

Shareholder Meeting December 2019

## Make It York - Managing Director's Report

### Introduction

This report provides summary financial performance figures for Make It York year-to-date 2019-20. It also lays out early views on the key areas of focus for a revised SLA and MIY Business Plan.

### Financial Performance

Performance against budget – Year to date (31 October 2019):

	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>Revenue</b>	2,542,254	2,583,412	(41,158)
<b>Direct Costs</b>	2,367,545	2,484,027	(116,482)
<b>Gross Profit</b>	174,709	99,385	75,324
<b>Overheads</b>	422,771	341,144	81,627
<b>Net Profit</b>	(248,063)	(241,759)	(6,304)

- Year to date, overall net loss of £6,304.
- Revenue variance is £41,158 below budget. This is a result of:
  - VIC merchandise sales struggling with revenue below budget by £20,211
  - City centre activities being £7,910 below budget due to unavailability of St Sampson's Square during summer months.
  - Variance of £24,139 is from discontinued business areas
- Direct cost saving stands at £75,324 against budget.
- Continuing strong performance from Shambles Market and York Pass.

### 1. Governance

Following a thorough assessment of the corporate and staffing structures of MIY, the Board agreed in April this year to the establishment of five distinct departments within the business. These were Business and Networking; Culture and Wellbeing; City Centre Management and Markets; Communications and Marketing; Commercial

and Revenue Generation. Three senior members of staff left MIY at that point.

Significant progress has since been made in recruiting a new team. A new Head of Business has been appointed and started in early November. Alex Green, previously a Senior Account Manager with the Corporation of London, has got off to a great start and brings considerable experience of capital markets and of the Far East. His initial focus will be on establishing key relationships across the city, with a view to concentrating on inward investment, trade opportunities and talent attraction and retention.

MIY has also just appointed a new Head of Culture and Wellbeing, Helen Apsey, who will join the business in January 2020. Helen is currently employed by Nordoff Robbins, the music therapy charity, as the Head of Policy and Impact. This post is jointly funded by MIY and CYC.

Interviews are being held shortly for a Head of Commercial and Revenue Generation. This role has so far proved more difficult to attract good candidates to, primarily because of the advertised salary level. The Shareholder's Committee is separately being asked to approve a remuneration package which will allow MIY to make an appointment soon.

Notwithstanding the above and some teething troubles, the new departmental structure and roles are becoming established. The creation of a Colleagues Advisory Board has provided a mechanism to ensure staff concerns can be raised and aired, and as importantly staff input into corporate strategy can be secured.

As a related point, as the Shareholder's Committee will know, MIY has appointed a new Chair of the Board (subject at the time of writing to formal ratification by CYC's Staffing and Urgencies Committee). The appointee is Greg Dyke who will bring excellent experience and networks to the role and will take up position on 1<sup>st</sup> January 2020. His appointment is also a clear demonstration of ambition on the part of CYC and MIY. Perrett Laver was commissioned to produce a longlist and then a shortlist of potential candidates and was assisted by an appointment panel made up of Peter Clinker, Mini Setty, Richard France, Harkirit Bopari, Karen Stanton, Charlie Croft, Noirin Carmody and the MD.

An induction programme for January 2020 is currently being organised for Greg.

With respect to governing the relationship between CYC and MIY, the MD has begun discussing a new SLA with CYC. The aim is that it will be more concise and related more closely to MIY's current strategic priorities. Once agreed, it will form the basis of MIY's 2020-2021 Business Plan, to be launched at 2020's MIY Stakeholder Meeting in May. If it is possible to agree a multi-year Business Plan that structure will be adopted.

## **2. Delivery highlights to date**

In accordance with MIY's renewed strategic priorities and revised corporate structure, an update on this year's progress to date is set out below.

### Business, Network-Building and Inward Investment

As noted above, Alex Green started in November as MIY's new Head of Business in November, and has already made an impact on MIY's work in this area by increasingly focussing on the economic sectors where York has acknowledged world-class strengths. These are Tourism; Bio-Science; Rail-Tech; Digital; Financial Services. Supporting existing businesses and encouraging new ones to come to the city in order to strengthen these clusters is the priority.

As part of this, York Central remains a potentially transformative opportunity for the city. As previously reported, MIY is currently working with a small number of its Business Ambassadors to produce a suggested Occupiers' Strategy for CYC. This group met in July and undertook to use its existing networks and upcoming meetings to determine current sector scale in relation to the five key sectors and to try to establish their respective potential for growth and therefore likely occupier demand. It also reiterated its desire to see a development with a clear architectural integrity and a consistent economic vision based on clarity as to the city's economic strengths.

As a related point, and as part of a programme to reinvigorate MIY's Key Account Management programme, the MD and the Head of Business have continued to meet with a wide range of key businesses and business organisations over the autumn. Intelligence gleaned from these meetings is helping to inform MIY's ongoing advice to CYC on the York

Central occupiers' strategy and ensure an effective as possible KAM function within MIY.

Business Week 2019 took place in the week commencing 11<sup>th</sup> November. Its theme was *Future York* and included a strong programme of events and workshops. Highlights included the main conference which had a good range of speakers, the hospitality conference and the "Top 100" businesses event with York St John, together with a range of workshops hosted by CYC. The form of this event was deliberately slightly different as it focused on York's five key business sectors, and in particular companies which are considered "ones to watch".

Meanwhile, MIY is continuing to support businesses to secure growth funding, working closely with both the LEPs and using in-house expertise to direct applications.

### Culture and Wellbeing

This role will primarily involve working with the city's cultural organisations to ensure that, where there are shared interests between an individual organisation and specific objectives of the Cultural Strategy, these are aligned. It will also focus on culture and its role in enhancing wellbeing.

MIY has also been working with a small group of key players to take forward York's UNESCO City of Media Arts and Creative Cities Network membership with a view to raising their profile and increasing understanding of the designation and its benefits. This included featuring the designation as part of the Business Week Conference for the first time this year.

Beyond this, the MIY team is currently working on Christmas, the 2020 Tourism Awards and the Tourism Conference, the 2020 Ice Trail, and the Residents' Festival.

### City Centre and Markets

While for varying reasons, the process of securing Safety Advisory Group (SAG) approval for the Christmas Market and the Christmas lights switch on was difficult this year, the former is now underway and the latter went off as a great success on a cold and wet evening. The basic number and layout of the markets is similar to last year, although there are additional spaces to alleviate crowding. Feedback from traders has

so far been very positive, while local press feedback, as in all cities in relation to Christmas markets, has been mixed.

There were various reasons why approval was so problematic this year: counter-terrorism (CT) issues, new staff, a higher bar being set etc. There are associated learnings which will be taken up as part of a comprehensive event de-brief in January.

As a related point and as the Committee members will be aware, Shambles Market trading hours have been affected by the CT measures and wider public safety advice. MIY commissioned further public safety advice once the Christmas market was up and running and actual practice and footfall could be taken into account. The review has resulted in the adoption of a compromise which allows a default traders departure time of 6pm, subject to the judgement of the Safety Officer, together with a range of other safeguards.

The difficulties associated with this issue have underlined the low levels of trust and understanding between MIY and the market traders, and in turn the importance of establishing a working group to address outstanding matters and take forward the various opportunities. This group will meet first in January and will look at legal and H&S issues, investment in utilities for the market, a project to consider opportunities to secure further investment in the market with a view to “future-proofing”.

Beyond this, Shambles Market continues to perform well, although its costs have risen too.

A detailed report and action plan for Shambles Market was produced earlier this year. This is being taken on and implemented by MIY’s H&S Manager Everton Christie. Implementation of the recommendations is behind schedule. This is in part because of staffing issues at MIY and in part because of resistance from traders. The need to introduce recommended new measures was emphasised at a meeting with traders on 24<sup>th</sup> October, who agreed to work with MIY, particularly on the priority issues: trader check list; moving vehicles procedures; vehicle signs; fire alarms and signage; gable ends. A new timetable for implementation has been agreed and is being overseen by Chris Price who has now returned to work from a period of extended sick leave.

## Communications and Marketing

MIY has been working closely with CYC and a wide range of businesses and stakeholders on this city narrative project. As part of this, MIY and the Dean jointly hosted a dinner at the Deanery in late September for some key stakeholders who had not yet fed-in to the process. It was very useful and can serve as a model for future events.

CYC is proposing that the implementation and management of the place based narrative transfers to MIY. This is, in-principle, very much supported by MIY, however, clarity is still required on the key elements of the project: expected outputs; staffing; resourcing; and, necessary commitment from other stakeholders. These details are currently being discussed by MIY and CYC as part of the SLA negotiations.

In the meantime, MIY is continuing work on its tactical campaigns for Halloween, Christmas and 2020's Ice Trail, and has produced its Christmas Guide.

With respect to corporate marketing and communications, the MIY team has begun the process of refreshing these with a view to adopting them to coincide with the launch of the new Business Plan in May 2020.

### **3. SLA and 2020-2021 Business Plan**

An outline of some of the likely main focuses of the SLA is set out below, again reflecting MIY's key areas of operation. In summary, the most significant of these are probably: providing the "single front door" to new and existing businesses; collating and disseminating relevant market intelligence; facilitating communication with business; organising business events; delivering the Cultural Strategy; promoting the UNESCO designation, and; organising an ambitious programme of events.

The SLA will continue to incorporate mechanisms for MIY to report back to CYC. These will include regular Board meetings, bi-monthly Portfolio Holder meetings, and the Shareholder Committee. In addition to this, the potential to commission independent economic, and wider, impact analysis is being explored. Early conversations have been held with York St John, and the opportunity will also be discussed with the University of York.