loan or guarantee must also comply with the Market Investor Economy Principle. Any loans or guarantees negotiated between the Council and MIY must be benchmarked and offered on commercial terms that are compatible with those being currently being offered by other private sector loan providers and/or guarantors/sureties on the market generally.
30. Due to the COVID-19 pandemic, the European Commission implemented a State aid Temporary Framework to support the economy which (at the time of writing) was originally due to expire on 31 December 2020, but has now been extended until 30 June 2021 (subject to further review by the Commission). If it were not possible to apply the Market Investor Economy Principle to the rent deferrals or the loan/guarantee, it would be possible to still achieve lawful State aid by applying the provisions set out in the Framework. However, at the time of writing, the European Rules on State Aid (including the Temporary Framework) only apply to the UK until the end of the Brexit Transition Period (i.e. until 23:00 on 31 December 2020). After this time, it remains unclear, at this stage, what the rules will be going forward; e.g. as part of any trade deal agreed between the UK and EU, will current State Aid rules for the most part be kept in UK Domestic Law as “Retained EU Law,” but overseen by domestic oversight body (CMA), or will it be WTO subsidy rules if there is no deal? Therefore, if we intend to apply the provisions of the Temporary Framework then we need to do so by no later than 31 December 2020, subject to any updates and announcements from the UK Government on State Aid post-Transition Period.
 31. Option A will also require the negotiation and drafting of formal loan and/or guarantee agreements, as well as any other legal paperwork to formalise the waiver of the revenue contribution for 20/21 under MIY’s contract with the Council and any rent deferral under their existing leases with the Council, which will require the input of Legal Services.
 32. As per the Financial Implications above, if members choose to proceed with Option B above, and not provide the support package sought by MIY, this is likely to result in the Council assuming the assets and liabilities of MIY under a form of transfer agreement to be negotiated, as well as the formal termination of the existing contract and lease arrangements, and the removal of the company from the

Register at Companies House. In addition, Option B will also result in relevant transfers of staff from MIY to the Council under TUPE.

33. **Property Implications:** As the report sets out, MIY have agreed to pay all rental sums owed on the basis of a repayment plan to be negotiated.
34. There are no other implications arising from the report.

Risk Management

35. As identified in paragraph 12 above, the projections contained in this report are based on a number of assumptions and could change significantly. In particular, they could be negatively impacted by any worsening of the situation with regard to Covid-19, especially and further lock-down.
36. In compliance with the council's risk management strategy the main risks that have been identified are those which could lead to the inability to meet business objectives (Strategic) and to deliver services (Operational), leading to financial loss (Financial), damage to the council's image and reputation and failure to meet stakeholders' expectations (Governance).
37. Measured in terms of impact and likelihood, the risk score has been assessed at 16, placing the issue in the high category. This means that constant active monitoring, will be required together with an action plan and measures to reduce exposure.

Annexes

1. Income generation assumptions
2. Cashflow forecast to year end 20/21
3. Cashflow forecast to year end 21/22
4. Cashflow forecast to year end 22/23
5. Cashflow forecast to year end 23/24
6. Cashflow forecast to year end 24/25

Contact Details

Authors:	Chief Officers responsible for the report:	
Charlie Croft Assistant Director (Communities and Culture) Patrick Looker Finance Manager	Amanda Hatton Director of People	
Report Approved ✓ Date: 2 December 2021		
Specialist Implications Officers: Dan Moynihan Senior Solicitor – Contracts & Commercial Nick Collins Property Manager – Commercial		
Wards Affected:	All	✓

For further information please contact the author of the report

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INCOME GENERATION ASSUMPTIONS**VY Membership:**

- Original budget to March 2021: £325k
- Revised budget to March 2021: £180k
- 2021-2022 projected budget: £249k
- 2022-2023 projected budget: £249k

Basis for 2020-2021 revisions: A new membership sales process has been instituted with a more proactive approach to new membership together with more rigorous account management (20 new memberships were signed up in October).

Basis for 2021-2022 projections: A 50% loss of VY's attractions, accommodation, and food and drink members at a cost of £60k, balanced in part by 30 new members from the wider region generating £9k.

Basis for 2022-2023 projections: Maintaining this income level is the worst case position that the company would expect.

MIY Membership:

- 2021-2022 projected budget: £50k
- 2022-2023 projected budget: £50k

Basis for 2021-2022 projections: This new revenue stream will target larger, anchor organisations and businesses seeking to be more involved in / contribute more to the future of the city.

Basis for 2022-2023 projections: Maintaining the same level of income is a prudent estimate.

VIC:

- Original budget to March 2021: £833k
- Revised budget to March 2021: £81k
- 2021-2022 projected budget: £417k
- 2022-2023 projected budget: £639k

Basis for 2021-2022 projections: Potentially lower footfall to be balanced by a higher margin. New e-commerce site revenues to

come on stream but ticket and tours and York Pass revenues to reduce by 50%.

Basis for 2022-2023 projections: Maintaining margins and sales levels is prudent. A drop in direct sales from York Pass (in light of online sales) to be offset by increases in other sales.

Website advertising:

- Original budget to March 2021: £57k
- Revised budget to March 2021: £40k
- 2021-2022 projected budget: £77k
- 2022-2023 projected budget: £100k

Basis for 2021-2022: A proactive approach will be taken to sales targeting larger businesses. This forecast is based on current client feedback.

Basis for 2022-2023 projections: More focussed, professional digital marketing expertise has been employed by MIY in order to deliver this target.

York Pass (non-VIC sales):

- Original budget to March 2021: £693K
- Revised budget to March 2021: £161k
- 2021-2022 projected budget: £350k
- 2022-2023 projected budget: £519k

2020-2021: Income currently stands at £79k. The projection assumes average winter sales online and through the VIC

Basis for 2021-2022 projections: Reduced by 50% from the original forecast due to anticipated reduced footfall but balanced by higher market penetration through better promotion and use of affiliate distributors.

Basis for 2022-2023 projections: More proactive sales and better distribution potentially offset by attractions dropping out or ceasing trading.

Publications:

- Original budget to March 2021: £299k
- Revised budget to March 2021: £100k
- 2021-2022 projected budget: £250K
- 2022-2023 projected budget: £250k

Basis for 2021-2022 projections: This is based on three key publications: Christmas, Mini Guide and Destination Guide - rather than the current five - a better quality product, and introducing a proper sponsorship and advertising strategy offering value to partners across the year. The estimate is also informed by discussions with target clients.

Basis for 2022-2023 projections: It will be prudent to retain the same budget until it is clear that the new print schedule is more commercially appealing.

Shambles Market:

- Original budget to March 2021: £629k
- Revised budget to March 2021: £321k
- 2021-2022 projected budget: £795k
- 2022-2023 projected budget: £795k

Basis for 2020-2021 projections: Currently at £105k. A current average month is £48k. Taking into account half rents for January and February 2021 a further £288k is forecast. This is reduced by 25% on the basis that the market can trade in a socially distanced fashion at 75% capacity.

Basis for 2021-2022 projections: Includes an assumption that fees are standardised, delivering an additional £141k. Includes £25k new revenue stream from monthly early evening events, ticketed, with costs covered by sponsorship.

Basis for 2022-2023 projections: It will be prudent to forecast maintaining 21-22 levels.

Other City Centre activity:

- Original budget to March 2021: £160k
- Revised budget to March 2021: £0
- 2021-2022 projected budget: £174k

- 2022-2023 projected budget: £174k

Basis for 2021-2022 projections: Projections based on specific, known events and commercial promotions: £50k commercial promotions (£5k per month excluding November and December because of the Christmas Market). A total of £110k generated from four events (Easter, May half-term, summer, Rugby World Cup) and £14k from two smaller events.

Basis for 2022-2023 projections: as 21-22.

Christmas:

- Original budget to March 2021: £875k
- Revised budget to March 2021: £0
- 2021-2022 projected budget: £656k
- 2022-2023 projected budget: £975k

Basis for 2021-2022 projections: shows a 25% reduction on 20/21's budget but includes potential for £50k of sponsorship. It does not include any revenues from additional spaces Minster, St Helen's Square and/or Museum Gardens. A lower gross profit margin has been assumed on sales given lower sales volumes and fixed costs.

Basis for 2022-2023 projections: with a return to confidence MIY expects Christmas activities to overtake pre-Covid levels as consumers return to busy shopping streets. The gross profit margin will revert to previous levels. There is potential for sponsorship deals delivering further income and an expectation that additional sites can be animated.

Monthly Cashflow Forecast
Make It York
Year Ended 31/03/2021

XMAS CANCELLED, UPDATED REDUNDANCIES

	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21
Cash receipts							
Cash sales & collected from debtors	172,373	118,000	132,212	107,272	53,803	107,630	69,757
Other income	0	253,900	0	0	253,900	0	14,500
Furlough Money Received	0	0	0	0	0	0	0
Xmas Market refunded		-108,134					
Covid Grants	0	0	0	0	0	0	0
Total cash inflow	172,373	263,766	132,212	107,272	307,703	107,630	84,257
Cost of sales							
Direct Cost/Materials	89,663	110,734	108,334	44,831	100,528	87,193	125,528
CYC Rent paid							474,000
Total cost of sales	89,663	110,734	108,334	44,831	100,528	87,193	599,528
Salary Costs							
All Salary Costs - NOW Inc NIC & Pensions	127,011	125,165	119,928	119,928	106,971	106,971	106,971
Redundancy Cost	0	0	0	32,503	0	0	0
New Staff	7,259	7,259	7,259	7,259	13,485	16,039	16,039
SMP	-3,778	-3,778	-3,778	-3,778	-3,778	-3,778	-3,778
Furlough Money	-2,000						
Total Salary Costs	128,492	128,646	123,409	155,912	116,678	119,232	119,232
OVERHEAD							
Training	0	1,200	0	0	1,200	1,200	2,388
Office Rent, Rates & Services	30,198	0	0	30,198	0	0	30,198
Repairs	0	0	0	0	2,976	0	0
Maintenance Agreements	775	775	775	775	775	775	775
Licences	0	0	0	0	0	0	0
Equipment Hire	304	925	868	304	925	868	304
Telephone	367	367	367	367	367	367	367
Stationery	1,487	1,487	1,487	1,487	1,487	1,487	1,487
Insurance	3,000	0	0	0	0	1,351	0
Postage	933	933	933	933	933	933	933
Sundry, Travel and Hospitality	2,467	7,717	2,467	2,467	2,467	2,467	7,717
Subscriptions	0	0	0	0	0	0	0
Marketing	0	0	1,782	0	0	0	0
Accountancy & Payroll	4,404	4,404	4,404	4,404	4,404	4,404	4,404
Audit	600	600	600	600	600	600	600
Legal Fees	0	7,200	0	0	0	0	0
Health & Safety	0	2,400	0	0	4,200	0	0
Computer Costs (incl SCY)	2,523	2,523	2,523	2,523	2,523	2,523	2,523
Bank and Credit Card Charges	1,235	1,235	1,235	1,235	1,235	1,235	1,235
Total expenditure	48,293	31,765	17,441	45,293	24,091	18,210	52,931
Cash capital payments							
Movement in Debtors	0	0	0	0	0	0	0
Movement in Creditors	0	0	0	0	0	0	0
VAT- UPDATED FIGURES	0	0	(75,351)	0	0	24,142	32,906
Corporation tax	0	0	0	0	0	0	0
Movements in accruals & deferred income	0	0	0	0	0	0	0
Balance sheet movements	0	0	-75,351	0	0	24,142	32,906
Total cash outflow	266,448	271,145	173,833	246,036	241,297	248,777	804,597
Opening balance	£ 656,481	£562,406	£555,027	£513,407	£374,643	£441,049	£299,902
Net cash receipts/(expenditure)	-£ 94,075	-£7,379	-£41,621	-£138,764	£66,406	-£141,147	-£720,340
Closing balance	£ 562,406	£555,027	£513,407	£374,643	£441,049	£299,902	-£420,439

Bank Position if no rent paid to CYC in 2020/21 £ 592,604 £ 585,225 £ 543,604 £ 435,039 £ 501,445 £ 360,297 £ 144,155

Make It York Covid-19 Forecasts For the year ending 31st March 2021 No Xmas markets, updated redundancies			
	Income	Costs	Contribution
Visit York Core Funding	£798,000	£0	£798,000
Visit York Membership	£180,000	£41,278	£138,722
VIC	£81,000	£162,990	-£81,990
Website Advertising	£40,000	£94,608	-£54,608
Leisure Marketing	£106,500	£171,065	-£64,565
York Pass	£161,000	£162,410	-£1,410
Publications	£100,000	£125,838	-£25,838
Shambles Market	£321,000	£517,426	-£196,426
Other City Centre Activities	£0	£99,381	-£99,381
Christmas Activities	£0	£358,978	-£358,978
Business Marketing	£8,880	£49,768	-£40,888
Science City York	£0	£0	£0
Business Income	£72,000	£225,316	-£153,316
Culture & Wellbeing	£150,551	£270,902	-£120,351
Other Revenue	£4,000	£123,708	-£119,708
External Grant Funding	£195,460	£150,000	£45,460
Bank Interest	£1,000	£0	£1,000
Establishment costs - office	£0	£825,907	-£825,907
Establishment costs - VIC	£0	£100,050	-£100,050
	£2,219,391	£3,479,624	-£1,260,233
CYC Rent included in Total costs above			£474,000
Museum & Silver street Rent			£90,594
Loss position if no rent paid to CYC in 2020/21			-£695,639
Balance Sheet Reserves			
	No rent w.o. in 2020	With Rent w.o. in 2020	
B/fwd 1/4/20	£115,072	£115,072	
Profit/Loss	(£1,260,233)	(£695,639)	
Closing at 31/3/21	(£1,145,161)	(£580,567)	

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Make It York Ltd
2022 Cash flow

		April	May	June	July	August	September	October	November	December	January	February	2022 March
Monies Received	Vatable	£ 592,100	£ 112,700	£ 172,700	£ 745,700	£ 112,700	£ 112,700	£ 548,900	£ 112,700	£ 112,700	£ 548,900	£ 112,700	£ 112,700
Monies Received	No Vat	£ 133,417	£ 95,417	£ 95,417	£ 133,417	£ 95,417	£ 95,417	£ 133,417	£ 95,417	£ 95,417	£ 133,417	£ 133,417	£ 95,417
Bank Interest		£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83
Total Receipts		£ 725,600	£ 208,200	£ 268,200	£ 879,200	£ 208,200	£ 208,200	£ 682,400	£ 208,200	£ 208,200	£ 682,400	£ 246,200	£ 208,200
Cost of sales spent	Vatable	£ 238,006	£ 70,006	£ 70,006	£ 70,006	£ 286,486	£ 70,006	£ 70,006	£ 178,246	£ 70,006	£ 178,246	£ 70,006	£ 70,006
Cost of sales spent	No Vat	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925	£ 67,925
Direct salaries		£ 131,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486
		£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815
CYC rent		£ 118,500			£ 118,500			£ 118,500			£ 118,500		
total direct costs		£ 565,731	£ 229,231	£ 229,231	£ 347,731	£ 445,711	£ 229,231	£ 347,731	£ 337,471	£ 229,231	£ 455,971	£ 229,231	£ 229,231
Surplus trading Cash		£ 159,869	-£ 21,031	£ 38,969	£ 531,469	-£ 237,511	-£ 21,031	£ 334,669	-£ 129,271	-£ 21,031	£ 226,429	£ 16,969	-£ 21,031
Head Office Salaries		£ 20,213	£ 20,213	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956
Head office costs		£ 29,413	£ 16,142	£ 43,975	£ 82,376	£ 20,447	£ 48,293	£ 31,766	£ 17,441	£ 45,293	£ 24,092	£ 18,210	£ 52,931
Capital Expense			£ 15,000										
VAT Payable		£ 60,000			£ 68,325			£ 65,581			£ 60,257		
Depreciation													
Total Costs		£ 109,626	£ 51,355	£ 68,931	£ 175,657	£ 45,403	£ 73,249	£ 122,303	£ 42,397	£ 70,249	£ 109,305	£ 43,166	£ 77,887
Cashflow		£50,243	(£72,386)	(£29,962)	£355,812	(£282,914)	(£94,280)	£212,366	(£171,668)	(£91,280)	£117,124	(£26,197)	(£98,918)
ClosingBank		(£420,439)	(£370,196)	(£442,582)	(£472,544)	(£116,732)	(£399,646)	(£493,926)	(£281,560)	(£453,228)	(£544,508)	(£427,384)	(£453,581)
..... paid to CYC in 2020/21		£144,155	£194,398	£122,012	£92,050	£447,862	£164,948	£70,668	£283,034	£111,366	£20,086	£137,210	£111,013
Debtors													

P & L
£ 2,831,000
£ 1,335,000
£ 4,166,000
£ 1,200,857
£ 815,100
£ 1,027,826
£ 117,778
£ 474,000
£ 3,635,562
£ 530,438
£ 289,984
£ 358,649
£ 16,947
£ 665,580
-£ 135,142 Profit

Balance Sheet Reserves

	No rent W.o. in 2020	With Rent W.o. in 2020
B/fwd 1/4/21	(£1,145,161)	(£580,567)
Profit/Loss	(£135,142)	(£135,142)
Closing at 31/3/22	(£1,280,303)	(£715,709)

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Make It York Ltd
2023 Cash flow

		2023												
		April	May	June	July	August	September	October	November	December	January	February	March	
Monies Received	Vatable	£ 614,300	£ 134,900	£ 194,900	£ 959,300	£ 134,900	£ 134,900	£ 666,800	£ 134,900	£ 134,900	£ 666,800	£ 134,900	£ 134,900	
Monies Received	No Vat	£ 147,500	£ 109,500	£ 109,500	£ 147,500	£ 109,500	£ 109,500	£ 147,500	£ 109,500	£ 109,500	£ 147,500	£ 147,500	£ 109,500	
Bank Interest		£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	
Total Receipts		£ 761,883	£ 244,483	£ 304,483	£ 1,106,883	£ 244,483	£ 244,483	£ 814,383	£ 244,483	£ 244,483	£ 814,383	£ 282,483	£ 244,483	
Cost of sales spent	Vatable	£ 255,544	£ 87,544	£ 87,544	£ 87,544	£ 344,944	£ 87,544	£ 87,544	£ 216,244	£ 87,544	£ 216,244	£ 87,544	£ 87,544	
Cost of sales spent	No Vat	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	£ 79,333	
Direct salaries		£ 131,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	£ 81,486	
		£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	
CYC rent		£ 118,500			£ 118,500			£ 118,500			£ 118,500			
Total direct costs		£ 594,677	£ 258,177	£ 258,177	£ 376,677	£ 515,577	£ 258,177	£ 376,677	£ 386,877	£ 258,177	£ 505,377	£ 258,177	£ 258,177	
Surplus trading Cash		£ 167,207	-£ 13,693	£ 46,307	£ 730,207	-£ 271,093	-£ 13,693	£ 437,707	-£ 142,393	-£ 13,693	£ 309,007	£ 24,307	-£ 13,693	
Head Office Salaries		£ 20,213	£ 20,213	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	
Head office costs		£ 29,413	£ 16,142	£ 43,975	£ 82,376	£ 20,447	£ 48,293	£ 31,766	£ 17,441	£ 45,293	£ 24,092	£ 18,210	£ 52,931	
Capital Expense			£ 15,000											
VAT Payable		£ 62,466			£ 70,656			£ 92,992			£ 75,128			
Depreciation													£ 16,947	
Total Costs		£ 112,092	£ 51,355	£ 68,931	£ 177,988	£ 45,403	£ 73,249	£ 149,714	£ 42,397	£ 70,249	£ 124,176	£ 43,166	£ 77,887	
Cashflow		£55,115	(£65,048)	(£22,624)	£552,218	(£316,496)	(£86,942)	£287,993	(£184,790)	(£83,942)	£184,831	(£18,859)	(£91,580)	
ClosingBank		(£552,499)	(£497,384)	(£562,432)	(£32,838)	(£349,334)	(£436,276)	(£148,283)	(£333,073)	(£417,015)	(£232,185)	(£251,044)	(£342,624)	
Position if no rent paid to CYC in 2020/21		£12,095	£67,210	£2,162	(£20,462)	£531,756	£215,260	£128,318	£416,311	£231,521	£147,579	£332,409	£313,550	£221,970
Debtors														

P & L	
£	3,372,000
£	1,504,000
£	4,876,000
£	1,444,437
£	951,990
£	1,027,826
£	117,778
£	474,000
£	4,016,032
£	859,968
£	289,984
£	358,649
£	16,947
£	665,580
£	194,388

Profit

Balance Sheet Reserves		
	No rent W.o. in 2020	With Rent W.o. in 2020
B/fwd 1/4/22	(£1,280,303)	(£715,719)
Profit/Loss	£194,388	£194,388
Closing at 31/3/23	(£1,085,915)	(£521,331)

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**Make It York Ltd
2024 Cash flow**

		April	May	June	July	August	September	October	November	December	January	February	2024 March	P & L
Monies Received	Vatable	£ 650,200	£ 151,600	£ 216,400	£ 976,000	£ 151,600	£ 151,600	£ 683,500	£ 151,600	£ 151,600	£ 683,500	£ 151,600	£ 151,600	£ 3,559,000
Monies Received	No Vat	£ 151,750	£ 113,750	£ 113,750	£ 151,750	£ 113,750	£ 113,750	£ 151,750	£ 113,750	£ 113,750	£ 151,750	£ 151,750	£ 113,750	£ 1,555,000
Bank Interest		£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	£ 83	
Total Receipts		£ 802,033	£ 265,433	£ 330,233	£ 1,127,833	£ 265,433	£ 265,433	£ 835,333	£ 265,433	£ 265,433	£ 835,333	£ 303,433	£ 265,433	£ 5,114,000
Cost of sales spent	Vatable	£ 264,168	£ 96,168	£ 96,168	£ 96,168	£ 353,568	£ 96,168	£ 96,168	£ 224,868	£ 96,168	£ 224,868	£ 96,168	£ 96,168	£ 1,530,677
Cost of sales spent	No Vat	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 82,500	£ 990,000
Direct salaries		£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 80,495	£ 965,937
		£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 9,815	£ 117,778
CYC rent		£ 118,500			£ 118,500			£ 118,500			£ 118,500			£ 474,000
Total direct costs		£ 555,477	£ 268,977	£ 268,977	£ 387,477	£ 526,377	£ 268,977	£ 387,477	£ 397,677	£ 268,977	£ 516,177	£ 268,977	£ 268,977	£ 4,078,393
Surplus trading Cash		£ 246,556	-£ 3,544	£ 61,256	£ 740,356	-£ 260,944	-£ 3,544	£ 447,856	-£ 132,244	-£ 3,544	£ 319,156	£ 34,456	-£ 3,544	£ 1,035,607
Head Office Salaries		£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 24,956	£ 299,470
Head office costs		£ 29,413	£ 16,142	£ 43,975	£ 82,376	£ 20,447	£ 48,293	£ 31,766	£ 17,441	£ 45,293	£ 24,092	£ 18,210	£ 52,931	£ 358,649
Capital Expense			£ 50,000											
VAT Payable		£ 62,466			£ 78,694			£ 97,030			£ 79,166			
Depreciation														£ 16,947
Total Costs		£ 116,835	£ 91,098	£ 68,931	£ 186,026	£ 45,403	£ 73,249	£ 153,752	£ 42,397	£ 70,249	£ 128,214	£ 43,166	£ 77,887	£ 675,066
Cashflow		£129,721	(£94,642)	(£7,675)	£554,330	(£306,347)	(£76,793)	£294,104	(£174,641)	(£73,793)	£190,942	(£8,710)	(£81,431)	£ 360,541 Profit
Closing Bank Position		(£342,624)	(£212,903)	(£307,545)	(£315,219)	£239,110	(£67,237)	(£144,029)	£150,075	(£24,566)	(£98,359)	£92,583	£83,873	£2,442
Position if no rent paid to CYC in 2020/21		£221,970	£351,691	£257,049	£249,375	£803,704	£497,357	£420,565	£714,669	£540,028	£466,235	£657,177	£648,467	£567,036
Upgraded Sales for return due to normal trading														
No Salary increases														

	No rent W.o. in 2020	With Rent W.o. in 2020
B/fwd 1/4/23	(£1,085,915)	(£521,321)
Profit/Loss	£360,541	£360,541
Closing at 31/3/24	(£725,374)	(£160,780)

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