

Make It York

City of York Shareholder Committee – Monday 31st October 2022

Make It York update report

Introduction

This paper sets out an update on Make It Yorks activities for the first 6 months of the year April – September 2022, presents the Audited Accounts for 2021/2022 and presents the forecast budgets against the Business Plan base Budget 2022/23 and 2023/2024.

The first six months of this year has been challenging for MIY with revenue streams impacted due to the slow recovery from Covid but also due to the increase in the cost of living and pending recession. There have been significant improvements made to the Governance, financial management and reporting procedures at MIY. More focus has been given to the services that we deliver and a number of reviews have taken place. We have had key successes in the activities we deliver and our media reach has grown.

Monthly Client Meetings between MIY and CYC have continued to take place and reporting. A Quarterly Narrative has also been produced in advance of each quarterly meeting. A copy of the most recent report against the Service Level Agreement (SLA) is included in the report pack (Appendix 1).

Governance

The Make It York Board are going through a recruitment process for new non-executive members for our Board. We have focused on attracting Members who bring specific expertise including financial, procurement, business development, tourism, partnerships, governance and place making. The MIY Board has approved the recruitment of three new non-Executive Directors and is seeking approval from the Shareholder Committee to ratify their appointments. See confidential Appendix 2 for details of the proposed members.

We are also establishing a Membership Advisory Board to provide better, clearer and appropriate services for our members, to focus on what they require from a Visit York service. This group will provide challenge, new ideas and increased ambassadorial voice for the city. This also will ensure we are more accountable to our membership.

There have been a number of staffing changes during the past six months with a number of leavers. This has given us opportunity to better match skills against our business needs and the projects and services we deliver, as well as being able to reduce overheads and expenditure more efficiently. A number of new posts have been created, to fulfil skills gaps we require, and these

will be advertised shortly. The overall head count has been reduced. Only where it is essential have we advertised new roles. Officers of the City Council and Partners will be included in the recruitment of posts, where appropriate.

We have strengthened our financial management and procurement. We have a clear scheme of delegation and an open and transparent tendering process. These new processes have helped reduce unnecessary costs, helped us control expenditure and manage income projections much better and in line with the business plan and teckal company arrangements.

We are committed to supporting York's ambition to be a net-zero carbon city by 2030 and will reduce our environmental impact. We have successfully achieved the Good Business Charter status, all our supplier contracts include an environmental clause to demonstrate how they will impact on reducing carbon, we have ensured that there will be no single use plastic by our suppliers for the Christmas Market, we have ensured green generators will be used and we have and will continue to review our supplier chains to purchase local where we can to reduce transport associated costs with supply chains.

We are exploring ways of becoming a greener business and have submitted grants to help us with this challenge, including options such as the provision of electric bikes for market traders, installation of water refill stations and LED/solar panels for the Market.

Business Performance

Appendix 1 provides detailed performance to date against our SLA. Below provides information on our business performance during April to September 2022 to demonstrate the impact and services MIY provides for the city, visitors, residents, stakeholders, members and customers.

Marketing & Communications

The city continues to see a rise in visitor numbers, largely due to domestic visitors, following the pandemic, however footfall is down by 17% in comparison to pre pandemic numbers. Average spend is higher per person than it was in 2019. We have also seen a rise in the number of international visitors, although nowhere near the level of 2019. York is no different than London in this respect and we are faring slightly better than some places with the number of international visitors coming to our city.

Working with city partners a total of 4 marketing campaigns have taken place including Chocolate Festival, Vintage York, Summer Days and Taste.

We have launched our national campaign headlined by LNER and our international campaign has just Launched with FAM trips, Japan along with ongoing work with the Chinese student ambassador programme.

We have produced 3 publications, totaling 760,000 copies, our mini, summer, and Christmas guides.

We have also won Group Leisure Awards Best UK Destination for Groups 2022. Which is a brilliant achievement for the second year running.

For the first half of this year we have had excellent social media, website engagement and PR coverage. Our key successes are

- From April to September our social media content has been viewed by **10.1 million** people.
- Our social media content is being received better than ever before, with year-on-year engagement increasing by **13.6%**. The most valuable engagement we can receive is a user visiting our website from a social media post and clicks from social media to the Visit York website have increased by an amazing **93.3%**, demonstrating people are responding very well to our posts.
- We also currently have the highest engagement rate of any other Destination Marketing Organisation (DMO).
- Between April and September, we gained 7,289 new followers, which is a percentage increase of **6.7%**. In the past calendar year follower figures have grown by **21.4%**.
- Year to date, the number of users visiting the Visit York website is up **6.14%** compared to 2019's pre-COVID levels and it's up **50%** compared to 2018 figures.
- The Visit York website is generating over 1.2 million visits to the website each year. The estimated annual cost to generate this traffic through pay per click advertising is **£2.7 million**.

Over the next 6 months we will be undertaking a further 5 marketing Campaigns which will focus on the 'go getter' audience. We also hope to increase our social media engagement by 5% and website engagement by 5%.

Membership

Our current membership retention is 88% a decrease of 6%. The main reason for the decrease is cost of living increases. However, since April, 97 new members have joined, which is a record number since MIY has been in establishment.

Since April, 24 membership events have taken place.

Visitor Information Centre (VIC)

Footfall has remained steady since April. Footfall in the VIC is down 50% on pre pandemic levels. USA international visitors are returning most, followed by those from the Netherlands, Canada, Germany and Australia.

Events

In May 2022 we produced our Event Planner for the year up to 2023, this was developed once we knew that Covid restrictions were being lifted. It has been a challenging environment for the events activity in the early part of the year, as organisers were still very cautious.

We have held to date as follows; 7 major events have been delivered since April including York Life, Chocolate Festival, Viking Festival, Food and Drink Festival and Summer Festival.

Plans are in place for events over the next 6 months; Halloween, St Nicolas Fair, Residents Festival, Visit York Awards, York Ice Trail 2023 and Viking Festival 2023.

Renting the public spaces is becoming more of a challenge and the reasons for this are costs, multiple uses of the spaces we manage, licensing restrictions and timescales/processes of some organisation we require permissions from.

Shambles Market

Since April we have implemented monthly meetings with shambles traders to build relationships and focus on improving the market. We have implemented standardisation in line with the traders request and continue to have negotiations on rents due to the current economic climate, to ensure the market is sustainable and has the right mix and quality going forward.

We have submitted 3 funding proposals, based on trader requirements and based on how we see the market developing in the future. A grant of £10k has been secured from the BID to purchase gazebos for joint use in the city.

We have made significant improvements to health and safety in the market, and this will continue to be a focus going forward.

During the next 6 months we will be undertaking a major health check of the Shambles Market which will review the overall performance of the market, its sustainability, income, expenditure, rent levels and investment levels required.

Culture and Wellbeing

Working closely with the cultural and creative sector, MIY launched the York Culture Forum in December 2021, to enable the sector to share knowledge, network and collaborate. Free to join, the Forum is open to anyone working in the arts and heritage, and currently has over 160 members. This September, the Culture Forum elected their new Culture Executive, to oversee the future direction and implementation of the Culture Strategy together - the first elected cultural executive group in the UK.

Make It York have run two grant programmes this spring and summer, awarding a total of £80K in funding to the events and culture sectors. The ARG £50k Events and Festivals Grants Scheme, a one-off grants programme, and the £30k Cultural Wellbeing grants programme, which MIY runs alongside City of York Council (with funding through the Better Care Fund). The two schemes supported the creative and arts sector, as well as supporting charities, social enterprises and voluntary groups in the city.

MIY continue supporting the development of the UNESCO Creative City of Media Arts status and are currently working on production of the UCCN Monitoring Report 2022 with the Guild of Media Arts.

MIY ensure ongoing partnership working with cultural and creative organisations across the city, advocacy on behalf of the sector, locally, regionally and nationally, and promoting the sector through media channels, policy work, networking opportunities, working groups and forums.

Looking forward, we are working alongside York Civic Trust and key partners to establish an exciting citywide programme of events and activities, that celebrates our history and heritage, and we have just been awarded a grant of £250k to support this activity, which we will announce soon.

We plan to establish a York Creates Fund, to enable us to create a seed fund pot, to develop and deliver further creative initiatives and events with the culture and creative sector. The start of this will be through the sales of our 30th celebration Christmas bauble.

[Audited Accounts 2021/2022](#)

Attached at Appendix 3 are our audited accounts for 2021/2022. Morrell Middleton conducted our 2021/22 audit in July 2022. The auditors have issued an unqualified report with few weaknesses in the internal control environment. We have a new Managing Director in post, along with a new Scheme of Delegation and processes are in place to mitigate this issue.

[Budget Position October 2022/2023 and profiled budget for 2023/2024](#)

2022/2023 budget was based on the 2019/2020 Budget for MIY and the anticipation was that we would be able to recover quickly from the pandemic and organisational issues. However, recovery has been slower than expected and the global cost of living crisis, impact of the war in Ukraine has thrown unexpected challenges for MIY, as it has other businesses in the city.

MIY at this point are expecting to return a higher deficit than in the business plan predicted from £23,295 to a deficit of £63,506 as can be seen in confidential appendix 4. The reason for this higher deficit forecast is numerous, energy costs have increased by 128% which was not budgeted for in January 2022, membership renewals are 6% down (the reason given for not renewing was primarily cost of living), cost of paper and print costs has increased by approximately 75%, a delay in moving premises (3 months later than expected), difficulties in renting out our public spaces due to licensing complications, decision making processes and cost, as well as businesses not having budgets for sponsoring some of our activities.

The budget for 2023/2024 shows £96,511 profit. This is due to savings made by restructuring, moving office, management of expenditure and direct costs, as well as predicting more effectively proposed income and tendering of services.

Additional financial information has been provided in confidential appendices:

Appendix 5 – Balance sheet as at 30 Sept 22

Appendix 6 – Cashflow forecast as at 30 Sept 22

Appendix 7 – Summary profit and loss as at 30 Sept 22

Conclusion

Whilst recognising that the post-COVID world would be different, the road to recovery has been much slower than expected, MIY is confident it will once again become a fully going concern, as the 2023/2024 budget shows. 2022/2023 was always going to be a difficult year as very little was in place and the problems previously very severe. The organisation can clearly articulate the challenges, explain budgetary differences and manage its income and expenditure more effectively in a very uncertain climate. The 2022/2023 budget challenges are all issues that were not foreseen in January 2022. With a new Managing Director in post, a new senior management team in place, more refined roles and priorities and stronger budget management and controls, MIY is in a stronger position to continue to promote the city and help the businesses of York recovery from covid as well as help through this new phase of a global recession.