

2018/19 BUDGET NARRATIVE

The current forecast for the financial year 2017/18 is to make an operating surplus of around £30k. This is subject to February and March monthly trading figures which have been adversely affected by the poor weather.

A budget surplus of £27k is planned for 2018/19, this is despite a further reduction in the net CYC contribution of £100k and a number of new cost increases.

Key points about the 2018/19 budget are as follows:

1. Overall revenue for the company is budgeted to grow year on year by around £200k. This is fuelled by planned growth from the York Pass, the Visitor Information Centre, Visit York membership, digital advertising and further modest increases from the Shambles Market and Christmas activity.
2. Visit York membership revenue is budgeted to grow by 8%, a reflection of the effort going into the benefits package and the current success in gaining new members. Trends over the last couple of years have been positive.
3. VIC revenue is budgeted to grow by 4%, continuing the impressive revenue growth that has been achieved in 2017/18.
4. Investment in the new Visit York Website (£55k expenditure) should see a substantial dividend in 2018/19. Revenue has been very poor in 2017/18 and a more focused approach next year is budgeted to yield a 56% revenue increase. Extra sales resource has been built into the plan.
5. Leisure marketing revenue is budgeted to increase by £17k. Income generated goes straight out as expenditure.
6. York Pass sales are budgeted to grow by £37k largely as a result of yield increases. Depreciation for the York Pass system ended in 2017/18 so the profitability of this initiative increases significantly in the year ahead.
7. Publications revenue is budgeted to grow by £10k in 2018/19, modest growth following significant development over the last 3 years.
8. Revenue from the Shambles Market shows growth of 2.4%, building on the excellent growth achieved in 2017/18.

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9. Other city centre activity is also budgeted to grow significantly, reflecting the movement of the Ice Trail revenue from Christmas into early February next year.
10. A £15k reduction in Christmas revenue reflects the Ice Trail move referred to above. The figures do though benefit from 2 extra trading days on the Christmas market.
11. Science City York includes revenue in and similar costs out for the SIAFS project. Support for the digital/IT, bioscience and creative sectors continues to benefit from surpluses achieved elsewhere in the business.
12. Business income is budgeted to grow by £20k through taking a more commercial approach to events and seminars.
13. A £20k investment into the 'Bloom!' festival has been built into the budget.
14. A 2% salary increase is assumed across the company.
15. Overheads and establishment costs increase by £37k due to increases in pension costs, insurance etc. The company does though benefit from a decrease in computer depreciation costs.
16. Depreciation has been built in for a new capital project to improve Make It York's database capabilities.
17. Market rents increase by £100k per annum, the alternative to the CYC contribution reducing by £100k. The net CYC contribution to Make It York reduces to £4324k, 6.6% of Make It York's overall revenue. This has reduced from 16% when the original budget was set in 2015/16.
18. The total revenue budget for Make It York in 2018/19 is £4,872,000. This is £1,074,000 above the original revenue budget set for the company in 2015/16, a 28% rise. Just about all of this revenue improvement has been invested back into activity for the city.