

PLYMOUTH CITY COUNCIL

Subject: Revenue Budget Monitoring 2015/16

Committee: Mount Edgumbe Joint Committee

Date: 6 November 2015

Cabinet Member: Councillor Smith (Plymouth City Council)
Councillor Duffin,(Cornwall Council)

CMT Member: Antony Payne (Strategic Director for Place, Plymouth City Council)
Peter Marsh, (Head of Commissioning and Asset Management, Cornwall Council)

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Ref: ME

Key Decision: No

Part: I

Purpose of the report:

This report presents an update of the financial position for the Mount Edgumbe Joint Committee for financial year 2015/16.

The Brilliant Co-operative Council Corporate Plan 2013/14 – 2016/17:

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

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

The current year end forecast in 2015/16 is that the budget will be delivered on target. Management continue to review expenditure and income opportunities in order to achieve this.

Other Implications: e.g. Child Poverty, Community Safety, Health & Safety and Risk Management:

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

Recommendations and Reasons for recommended action:

It is recommended that the Joint Committee notes the report.

Alternative options considered and rejected:

None

Published work / information:

None

Background papers:

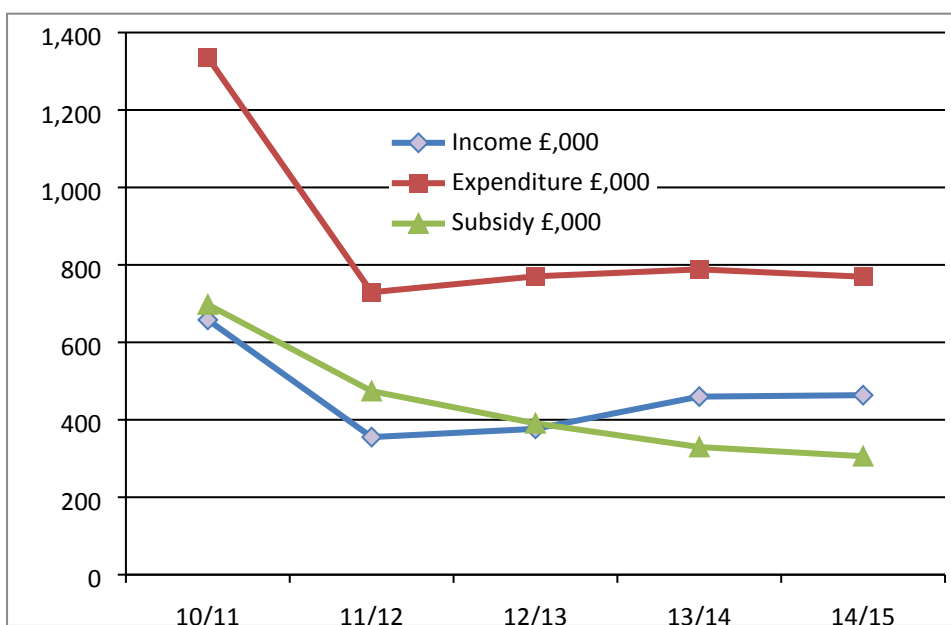
None

Sign off:

Fin	ABPlaceFEDD 1516008.201015	Leg	N/A	Mon Off	N/A	HR	N/A	Assets	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member: David Draffan													
Has the Cabinet Member(s) agreed the contents of the report? Yes/No													

I. INTRODUCTION

- 1.1 This Report has been produced to update the Mount Edgumbe Joint Committee with the forecast year end monitoring position as at 30 September 2015.
- 1.2 Variations are reported below and analysed by park operations. 50% of the budget is funded by each constituent authority at £142,000 each. The graph below shows the actual financial performance for the last 5 years.



2. 2015/16 MONITORING VARIATIONS – OVERVIEW

- 2.1 This is the second monitoring report in 2015/16 and the forecast is that there will be a balanced net budget at year end.

Area	Sum of 2014/15 Actual	Sum of 2015/16 Latest Budget	Sum of 2015/16 Forecast	Difference Forecast V Budget
	£	£	£	£
Mount Edgumbe House	293,555	256,911	247,003	-9,908
<i>Income</i>	-238,683	-274,076	-304,860	-30,784
<i>Expenditure</i>	532,238	530,987	551,863	20,876
Mount Edgumbe Park	28,904	60,907	59,879	-1,028
<i>Income</i>	-120,363	-119,600	-129,600	-10,000
<i>Expenditure</i>	149,267	180,507	189,479	8,972
Mount Edgumbe Trading	-16,626	-33,818	-22,882	10,936
<i>Income</i>	-104,513	-70,032	-69,964	68
<i>Expenditure</i>	87,887	36,214	47,082	10,868
<i>Note: Trading 14/15 actuals included the Cremyll Shop</i>				
Grand Total	305,833	284,000	284,000	0
Funded by Cornwall Council & Plymouth City Council 50/50	-305,833	-284,000	-284,000	

The 2015/16 latest budgets are shown in more detail below:

		2015/16 Budget	2015/16 Forecast
		£	£
Mount Edgcumbe House	Employees	364,811	377,852
	Premises	62,361	66,407
	Supplies and Services	62,107	63,379
	Support Services	14,765	14,765
	Transport	26,943	29,460
	Income	-274,076	-304,860
Mount Edgcumbe House Total		256,911	247,003
Mount Edgcumbe Park	Employees	96,736	100,485
	Premises	75,207	84,580
	Supplies and Services	8,564	4,414
	Income	-119,600	-129,600
Mount Edgcumbe Park Total		60,907	59,879
Mount Edgcumbe Trading	Capital Financing	5,000	11,000
	Employees	6,662	7,233
	Supplies and Services	24,260	28,557
	Transport	292	292
	Income	-70,032	-69,964
Mount Edgcumbe Trading Total		-33,818	-22,882
Grand Total		284,000	284,000
Funded by Cornwall Council & Plymouth City Council 50/50		-284,000	-284,000

3. 2015/16 BACKGROUND

- 3.1 An external advisor was brought in to look at options for the park to improve current income streams and introduce new ones, using the capital receipt from the sale of Picklecombe Cottage to fund the improvements needed to drive these new income streams.

4. 2015/16 REVENUE MONITORING

4.1 Mount Edgcumbe House

This includes the main Mount Edgcumbe operating budget, weddings, meetings & conferences and Treninnow chalets income and there is currently a forecast (£10K) favourable variation. There are more weddings using the marquee this year and there has been a large Making Futures 2-day conference.

Other pressures are due to essential purchases and repairs, together with a small net overspend on staffing costs.

This favourable variation includes an assumption that approx. £30K of these works will be able to be capitalised and funded from income to be received from various land transactions. Any change to this assumption will be reported to the next Joint Committee.

4.2 Mount Edgcumbe Park

This includes the upkeep of the park, car parks, higher level stewardship (revenue) and initiatives e.g. Barrow Park units rental income. The favourable variation of (£1K) is due to a higher than budgeted level of rental income offset by emergency repairs to the Orangery roof.

4.3 Mount Edgcumbe Trading

This includes the house shop, catering income, special events and the new holiday lets for which bookings are now being taken. The forecast budget pressure of £11K is a result of hiring event facilities and services and also a revenue contribution to the additional capital expenditure required to complete the holiday accommodation so that bookings could be taken. This revenue contribution will not be required if the spend can be capitalised and funded from land transaction receipts and is offset by the assumption mentioned in 4.1 above.

5. BUDGET RISK

- 5.1 There is a regular review of outstanding orders, all expenditure and the maximisation of income through lettings and other opportunities, in order to achieve a balanced budget position for this year.
The Christmas Fayre is still to take place, which generates substantial income, but the level of visitor numbers is weather dependent.
The budget forecast depends upon receipt of payments for some land transactions and these proceeds being used to fund revenue expenditure which will be capitalised.

6. FUTURE YEAR BUDGETS

- 6.1 The level of future years budgets has yet to be agreed between Plymouth City Council and Cornwall Council but there are opportunities for increased income to be generated from lettings and glamping facilities, for example.

7. RECOMMENDATIONS

- 7.1 It is recommended that the Joint Committee notes the report.