

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

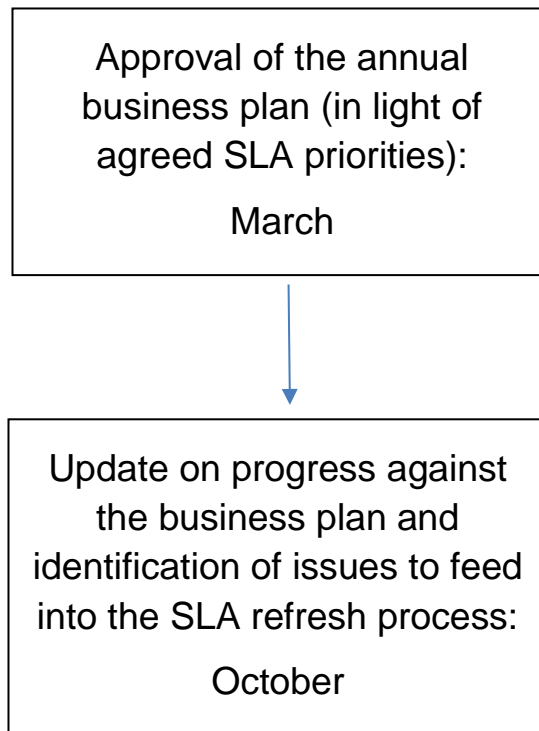
2. The committee is asked to:
 - Note MIY's performance to date in 2021/22
 - Approve MIY's business plan for 2022/23
 - Approve MIY's Scheme of Delegation

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.

- Executive agreed that MIY should report to the Shareholder Committee twice a year as follows:



- MIY's proposed business plan, reflecting the priorities set out in the current SLA, is attached at Annex A.

Scheme of Delegation

- 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.
- MIY's proposed scheme of delegation is attached at Annex B for approval.

Financial update

- 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.

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| | 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