

CEO REPORT – DECEMBER 18/JANUARY 19

Summary

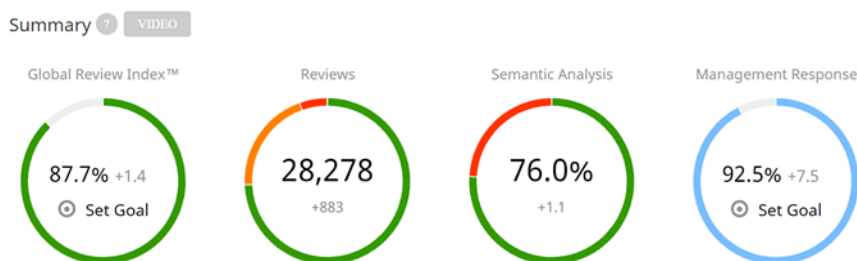
1. The overall market and trading picture remains challenging as we head into the final two months of the year, although we have been pleased with the performance of the January sale. Exec attention has focused on trading and preparing the draft Budget; preparatory work on the YHA Strategy; the latest developments at YHA Stratford; and the restructure proposals in National Office.

Trading, financial and operating performance

2. Overall the market remains difficult and is likely to remain so given the overall economic uncertainties in 2019. January and February revenues are expected to be around, but no better than, budget. Trading cash will therefore finish the year short of the original budget and behind last year's record levels, but still broadly in line with the original bank plan and our second best year ever.
3. We have seen a good response to the January sale (see more detail later in this report) which has boosted orders for April and Groups forward orders are starting to show an upward trend.

Guest satisfaction

4. Financial year to date to end December - ReviewPro guest satisfaction scores (based on comments and feedback from those booking via OTA channels such as booking.com) continue to show good performance ahead of last year in all categories with room and service particularly strong.



Department	Index
<input checked="" type="checkbox"/> GRI™	87.7% +1.4
<input type="checkbox"/> Service	91.6% +2.7
<input type="checkbox"/> Location	93.3% +1.8
<input type="checkbox"/> Cleanliness	90.9% +2.1
<input type="checkbox"/> Value	90.2% +1.8
<input type="checkbox"/> Room	85.4% +4.1

- TLF satisfaction scores (based on surveys to those booking via YHA) for the month of December remains flat. Meal satisfaction has continued to outperform last year.

Satisfaction			
Overall satisfaction			
Current month	Previous month	Same month previous year	YTD
90.9	91.3	91.5	91.0
Bedroom cleanliness			
Current month	Previous month	Same month previous year	YTD
9.11	9.12	9.18	9.18
SAT cleanliness			
Current month	Previous month	Same month previous year	YTD
8.96	8.99	9.06	9.04
Meals			
Current month	Previous month	Same month previous year	YTD
8.48	8.59	8.34	8.49

Satisfaction			
Value for money			
Current month	Previous month	Same month previous year	YTD
9.14	9.19	9.23	9.14
Helpfulness of staff			
Current month	Previous month	Same month previous year	YTD
9.44	9.46	9.52	9.50
NPS			
Current month	Previous month	Same month previous year	YTD
69.0	73.0	73.0	70.2
Problem handling			
Current month	Previous month	Same month previous year	YTD
7.2	7.0	7.1	7.0

Capital projects

- The opening of the new annex at **YHA Bath** will be 8th February.
- The full refurbishment of **YHA Street** – YHA’s oldest hostel - has now commenced. With funding support secured from Leader (see later section on fundraising) we can complete the whole scheme together with some new camping pods and facilities in the grounds.
- Elsewhere improvement works have been completed at **YHA Llanberis** and projects commenced at **YHAs Holmbury St Mary, YHA Helvellyn** and **YHA Coniston Coppermines**.

Operations

- YHA Rhossili, one of our Enterprise sites for past 10 years selling on Exclusive Hire, is owned and operated by Swansea City Council. The Council is considering the viability of the business and has taken the decision not to accept bookings beyond 19th July 2019 so as not to compromise any decision they might make about its future.
- YHA Arnside, also an Enterprise Hostel which was sold by YHA five years ago into private hands, ceased trading as a youth hostel on 1st November 2018. The owners cited “difficult personal reasons” for their decision to close the site to guests.
- The Operations team held its ‘Ready to Trade’ event at YHA Castleton on 14th and 15th January which all Hostel Managers attended. The purpose of this was to cover several key areas relevant to the 2019 Operating Plan and ensure a consistent approach to delivery. It followed on from January 2018 when all Hostels with Alternative Accommodation (AA) attended a similar event at YHA Stratford, and for which there was very positive feedback.

12. With all Hostel Managers attending this year, the team was able to cover a broader selection of subjects, which included updates on the world class agenda / housekeeping, Project London, new menu items, an evening tasting with Brew Dog (!), plans for AA in 2019, health & safety, membership and engagement, progress with trading and a Q&A session. Sessions were delivered by several people from across YHA making it a truly organisation wide event. The Exec team attended in part to meet with the Managers and wish them the best for 2019. Feedback from the Hostel Managers, via a post-event survey, has been exceptional. As well as the formal sessions, the opportunity to talk with colleagues from other regions was particularly welcomed.

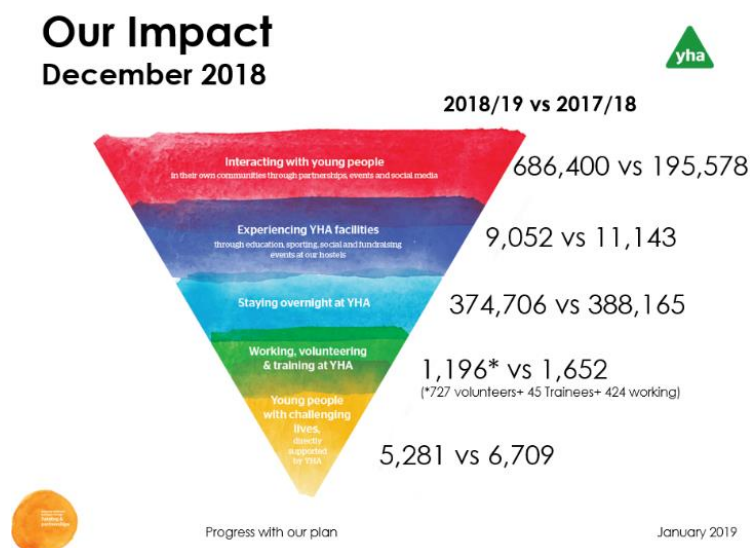
People

13. The initial structural changes in Central Sales are now in place as per our original plan. The key development is the creation of two teams aligned to our trading strategy to grow our Groups’ overnights, with one team dedicated to Families and Individuals (F&I) and the other for Groups. It is early days, but in just the second week of operating in the new structure, immediate impacts of this change have been logged Groups enquiries up to 401 (158 more than last year), an increase of 30 in Groups provisional bookings, and Groups confirmations ahead on the same week last year for the third week in a row.

14. I was delighted to attend the ‘graduation’ event for the first cohort of the YHA Talent Academy, which included 12 staff identified as future leaders who have gone through a dedicated development programme over the last year. It was particularly pleasing to see that two had already been promoted to Hostel Manager.

Reach and impact

15. The latest ‘year to date’ slide on our impact is below.



16. At 686,400, we continue to be significantly ahead of last year 'Interacting with young people' due to the change to monthly reporting of social media engagement, which previously was only reported at the end of the year..
17. And, again as previously reported, due to the changes to the Breaks programmes application process, we continue to track lower than at the same point last year for 'Young people with challenging lives' – at 5,281 compared to 6,709 at same point in 2018/18; nevertheless, the deficit was considerably reduced between October, November and December.
18. We are 3% lower than last year for 'Staying overnight at YHA' which largely reflects the more challenging trading position.
19. The numbers of young people 'Experiencing YHA facilities' are down 18% on same time last year – likely to reflect a gap in reporting over the Christmas period as up to now we have been consistently tracking ahead on this measure.
20. The overall number of young people 'Working, volunteering & training at YHA' is lower than 2017/18, but within this, we have 727 young volunteers (up 28% year on year). Also included in the overall figure are our new Work Experience and Traineeships (45) and the 424 young people working for YHA.
21. Work has started on developing a more refined set of KPIs for impact. It is clear from early analysis by Director of Strategy and Engagement that we are already working with significantly more young people with challenging lives than our current system counts. Moreover we do direct education work with over 150 000 young people (i.e. delivered by our staff or sub-contractors.) This is a significant starting point for the incoming Head of Education and Youth to build from, once appointed.

Internal communications

22. Internal planning for the 'Showcasing YHA' event which will wrap around the AGM on 29th June has begun, with an outline programme/speakers for the day being worked up; an update will go to the next AGM Committee and Board meetings in February.
23. One of the first tasks for the new Head of Communications will be reviewing our internal communications mechanics. We have much that works – Connect has a significant open rate – but staff feedback shows that we need to think carefully about engagement and communication across organisation, particularly as we engage staff and volunteers in developing and delivering the new strategy.
24. The Strategy planning task and finish group are meeting on 27 February ahead of the Board workshop which has been confirmed for 23 March.
25. The Youth Engagement Task and Finish Group met on 28 January. This work has been written into the Job Description of the incoming Head of Education

and is currently being supported by the Volunteering Partnerships Manager. We have identified considerable existing engagement of young people in shaping YHA – for example through some of existing university volunteering programmes – and are using this as a basis to work from. A full report will come to the Board in May along with details of how we plan to support a delegation of young staff, volunteers and other beneficiaries to attend the YHA Showcase and AGM.

Events, stakeholders and partnerships meetings

26. We are developing a more strategic approach to our stakeholder work and over the coming months will share updates on our stakeholder and events strategy. This will have a focus on the high value partnerships that will accelerate our thinking on impact, reach and income generation.
27. Anita Kerwin-Nye, Director of Strategy and Engagement, has been meeting with key leaders in the Outdoor Learning community drawing on her previous connections and programmes of work. This includes Outdoor Council, Outdoor Education Advisors Panel, Council for Learning Outside the Classroom and Institute of Outdoor Learning. Her advisory roles with these organisations help to ensure that YHA is at the cutting edge of developments in, and lobbying for, outdoor learning and we are building on these with new potential partnerships to increase our overnight reach and wider impact.
28. We are entering into a three year strategic partnership with Greenwood Academies Trust. This partnership is setting a model for YHA working with Academy Trusts. It will increase overnights over the next three years and includes work on developing approaches to wellbeing and residentials, and employability skills for students (accessing YHA work experience, volunteering, apprenticeships, traineeships and employment). Greenwood Academies Trust schools are amongst those with the highest levels of deprivation in the country.
29. We attended the #iWill Environment Steering Group meeting in London in December, and we have renewed our own 'pledge' to support youth volunteering. Organised by the charity Step Up to Serve (formed as a result of a coalition government initiative in 2012) the #iWill campaign seeks to promote youth volunteering and social action. The experience of embedding the youth voice and developing leadership opportunities for young people from the organisations within this group is something which we could tap into as we develop our own strategy. There are also plans to set up a communications forum bringing together people from across the whole #iWill campaign and we expect to receive an invitation to be part of this group, as well as an invitation for me to join their Scale and Reach Steering Group, chaired by the CEO of the Scouts.
30. Following a 'round table' meeting at Defra offices in London (September) with Julian Glover, the chair of the Landscapes review: National Parks and AONBs panel and our subsequent hosting of a lunch and discussion at YHA Edale (October) with the whole review panel on their visit to the Peak District NP, we submitted the official YHA response to the call for evidence in December. The

review panel is expected to publish its final report making recommendations to government in Autumn 2019.

31. Over the last month I have re-connected with the CEO of the Field Studies Council, following our exploratory meeting last year. We have recently finalised an agreement to work together in Malham (where our hostel and the FSC centre are close by, and there is scope for us to help each other out on groups).
32. I also attended the Sports and Recreation Alliance Annual Conference which is a very useful forum to connect with CEOs of most national sporting and outdoor bodies. I had useful catch ups with the CEOs of the Youth Sports Trust (where we are hoping to sot launch our partnership at the end of February), the BMC (where we have joint APPGs and have worked together on campaigns) and Plas-y-Brenin (the Outdoor Leadership Centre in North Wales) who are interested in working with us on activity provision and training.
33. Most useful of all was that the keynote speaker at the conference was the new CEO of Sport England, and on the back of a conversation I have arranged for Anita and me to see him in March to explore funding possibilities to get more young people active.
34. Other senior stakeholder engagement over the last month includes the annual catch up meeting with the CEO of British Triathlon, to review progress with our partnership; a meeting with the CEO of the International Duke of Edinburgh award; and a catch up with John Mann MP, Chair of our All Party Parliamentary Group.

External communications

35. At the end of the year, I emailed individually all of our senior stakeholder contacts at National Parks to give an update on our recent activities of relevance, including a link to the Adventure Effect film and our 'YHA in the National Parks' brochure. This has generated a number of useful connections and re-connections and I am hoping to complete my round of visits to all National Parks CEOs during 2019.
36. Our one-off 'all member' mailing (email and postal) is scheduled to land on 12th February; this will be an email/letter and accompanying leaflet which sets out the detail of the membership changes and benefits which come into place at the beginning of March, including the change to Company Membership and the process by which to register, as well as an update about our purpose and charitable focus. It will also include a 'save the date' for the 'Showcasing YHA' event. An update will come to February Board.

37. The major marketing focus over the last months has been the January sale, the aim of which has been to increase bookings for January through to Easter on YHA.org.uk and Exclusive Hire. The sale started on 26th December exclusively for members, with the full launch on 1st January, and ends on 31st January. The campaign has included email (incorporating 'Blue Monday' sale messaging), paid media (Google, Facebook, YouTube, Twitter) and in hostel activity. Post campaign analysis for all channels will follow.

Segment	Emails	Open rate	CTOR
January Sale	43,101	30%	20%
Baking Day - members launch	91,097	21%	19%
New Year's Day - full launch	28,746	56%	10%
Non-openers - resend	50,300	12%	15%
Openers/not booked - resend	28,746	56%	10%
Blue Monday	43,101	61%	11%
Pay day	xx%	xx%	xx%

38. The sale has so far resulted in over £800k in revenue and 51,000 promoted overnights, which is 48% up on revenue and 31% up on overnights on last year's sale final position and our most successful ever promotion, with still five days left to trade at time of writing.

39. January has also seen schools campaign activity, through email to schools data on self led stays, activity packages, hostel signposting, Breaks support and the Adventure Effect, and paid media in Top School Trips, January edition of Teach Primary & Secondary, and School Travel Organiser, with core messaging around learning outside the classroom and price promotion.

40. The Wanderer was issued on 24th January with a new format, introducing clear Stay-Join-Give-Volunteer content segments. It is too soon to report on its performance, but December's issue was sent to 47,705 (members and donors) and had an open rate of 24%, so a target we're hoping to beat!

41. Our Winter Guide, emailed on 10th January, to 40,204 individuals, featured inspiring content on winter activities, and had an open rate of 42%.

Whatever the weather
 Thrill me

Family fun for less
 Explore the great indoors

Four ways to weekend
 Banish the blues

New year, new challenges
 Let's go

Communities/Fundraising

42. Year to date voluntary income stands at £928,332 vs YTD forecast of £886,230. Year to date expenditure is £84,101 lower than forecasted.

43. Breaks Programme – the recent application window has seen unprecedented numbers of applications (c100) for Family Breaks. We've also received 25 applications from schools and groups.
44. Since the last report we have secured Somerset LEADER (EU) funding as a capital grant to refurbish YHA Street and add camping facilities.

And finally

45. Following completion of visits to all of our directly owned or managed hostels last summer, I am now aiming to complete visit to all of our Enterprise sites and partners as well. Following a family Exclusive Hire in YHA Buttermere over New Year, in early January I had a very interesting round of visits to Northern Enterprise sites, including the incredibly remote (but very cosy) YHA Skiddaw House; YHA Bellingham; YHA Edmundbyers, YHA Wooller, YHA Alnwick and YHA Alston.