

Make It York

Make It York Shareholder Committee: 2018/19 first half year report

1. Introduction

This report provides a summary of Make It York's performance in the first 6 months of the financial year (April to September 2018) and sets out some early ideas and proposals for the business plan for 2019/20. The aim is to get the support of the shareholder committee on the broad direction of travel.

2. Financial Performance

Performance against budget April to September 2018:

	Actual	Budget	Variance
Revenue	£2,208,440	£2,295,166	(£86,726)
Direct Costs	£2,106,486	£2,199,630	£93,144
Gross Profit	£101,954	£95,536	£6,418
Overheads	£271,454	£287,555	£16,101
Net profit	(£169,500)	(£192,019)	£22,519

- Despite a revenue shortfall of £87,000, the company has a positive variance against the budgeted deficit of £22,500. This is due to a careful control of costs.
- The shortfall in revenue is due to adverse variances on the York Pass, website advertising and conference marketing. An ambitious budget was set for the York Pass (given the records levels achieved in 2017/18) but the very hot summer has undoubtedly had a negative impact on sales.
- The performance of city centre activity and the Shambles Market is ahead of budget and is achieving a third year of impressive growth. Visit York membership revenue is also healthy and ahead of budget. The new "Bloom!" Festival in the summer also generated £77,000 of new revenue from sponsorship and other contributions. All this was of course invested back into the festival.
- The positive variance on direct costs reflects savings made across the company but particularly on the York Pass. Overheads have also been carefully managed and are comfortably within budget.
- The balance sheet doesn't look particularly healthy at this time of the year showing a negative position of £22,155. This is due to the payment of the dividend to CYC of £25,000 and the fact that the performance of Make It York improves significantly between November and January through revenue from Christmas activity and various publications. The balance sheet will correct itself by the year end.

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- The forecast for the full year is to show a net profit of £35,000 against a budget of £27,000. There is confidence that, for the fourth year in a row, the financial position of Make It York is stable and in control.

3. Performance against the SLA

Performance reviews take place quarterly with CYC. Reports detailing progress are attached in appendices 1 and 2.

4. Highlights of the first 6 months

Things to note from the first 6 months of this financial year include:

- A first “Bloom!” festival to mark the 250th anniversary of the Ancient Society of York Florists
- Support of the York Mediale, the media arts festival linked to the city’s UNESCO status
- Continued progress on the SIAFS project (Stimulating Innovation in The Agri-food Sector), working with FERA
- The development of a cultural strategy for the city
- The development of a creative industries strategy (to be launched on December 5th)
- The appointment of a new Head of Visit York – Paul Whiting
- Support for an unprecedented summer of events and festivals e.g. Shakespeare’s Rose Theatre, Hot Air Balloon Fiesta etc.
- Further investment into and development of the Shambles Food Court
- A revamping of the Visitor Information Centre (crowned as the best Information Centre in England by VisitEngland)
- Preparation for York Business Week – 20 events subsequently attended by over 1,500 business people.
- A successful Visit York Tourism Awards in June
- The company annual review in May attended by around 300 stakeholders
- The relaunch of the Visit York website, now showing year on year traffic growth of around 50%
- Preparation for the Christmas festival – once again sold-out and on budget
- Organisation of the York, North Yorkshire and East Riding LEP annual conference
- Delivery of 2 key account management reports

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- Generation of £28,000 of sponsorship to put on the UK's biggest Ice Festival (now moved to February)
- The organisation of TEDx York
- Involvement in 4 VisitBritain funded projects with partners across the UK
- Investment in the 'Retail Requirements List' to assist the proactive targeting of new retailers for the city
- Work started on refreshing and updating the tourism strategy for the city
- Creating the second Top 100 York companies listing and publication, working with the University of York St. John

5. Governance

During the period, 3 Board meetings have been held and the annual stakeholder review has taken place. This was accompanied by a stakeholder survey which helps to monitor the performance of Make It York. David Horne, Managing Director of LNER, has joined the Make It York board.

Work took place to ensure that the company was GDPR compliant. There have been no issues other than the inevitable reduction of the size of various databases.

The company is investing in new IT server capability to add extra capacity and resilience to the systems used.

6. The 2019/20 Business Plan

The new Managing Director of Make It York, Sean Bullick, starts in January and will inevitably want to put his own stamp on the priorities for the company in the next financial year.

However, there will clearly be the bulk of ongoing activity that doesn't change from one year to the next. In addition, the SLA with CYC is a 3 year agreement and therefore will just continue to be delivered.

There are though a number of themes or projects that will develop in importance over the next 12 to 18 months. These include:

- CYC sign-off and delivery of the new cultural strategy
- Delivery of the 5 year creative industries sector strategy
- Working with CYC and the BID, developing a vision and plan for the evolution of the city centre (the Coney Street issue)
- Involvement in CYC's city branding programme

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- Supporting the city's development programme for the big capital projects e.g. Castle Gateway, York Central
- Building up to another big festival year in 2020
- Giving fresh impetus to the updated tourism strategy
- Continuing to find new ways of offering meaningful business support
- Completing the SIAFS project and building a legacy from the relationship built up with 400 agri-food businesses
- Developing a project to create a big artistic sculpture trail around the city in spring 2020 (modelled on the Manchester Bee Trail)
- Agreeing a 'future-proof' plan for the Shambles Market (2 significant cap ex proposals have gone into CYC)
- Further developing collaborative projects (particularly on tourism) with neighbouring local authorities
- Further building on York's UNESCO status as the UK's only City of Media Arts
- Exploring potential new sources of revenue to secure Make It York's sustainability

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APPENDIX 1 – SLA NARRATIVE REPORT APRIL to JUNE 2018

Make It York has ended the first quarter of the new financial year ahead of the new budget and the financial control of the budget remains solid.

Work in the first quarter has concentrated on a really busy events programme, and the direct organisation of the “Bloom!” festival, the development of the cultural and creative strategies and ongoing commitment to supporting existing businesses in the city and encouraging new businesses. It has been a particularly active period for inward investment enquiries.

A new Head of Visit York has been recruited to replace Sally Greenaway. Paul Whiting, previously Marketing Manager for Jorvik, is now in position.

SLA UPDATES

Business Environment

The service level requirements are fully embedded into the organisation. In the quarter, there were 69 meetings with York’s major companies, business support provided to a further 70 businesses, there was contact with 33 start-ups and 39 companies were helped with property support. The detailed Key Account Management report was submitted at the end of the quarter.

A meeting is going to be held in October between all the business support practitioners in the area (the LEPs, the Chamber, FSB etc) to explore further ways of co-ordinating activity. Day to day collaboration though is already positive.

Visitor Economy

The tourism statistics for the quarter are mainly positive. Hotel room occupancy and rates are slightly down on 2017 but this doesn’t take into account the 6% growth in hotel rooms over the last year - more rooms are being sold. Visits to both large and small attractions were well up on last year and city centre footfall in the quarter was 2% up year on year, bucking the national trend. Shakespeare’s Rose Theatre, “Bloom!” and other major events are clearly contributing to what should be a strong tourism summer.

The recently relaunched Visit York website has been well received with traffic to the site consistently 20% up on 2017.

The refreshing of the Visit York tourism strategy may be slowed down by the change of leadership. Delivery of the plan is still targeted for Christmas. It is a timely piece of work given the rush of new hotel planning applications and various major potential visitor attraction investments e.g. NRM, Castle Museum.

Work is underway for the production of the 2019 Destination Guide.

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The new Hospitality Awards which are aimed at supporting this important sector take place on 26th September at the Everyman Cinema. Nearly 100 entries were received.

Culture

The main focus of cultural activity at Make It York is the development of the city's cultural strategy. ArtReach have been engaged to co-ordinate this work and a major consultation exercise across the cultural community has been completed. The next stage is to create a draft strategy outline that will go out for further consultation and input. The aim is to have the strategy completed and signed off by Christmas. 2019 and beyond will all be about implementing a detailed action plan that will be delivered with the strategy.

Planning is also well underway for the 2018 Culture Awards. These will be held at the Theatre Royal on 19th November. Darren Henley, Chief executive of the Arts Council, has accepted an invitation to attend. This presents a great opportunity to showcase York's cultural highlights.

Sector Development

The key focus has been further developing the creative strategy proposals. Key stakeholders are being asked to endorse the strategy with a view to launching it and the accompanying action plan during the Mediale.

Make It York is working closely with the BID, CYC and the retail forum on the really difficult issue of attracting and retaining national retailers. By most measures, York is in a relatively good place on retail occupancy compared to others, but the issues around Coney Street are stark and very visible. Make It York has now dedicated some ongoing resource to consistently contacting potential new retailers. It is a very proactive approach but the results are likely to be long-term rather than short-term.

Other key York sectors are supported on an ongoing basis. Access to finance remains a core service to businesses and there is a pipeline of grants in excess of £1 million.

A lot of work is going into planning a reinvigorated 'York Business Week'. This will run from 13th-19th November and will include a major business conference, themed days and company open days.

Sector development plans remain outstanding. There needs to be a clear definition and understanding of what these look like. If there is to be a review of York's economic strategy, it would make sense to tie them into this.

UNESCO Designation

The main focus currently is supporting the Mediale which takes place from 27th September to 6th October - 10 days of exhibitions, live performances and music. The hope is to be able to confirm plans for the 2020 Mediale during the festival.

During the Mediale, York will host a 2 day visit from the other 13 UNESCO Cities of Media Arts, which is another great opportunity to showcase the city internationally.

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Other obligations to UNESCO were fulfilled during the quarter.

It is disappointing that the idea of including the UNESCO designation on proposed new road signs has been rejected. This would have raised consciousness about UNESCO and helped it to gain some traction in the city.

Make It York remains of the view that the designation is an important part of the narrative about York's contemporary assets and aspirations.

Markets Management

Trading on Shambles Market has started the new financial year strongly and ahead of budget. The Food Court continues to go from strength to strength and has had a very busy summer. Make It York has made a further investment of £23,000 in canopies for the space.

There are some key issues for the market that must demand some CYC attention over the coming months:

- For the market to progress, investment is needed, particularly with regard to the electricity supply
- What impact on the market will new counter terrorism measures create? Will it still be feasible to have a large number of vans going in and out of the market every day? Should the market progress with lockable cabins so that stock can be stored overnight?
- Is there a holistic city view of where the market will stand in the context of other developments in the city? e.g. Castle Gateway, York Central

Events Programming

2018 has been an exceptionally strong year for events and festivals. "Bloom!", Shakespeare's Rose Theatre and the Mediale have added to what is already a good programme. The good weather has definitely helped.

"Bloom!" has received some legacy funding from CYC which will see 3 projects come to fruition in the summer of next year. A commitment to running the festival again in 2020 has also been made.

A full programme of events in the city is being planned for the Halloween half-term.

Detailed planning is underway for Christmas. All the various Christmas pitches have been pre-sold.

Make It York has been working with CYC on a bid to host elements of the 2021 Rugby League World Cup which has now been submitted. This takes advantage of the new Community Stadium.

The longer-term events strategy needs reinvigorating. A draft sits with CYC and needs some input.

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The 'toolkit' for event organisers will be ready well before the year-end.

Intelligence Gathering

This is an ongoing activity. Work in progress includes:

- Updating the monthly tourism statistics to reflect new tourism trends
- Finalising a very detailed mapping exercise of the creative sector in York
- Creating a list of 75 'ones to watch' – companies with clear growth potential that can be prioritised for support
- Working with York St. John University to create the 2018 Top 100 York companies listing

Brand Management

Make It York is now rather in the hands of CYC on this one. There is some concern about the 'city branding' project. It is really important that existing work is not left behind and it is essential that key stakeholders are fully allowed to help shape the activity. Meetings are in place to try and ensure this happens.

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APPENDIX 2

Make It York Service Level Agreement Narrative Report July - September 2018

SUMMARY

Halfway through the financial year, MIY remain slightly ahead of budget and in a sound financial position. Continued good trading on the Shambles Market is compensating for some shortfalls elsewhere in the business.

Second quarter activity has concentrated on preparing for the Christmas festival, getting everything set up for York Business Week and progressing the creative and cultural strategy development projects.

SLA UPDATES

Business Environment

The last quarter has seen MIY provide intensive support to 45 existing businesses, signposting them into a variety of support and funding. MIY is currently working with businesses to achieve grants of £690K. For the financial year to date, MIY has helped businesses obtain £288K of grants.

MIY has also worked with 26 people looking to start up in business and continues to work with the Ad:Venture programme. 65% of the contractual target on the Ad:Venture programme has been achieved with 9 months remaining. 3 Masterclasses have also been delivered during the same period attended by 38 delegates.

Simon Middleton is leading on a project to build up the level of regular business contacts and to encourage a more collaborative approach from all the different business support agencies.

Visitor economy

The tourism statistics for the quarter (see attached) remain largely positive but the unusually hot summer weather has impacted on York Pass sales and on some of the indoor attractions. Outdoor attractions (City Cruises, York Maze etc.) have had very good summers.

The new Visit York website is performing consistently well with traffic and visitor figures now regularly at least 50% up on last year.

The inaugural hospitality awards took place at the Everyman cinema in September. The aim of the awards is to shine a spotlight on the hospitality sector at a time when staff recruitment and retention is very difficult. The event was well supported with a high number of entries, 10 new award sponsors and nearly 200 people attending on the night. Celebrity chef Tommy Banks made a guest appearance.

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More than 220 articles have been generated so far this year through PR outreach work, reaching over 11.4 million people, with a 'PR value' of £2.84 million. This was boosted by the international coverage of the Chinese flocking to Scott's fish and chip shop, "Bloom!" coverage in the Sunday Telegraph and a full colour destination piece in Best Magazine.

York also featured strongly on film and TV. Aldi featured York in their TV ad, The One Show featured the Shambles Market, help was given in the city to a new Bollywood film and an Australian travel show also spent time in the city filming from several locations.

Culture

The final draft of the new cultural strategy for the city is out for consultation. It is unlikely to be fully endorsed by CYC, the sponsors of the strategy, until after the May 2019 elections but there is work that can be progressed in the meantime. A big question remains whether there is sufficient resource to maintain momentum on the strategy once the consultant steps away.

Everything is in place for the 3rd York Culture awards at the Theatre Royal on 19th November. Darren Henley, Chief executive of the Arts Council, is spending the day in York prior to attending the awards.

The creative industries' strategy will be launched on 5th December by a gathering of local creative businesses.

Sector development

Monthly meetings of the retail 'group' continue with a much more pro-active approach to attracting new retailers to the city. A subscription to the 'retail requirement list' is proving to be useful.

Outstanding is a meeting to define what is required for sector development plans – the question is whether this needs to emerge from the refreshing of York's economic strategy.

York Business Week will run from November the 13th through to the 19th at venues across the city. MIY has been working with businesses, support organisations, universities and public sector partners to develop a rich programme of activity. As in previous years, the aims are to inspire, to celebrate and to encourage growth.

The programme includes a major business conference, 3 celebratory events, two themed days, 11 company open days, a number of supporting workshops and seminars and a TedX event.

The programme is being supported by 20 principal sponsors. All the details can be found at www.yorkbusinessweek.co.uk.

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UNESCO Designation

The first Mediale took place at the end of September with over 100 separate events across the city. As part of the activity, York hosted a meeting of the other Cities of Media Arts from across the world. An evaluation exercise is currently taking place and should be complete by Christmas. The festival was generally well received and there has been enough encouragement by key partners to announce that the festival will be returning in 2020.

Work is currently taking place to report back to UNESCO on York's activities over the last couple of years. The Guild of Media Arts and the Mediale will feature strongly.

Markets Management

The Shambles Market enjoyed a good summer with the good weather benefitting the food court in particular.

Two capital expenditure proposals have now gone in to CYC, both aimed at future-proofing the Market.

The Christmas Market sold out some time ago and everything is geared up for the launch and the Christmas lights switch-on on 15th November.

Events Programming

Key things to note include:

- A new, short-term tactical campaign was launched to showcase Halloween content in the city and beyond and to capitalise on the accolade of 'Europe's Most Haunted City' – the campaign incorporates the 'Great York Ghost Search' as well as partner content. www.visitryork.org/haunted
- Meetings have been taking place with the organisers of the Great Yorkshire Fringe to try and address a number of issues from this year's festival. The difficulties of putting a festival on in Parliament Street continue to be an issue.
- The Great Viking Hall and Shakespeare's Rose Theatre have both been given planning permission to operate on the Castle car-park next year.
- The longer-term events strategy needs re-invigorating. A draft sits with CYC and needs some input.

Brand management

Make It York is awaiting developments of the CYC city branding project. The company is committed to giving the project its full support.