

## PLYMOUTH CITY COUNCIL

**Subject:** Revenue Outturn 2012/13 and Budget 2013/14  
**Committee:** Mount Edgumbe Joint Committee  
**Date:** 19 July 2013  
**Joint Chairs:** Councillor Peter Smith Plymouth City Council  
(To be confirmed Cornwall Council)  
**Cabinet Member:** Councillor Peter Smith, Plymouth City Council  
Councillor Hannaford, Cornwall Council  
**CMT Member:** David Draffan, Director for Place, Plymouth City Council  
Peter Marsh, Interim Corporate Director for Environment  
**Author:** Ian Berry, Mount Edgumbe Park Manager, David Bennett,  
Senior Accountant Plymouth City Council  
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**Ref:** ME  
**Key Decision:** No  
**Part:** I

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### **Purpose of the report:**

The Mount Edgumbe Joint Committee revenue accounts for 2012/13 have now been finalised subject to audit. This report presents the outturn for this Joint Committee and advises on the budget for financial year 2013/14.

Members' attention is drawn to the confidential information referred to in item 10 which is considered to be commercially sensitive.

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### **Corporate Plan 2012-2015:**

#### **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**

The report that went to the Joint Committee in December forecast that 2012/13 outturn would be £10,000 over budget plus any pressure from the chalet review which ended up being a further 17k. The final outturn was £6,728 over budget.

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**Other Implications: e.g. Community Safety, Health and Safety, Risk Management:**

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

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**Equality and Diversity:**

Has an Equality Impact Assessment been undertaken?

N/A.

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**Recommendations and Reasons for recommended action:**

It is recommended that the Joint Committee:

- a) Notes the report.
  - b) The accounts are recommended for approval for Annual small bodies return
  - c) The Annual Governance Statement is recommended for approval for Annual small bodies return
  - d) Agree the 2013/14 amended budget
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**Alternative options considered and reasons for recommended action:**

None.

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**Published work/information:**

Mount Edgumbe 2011 budget setting

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**Background papers:**

None.

**Sign off:**

Fin		Leg		HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member David Draffan											

## I. INTRODUCTION

- 1.1** This Report has been produced to update the Joint Committee with the Outturn position as at 31 March 2013.
- 1.2** Variations are reported in the attachment and broken down by park operation that reflects 50% of the budget agreed by each constituent authority of £192,000 each. The 2013/14 budget has been set at £314,000 a reduction of £70,000 from 2012/13 this is split £157,000 per authority
- 1.3** Both authorities' officers have been trying to both maximise income and reduce expenditure where possible for future years. More detail follows in this report

## 2. 2012/13 REVENUE MONITORING VARIATIONS

- 2.1** The December report to the Joint Committee forecast that Mount Edgcumbe would be £10,000 over budget plus any pressure from the chalet review which ended up being a further 17k pressure. The final outturn was £6,728 over budget summarised in table below. There was many variations throughout the year that were explained at each meeting and lots of changes in the final quarter of the year as Ian and his team reduced spending to only essential items and maximised income where possible

	Actual	Budget	Variance
Mount Edgcumbe House *	116,096	123,371	*(7,275)
Mount Edgcumbe Park	97,286	98,555	(1,269)
Mount Edgcumbe Trading	(14,653)	(29,926)	15,273
<b>Total</b>	<b>198,728</b>	<b>192,000</b>	<b>6,728</b>
50% per authority			3,364
* In reports House shows as 10640 variance not 7275 variance as Cornwall's half of overspend paid into here as Income. (7275.41 -3364.18 = -10639.60 variance in report)			

- 2.2 Mount Edgcumbe House Outturn £7275 saving** - The net saving is a combination of Income shortfall of £47,500 offset by savings in expenditure of £54,775
- Main variations in income are the final chalet rents being 19k less than originally budgeted for. The budget included 4 weddings in the Marquee in 2012/13 but due to delay in purchasing the Marquee none was booked so 15k adverse variation on events income. House admissions and general room bookings/events are also lower than budgeted.
- Savings in expenditure include 5k on staff related costs such as salaries, overtime and training. 13k on various premise related spend, this includes utilities, insurances and some pest control work. 4k on transport related spend such as fuel and maintenance of vehicles and 33k on various supplies & service spend including cash collection, not building a contingency fund, advertising and maintenance/repair/purchase of plant and equipment

**2.3 Mount Edgcumbe park Outturn £1,269 saving** - Car Park Income shortfall of £10,380 has been offset by savings in expenditure of £11,649.

The car park income budget was set on the same amount of visitors as the previous year and assumed that they would pay the 50% increase in car park charges that were raised from October 2011. It is fair to say that a very wet year has reduced the number of visitors in 2012/13 which in turn has affected the car park. Some cars have also parked on the road or at Maker Church to avoid the charges

The expenditure savings are 2k on staffing within the staff that work on the grounds, 7.5k on maintenance costs mainly on paths and roads and 2k on the materials that would have been used on these repairs. These savings were achieved by only carrying out essential maintenance on roads and paths

**2.4 Mount Edgcumbe trading Outturn £15,273 over budget** - The overspend is due to an income shortfall of £20,727 partially reduced by expenditure savings of £5,454

Both the house (5.5k) and Cremyll shop (8k) income is down due to poor visitor numbers and the Cremyll shop also closed after Xmas due to a flood that made it unsuitable for the sale of hot food and drink which are the main income lines during the winter. Also there was 6k less commission than budgeted for from Estate catering as their trading figures in Orangery and stables have not met their expectations this year due to the poor weather and less weddings and receptions than originally expected.

Expenditure savings are mainly due to not staffing Cremyll for 3 months and not having to buy as much stock due to reduction in sales not as much stock has been needed to replace that which has been sold

### **3. 2013/14 BUDGET**

- 3.1** In December 2010 MEJC meeting a 3 year budget was set as 237k per authority in 2011/12 and 192k per authority in both 2012/13 and 2013/14. In February 2013, Cornwall Council agreed to reduce the budget allocated for Mount Edgcumbe by £66,000 to £126,000 for 2013/14. However, the Director of the Environment Service in Cornwall has decided to amend this figure to a budget of £157,000 in 2013/14 to reflect the anticipated 35k savings in expenditure and increased income identified of 35k as a result of the Medium Term Service Review. The Director has decided to allocate additional resources from Cornwall's Environment Directorate budget in order to give Mount Edgcumbe sufficient time to develop its new commercial business plan Table one below identifies what has been allocated as targets for 2013/14. The main headlines are to increase the income streams by more use of the marquee for conferences and retail sales at Cremyll shop now that the children's play area has opened. Also to reduce expenditure on non-essential maintenance and by not building a contingency budget yet

**Table one**

<b>Amount</b>	<b>Additional Targeted Income</b>
9500	PCAB Conference after expenditure netted off
5900	Cremyll shop
5000	Learning development course
4000	Countryside stewardship - 1/10 on 0131/8101
4000	Camellia collection sales
2500	Segway income
2000	Various other miscellaneous income streams
600	30% of £2400 Theatre group booking
500	One off Training day
500	Art exhibition
500	Rent for flat
<b>35000</b>	<b>Total Additional Targeted Income</b>
	<b>Expenditure savings</b>
-5896	Existing savings contingency
-5000	Existing savings Grounds
-4110	Maintenance of equipment (Alarm, H2Ok payment)
-4000	Existing savings water
-3000	Existing savings insurance
-2400	Existing savings Repairs
-2272	CTAX on Picklecombe and flat
-2000	Existing savings Grounds
-1848	EPOS Till system
-1600	Existing savings Repairs
-1000	EPOS TNS element for terminal support
-1000	Refuse collection savings
-874	Electric usage changed, more recharge to treasury
<b>-35000</b>	<b>Expenditure savings target</b>

- 3.2** The MEOW group have identified an approximate £70k reduction in Local Authority subsidy as detailed in Table One. Work on further reductions to expenditure and income opportunities will continue. Table two shows the progress made in reducing net expenditure since 2011/12 when the MEOW group was formed. Table two includes the anticipated budgetary position for 2013/14

**Table two**

<b>Description</b>	<b>Actual 2011/12</b>	<b>Actual 2012/13</b>	<b>2013/14 Budget</b>
Totals	237,000.00	195,364.17	157,000
Expenditure	829,298	770,390	741,414
Income	-355,298	-379,661	-427,414
Net cost	474,000	390,728	314,000
Inc as % Exp	-43%	-49%	-58%

## **RECOMMENDATIONS**

It is recommended that the Joint Committee:

- a) Notes the report.
- b) The accounts are recommended for approval for Annual small bodies return.
- c) The Annual Governance Statement is recommended for approval for Annual small bodies return.
- d) Agree the 2013/14 amended budget.