

**CITY OF PLYMOUTH  
MOUNT EDGCUMBE JOINT COMMITTEE**

**Joint Chairs:** Councillor D Reynolds, Plymouth City Council/  
Councillor G Trubody, Cornwall Council

**SMT Members:** Director for Community Services  
Director for Corporate Support

**Cornwall  
Council Officer:** Head of Environment and Heritage Service, Cornwall  
Council

**Subject:** 2010/11 Monitoring Update

**Committee:** Mount Edgcumbe Joint Committee

**Date:** 18 February 2011

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**Key Decision :** No

**Ref:** ME

**Part:** I

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**Executive Summary:**

This report presents an update on the financial position of the Joint Committee for financial year 2010/11.

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**Corporate Plan 2010-2013:**

**Plymouth City Council:**

This monitoring report links to delivering the priorities within the Council's corporate plan.

**Cornwall Council:**

Business Plan Immediate Priorities: Use of resources and performance management  
Environment, Planning and Economy Directorate Plan priorities:  
Creating a Green Cornwall  
Creating Better Places to Live  
Delivering Excellent Services

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**Implications for Medium Term Financial Plan and Resource Implications:  
Including finance, human, IT and land**

There is a forecast deficit of £0.307m, an increase of £0.045m from the £0.262m reported in September. The increase reflects higher summer trading costs following a stock take at close of season trading and assumes all costs have now been incurred for this period. The breakdown for increased costs are from catering at Stables £0.011m and Orangery £0.021m, and retail Plant sales £0.008m and Cremyll lodge £0.005m.

Commercial activity, specifically catering, has been reviewed and the Joint Committee previously approved the recommendation to Cabinet that the catering operations be let out to licence from next year.

In addition, use of park assets are being explored to address short and medium term options needed to produce a balanced budget to deliver a sustainable business model and address the lack of reserves.

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**Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.**

- Increased risk management will need to take place to manage the impact of the challenging financial position.

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**Recommendations & Reasons for Recommended action:**

It is recommended that the Joint Committee:

- a) Notes the estimated year end overspend of £307k

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**Background Papers:** Mount Edgumbe 2010/11 Business Plan, 2010/11 Monitoring

**Sign Off**

Fin	CoSF LA1011 005 LG	Leg	LT 9963	HR	N/A	AM	N/A	IT	N/A
Originating SMT Member				James Coulton					

## **MOUNT EDGCUMBE 2010/11 MONITORING - Update**

### **1. INTRODUCTION**

- 1.1. This Report has been produced to update the Joint Committee with the monitoring position up to the 31 December 2010.
- 1.2. The report has been compiled following joint working by officers of Plymouth City Council and Cornwall Council and the joint chairs of the Mount Edgcumbe Committee.

### **2. 2010/11 Monitoring**

- 2.1. Overall the net year end forecast overspend has increased from £262k to £307k – see appendix A for breakdown. The forecast has changed since reporting in September due to a final catering stock take at the end of trading which identified a worsening commercial trading position as follows:

- 2.1.1. Stables – adverse variation £11k

Previous monitoring was based on a stock take at the end of August which identified a cost of sales of 53 percent; this has increased to 65 percent based on a stock take at end of September trading. This combined with additional equipment and cleaning costs has resulted in a pressure of £15k.

There is a (£6k) favourable variation from actual income received being higher than previously forecast. Additional staffing costs of £2k.

- 2.1.2. Orangery – adverse variation £21k

Previous monitoring was based on a stock take at the end of August which identified a cost of sales of 35 percent this has increased to 44 percent based on a stock take at the end of September trading. This combined with additional costs through laundry and hire of equipment has resulted in a pressure of £7k. Income projections have reduced by £14k between the two forecasts.

- 2.1.3. Plant sales – adverse variation £8k

Previous monitoring was based on a stock take at the end of August which identified a cost of sales of 35 percent; this has increased to 86 percent based on a stock take at the end of September trading. This is partially due to invoices totalling £7k relating to 2009/10 being charged to 2010/11 in error. However, even without this additional 2009/10 cost the actual cost of sales for operating this facility would be 47 percent which is still high considering the amount of stock produced on the Park with nil cost value.

- 2.1.4. Cremyll Shop – adverse variation £5k

Previous monitoring assumed the Cremyll Shop would break even during winter months. However, income during the winter months was £3k lower than expected.

The remaining £3k is due to the cost of sales being higher than expected at 46 percent. This was previously estimated at 35 percent as stock take figures were not available).

Action has been taken to reduce staffing costs through agreed hourly rates with the Employment agency used. Although the estimated year end position for Cremyll Shop is to breakeven it should be noted that the opening of the Cremyll Shop throughout the year means that the Cremyll Shop Assistant provides cover during weekends which eliminates the need to pay overtime to a Ranger.

2.2 The £307k net year end overspend can be broken down as follows -

- £172k Existing House & Park operations  
Mainly due to the standstill contribution from Plymouth and Cornwall authorities each year against the increased costs of maintaining the House and Park including additional staffing costs due to Job Evaluation.
- £103k Commercial trading activities including catering  
High cost of sales and staffing compared to income within the Park's commercial trading activities have contributed to the overall overspend this year. The Joint Committee previously approved the recommendation to Cabinet that the catering operations be let out to licence from next year. This will eliminate future catering overspends and generate income from the licensee.
- £22k Special Events  
Overspend is mainly due to a one off cost of signage within the year (£17k).
- £11k Plant Sales  
Adverse variation is mainly due to high cost of sales and staffing costs. Plant sales will be moved to Cremyll Shop next year which will reduce costs. Cost of sales requires further investigation as should be minimal due to the amount of stock produced within the Park.

### 3. Recommendations

3.1. Notes the projected overspend of £307k.