

Make It York: Forecast outcome for the year 2015/16

	Full Year Budget	Full Year Forecast	Variance
INCOME			
CYC Funding	£968,000	£922,000	(£46,000)
Visit York activity	£1,766,000	£1,671,000	(£95,000)
City centre activity	£862,000	£1,165,000	£303,000
External grants	£59,000	£15,000	(£45,000)
Other income	£144,000	£168,000	£24,000
TOTAL INCOME :	£3,799,000	£3,941,000	£141,000
DIRECT COSTS			
Consumer staff costs	£691,000	£748,000	(£57,000)
Business staff costs	£458,000	£374,000	£84,000
Other direct costs	£2,147,000	£2,244,000	(£97,000)
OVERHEADS			
Other staff costs	£241,000	£278,000	(£37,000)
Establishment costs	£246,000	£249,000	(£3,000)
Depreciation	£1,000	£19,000	(£18,000)
Corporation tax	0	0	£0
TOTAL COSTS :	£3,783,000	£3,912,000	(£128,000)
SURPLUS/DEFICIT:	£16,000	£29,000	£13,000

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 a full year forecast for the year based on actual figures for a number of months and the predicted outcome for the year. The year-end figures will be finalised in May.
3. Encouragingly, MIY is forecast to be ahead of its' budgeted surplus by £13k, although this has been achieved in a different way than originally forecast. Revenue is up on budget by £141k but costs are also up by £128,000.
4. CYC funding is lower than budget (£46k) because for the first 3 months of MIY, CYC were still paying some staff directly. Staff were transferred under TUPE in July. Also, there is a £50k shortfall on money coming across for Science City York.
5. Visit York revenue is forecast to be down on revenue by just over 5% because of under-performance on the Visitor Information Centre (VIC), the York Pass and website advertising. Commissions on hotel bookings is a particular issue as the market has changed substantially. Both the VIC and the York Pass have been adversely by the effect of flooding on the tourism economy in the first quarter of 2016.
6. City centre revenue is forecast to be well ahead of budget now (+303k) as a result of a successful Christmas market and because Illuminating York revenue has been shown as part of the city centre activity (there is a corresponding cost). The Shambles Market has also had an improved performance in the last quarter of the financial year.
7. The £34k deficit referred to as 'external grants' relates to 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 £24k 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 were filled later in the financial year. Other direct costs are £183k above budget, reflecting the additional activity around Christmas and Illuminating York. An additional £170k above the original budget was invested in the York Christmas programme.
11. With regard to overheads, other staff costs were under-estimated in the budget and also the physical cost of setting up MIY was overlooked, hence the depreciation charge (IT, office furniture etc.)

MakeItYork

12. Overall, and subject to all the figures being audited, it does look as though Make It York will deliver the financial performance it was set. With any new organisation, creating a solid financial platform is absolutely crucial and continued financial management and prudence will be at the heart of the organisation.