

PLYMOUTH CITY COUNCIL

Subject: Revenue Budget Monitoring 2016/17
Committee: Mount Edgumbe Joint Committee
Date: 8 July 2016
Cabinet Member: Councillor Jordan (Plymouth City Council)
Councillor Duffin (Cornwall Council)
CMT Member: Anthony Payne (Strategic Director for Place)
Peter Marsh (Head of Commissioning and Asset Management)
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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 2016/17.

The 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 2016/17 is that the budget will be delivered on target but 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. Increased focus to sensibly capitalise on existing assets, to generate new and / or more income as soon as possible.

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:

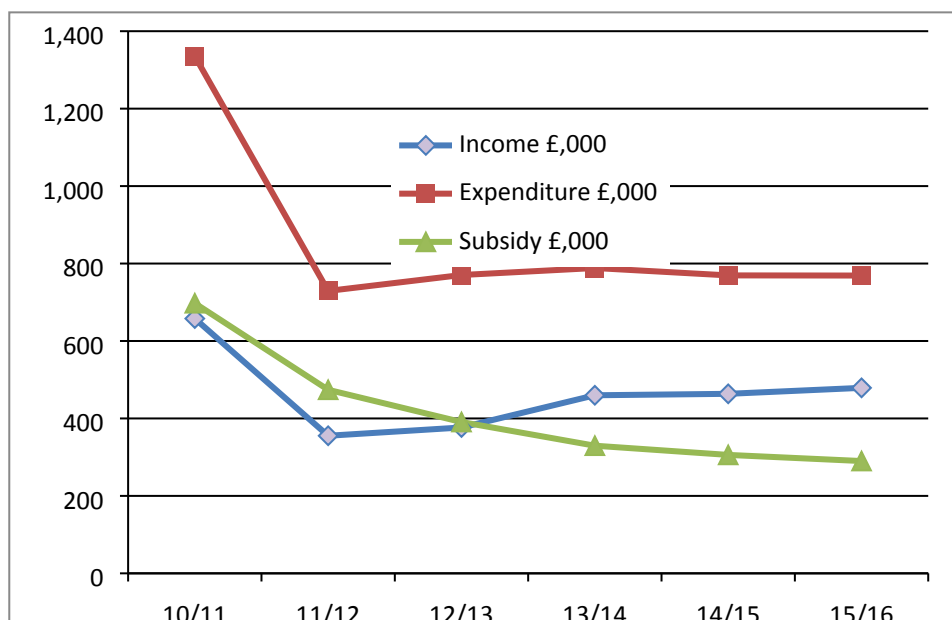
None

Sign off:

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Originating SMT Member: David Draffan													
Has the Cabinet Member(s) agreed the contents of the report?													

I. INTRODUCTION

- 1.1 This Report has been produced to update the Mount Edgcombe Joint Committee with the forecast year end monitoring position as at 31 May 2016.
- 1.2 Variations are reported below and analysed by park operations. 50% of the budget is funded by each constituent authority at £112,000 each (reduced from £142,000 each in 15/16). The graph below shows the actual financial performance for the last 6 years.



2. 2016/17 MONITORING VARIATIONS – OVERVIEW

- 2.1 This is the first monitoring report in 2016/17 and the forecast is that there will be a balanced net budget at year end.

Area	Sum of 2015/16 Actual	Sum of 2016/17 Latest Budget	Sum of 2016/17 Forecast	Difference Forecast V Budget
	£	£	£	£
Mount Edgcombe House	291,062	274,956	274,956	0
<i>Income</i>	-276,809	-264,479	-264,479	0
<i>Expenditure</i>	567,871	539,435	539,435	0
Mount Edgcombe Park	18,036	42,829	42,829	0
<i>Income</i>	-135,133	-133,500	-133,500	0
<i>Expenditure</i>	153,169	176,329	176,329	0
Mount Edgcombe Trading	-19,034	-93,785	-93,785	0
<i>Income</i>	-66,820	-129,999	-129,999	0
<i>Expenditure</i>	47,786	36,214	36,214	0
Grand Total	290,064	224,000	224,000	0
Funded by Cornwall Council & Plymouth City Council 50/50	-290,064	-224,000	-224,000	

The 2016/17 latest budgets are shown in more detail below:

		2016/17 Budget	2016/17 Forecast
		£	£
Mount Edgcumbe House	Employees	378,440	378,440
	Premises	62,361	62,361
	Supplies and Services	56,926	56,926
	Support Services	14,765	14,765
	Transport	26,943	26,943
	Income	-264,479	-264,479
Mount Edgcumbe House Total		274,956	274,956
Mount Edgcumbe Park	Employees	98,858	98,858
	Premises	75,207	75,207
	Supplies and Services	2,264	2,264
	Income	-133,500	-133,500
Mount Edgcumbe Park Total		42,829	42,879
Mount Edgcumbe Trading	Employees	6,662	6,662
	Premises	5,000	5,000
	Supplies and Services	24,260	24,260
	Transport	292	292
	Income	-129,999	-129,999
Mount Edgcumbe Trading Total		-93,785	-93,785
Grand Total		224,000	224,000
Funded by Cornwall Council & Plymouth City Council 50/50		-224,000	-224,000

3. 2016/17 BACKGROUND

- 3.1 After appointment of the new Mount Edgcumbe Park Manager, towards the end of 2015/16, options for the park to improve current income streams, introduce new ones and reduce costs has been a top priority.

4. 2016/17 REVENUE MONITORING

4.1 Mount Edgcumbe House

This includes the main Mount Edgcumbe operating budget, weddings, meetings & conferences and Treninnow chalets income. There is currently a nil forecast but significant risks are present to deliver the £60,000 net budget reduction.

The current risks are as follows: £29k loss of glamping income due to insufficient time to operationalise the new pods for the present season, and £25k marquee floor replacement.

Ongoing risks could materialise as new costs due to essential purchases and repairs.

Any change to the nil forecast position, 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.

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.

5. BUDGET RISK

- 5.1 There is a regular review of all expenditure and income for Mount Edgcumbe. However, in order to achieve a balanced budget position for this year, new initiatives are being reviewed that will increase both short & long-term income and result in cost reductions.

The budget forecast depends upon how quickly we can get new income initiatives to deliver results, assuming that our current income remains stable and that costs can be reduced.

6. FUTURE YEAR BUDGETS

- 6.1 Future year budgets have yet to be agreed between Plymouth City Council and Cornwall Council. There are opportunities for increasing current income and developing new streams from investment in existing assets (especially to create more lettings and to provide glamping facilities), reviewing fees and increasing events. Conversely, there are also opportunities to reduce costs by making improvements to how we maintain and run Mount Edgcumbe.

7. RECOMMENDATIONS

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