

MakeItYork

Make It York: Summary of financial performance April to July 2015

	ACTUAL YTD	BUDGET YTD	VARIANCE YTD
INCOME			
CYC Funding	£312,000	£323,000	(£11,000)
Visit York activity	£693,000	£723,000	(£30,000)
City centre activity	£178,000	£209,000	(£31,000)
External grants	£0	£59,000	(£59,000)
Other income	£52,000	£3,000	£49,000
TOTAL INCOME :	£1,235,000	£1,317,000	(£82,000)
DIRECT COSTS			
Consumer staff costs	£242,000	£230,000	(£12,000)
Business staff costs	£100,000	£152,000	£52,000
Other direct costs	£700,000	£757,000	£57,000
OVERHEADS			
Other staff costs	£87,000	£78,000	(£9,000)
Establishment costs	£79,000	£82,000	£3,000
Depreciation	£6,000	£0	(£6,000)
Corporation tax	£0	£0	£0
TOTAL COSTS :	£1,214,000	£1,299,000	£85,000
SURPLUS/DEFICIT:	£21,000	£18,000	£3,000

Financial summary : notes

1. The Make It York (MIY) budget was put together in December 2014, prior to the SLA and creation of the operational business plan, and is an amalgam of (a) a number of budgets from CYC (b) the Visit York accounts and (c) the Science City York accounts. The first operational year of MIY was always going to be a test with regard to the new budget. For the full year, MIY is budgeted to make a small surplus of £15k on turnover of £3.8 million.
2. The numbers presented here are for the first 4 months of trading, April to July. The accounts are published every 2 months so the next set of numbers for August and September will be out in late October. MIY will be moving to monthly accounts for the 2016/17 financial year.
3. Encouragingly, MIY is slightly ahead of budget YTD by £3k, although this has been achieved in a different way than originally forecast. Revenue is down on budget by £82k but costs are £85k lower.
4. CYC funding is lower than budget (£11k) because for the first 3 months of MIY, CYC were still paying some staff directly. Staff were transferred under TUPE in July. There will be no variance going forward.
5. Visit York revenue is down because of under-performance on the Visitor Information Centre, the York Pass and website advertising. Recovery plans are being actioned for all 3 areas and should improve as the year develops. There has been above budget performance of Visit York membership and conference marketing.
6. City centre revenue is down on budget primarily because of an under-performance of the Shambles Market (£24k adverse YTD). This will not be a quick fix as there are many issues to resolve but there is a clear plan to improve performance. Revenue from other city centre activity (e.g. events on Parliament Street) is running close to budget and there are some big opportunities over the rest of the year. There is confidence that the overall performance of the city centre will be ahead of budget by the end of the year, festivals and events more than compensating for any under-performance on the Shambles Market.
7. The £59k deficit referred to as 'external grants' is some funding generated by Visit York in 2014/15 that was budgeted through into this year but will not be repeated. There is a consequent £59k saving in 'other direct costs' meaning that this has no impact on the bottom line.
8. The £49k surplus of 'other income' relates to sponsorship and new revenue streams opened up by Make It York.
9. Consumer staff costs are over budget largely because 2 staff have been taken on who were unbudgeted (a sponsorship manager and a graphic artist) but will effectively pay for themselves by savings and revenue achieved elsewhere. For example, the salary of the graphic artist is below the external agency costs previously spent by VY, CYC and SCY.
10. Business staff costs are under budget because for 3 months some staff were still being paid by CYC (see point 4) and because some vacancies in this area have only just been filled.
11. Other direct costs are £57k below budget, reference point 7 above.
12. With regard to overheads, other staff costs were under-estimated in the budget and also the cost of setting up MIY was overlooked, hence the depreciation charge (IT, office furniture etc.)

MakeItYork

13. Looking ahead, there may be some VAT issues to confront with a potential £15k to £20k liability to confront.
14. For August and September, there is confidence that the budget will be achieved with any shortfalls made up by some unbudgeted revenue from the Great Yorkshire Fringe.
15. A reforecast will be done in October to ensure that the budget is managed prudently over the rest of the year. Everyone at MIY is focussed on making sure that the original budget is achieved.