

PLYMOUTH CITY COUNCIL

Subject: Revenue Budget Monitoring 2017/18
Committee: Mount Edgumbe Joint Committee
Date: 24 November 2017
Cabinet Member: Councillor Jordan (PCC) and Councillor James (CC)
CMT Member: Anthony Paynw (Strategic Director for Place) (PCC) and Peter Marsh (Service Director – Environment) (CC)
Author: Christopher Burton, Mount Edgumbe Park Manager
Contact: Tel: 01752 307269
Email: Chris.Burton@plymouth.gov.uk
Ref: SF Place Fin.
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 2017/18.

The Corporate Plan 2016– 2019:

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 2017/18 is projecting a nil variation to budget. Management continue to review expenditure and income opportunities in order to ensure Mt. Edgumbe remains at nil variation or produces a surplus, with intentions to eventually reduce the subsidy provided by each authority.

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

Careful monitoring of commercial project delivery times and ensuring they perform in accordance with budgets set / modelling. Increased focus to sensibly capitalise on existing assets, to generate new and / or more income as soon as possible and identify new opportunities.

Recommendations and Reasons for recommended action:

It is recommended that Joint Committee:

- Notes the financial position contained in the report along with the risks, issues and any mitigating actions.
 - Approves the capital proposals to be presented to Plymouth City Council's Investment Board.
-

Alternative options considered and rejected:

None.

Published work / information:

None.

Background papers:

None.

Sign off:

Fin	pl1718.132	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

Section I

I.1 Revenue financial summary

Business type	Activity volumes		2017/18 Budget			2017/18 Forecast			Variation to net budget	Comments
	Previous year	As at Pd.6	Income	Exp.	Net	Income	Exp.	Net		
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Staffing & Operations			-14	482	468	-14	503	489	20	
House	6,415	6,865	-42	55	13	-42	55	13	0	Visitor admissions
Gardens			0	16	16	0	16	16	0	
Grounds			-27	97	70	-27	88	61	-9	
Trading activities:										
<i>Rents</i>	40	40	-161	61	-100	-160	51	-109	-9	Units let - 43 Total units
<i>Holiday Lets</i>	322	248	-45	12	-33	-37	12	-25	8	Days occupied - Max. 183 per-let
<i>Chalets</i>	81	81	-66	0	-66	-77	0	-77	-11	All units let - 21 Yr. Lease from Yr.2000.
<i>Glamping</i>	0	49	-15	2	-13	-10	2	-8	5	Days occupied - Max. 109 per-hut
<i>Parking</i>			-83	1	-81	-77	2	-75	7	No figures available
<i>Special events</i>	18	23	-22	29	8	-22	29	8	0	Does not include Sat. Park Run
<i>Conferences</i>	9	8	-15	11	-5	-20	11	-9	-4	Total annual bookings
<i>Weddings</i>	32	30	-58	7	-52	-58	11	-48	4	Wedding functions
<i>Filming</i>	4	6	0	2	2	-3	2	-1	-3	
<i>Misc Activities</i>			-7	3	-4	-15	3	-12	-8	No measurable comparison
Total operations			-554	778	224	-561	785	224	0	
Subsidy Corn.CC			-112	0	-112	-112	0	-112	0	Cornwall & Plymouth's subsidy to Mt. Edgcumbe
Subsidy PCC			-112	0	-112	-112	0	-112	0	
Subsidy total			-224	0	-224	-224	0	-224	0	
Deficit / (Surplus)					0			0	0	

Note

First year of glamping; no comparison to previous year.

I.2 Commentary

Key variations can be summarised as:

- £20k Increased Pertemps charges
- (£9k) Savings on upkeep of Grounds
- (£9k) Saving on Rents maintenance this FY
- £8k Mainly reduced Holiday let income from delayed conversion of Catp. Blake's Hut
- (£11k) Increased Chalet income
- £7k Reduced Parking income through delayed approval to increase charging rate
- (£8k) Additional Misc Activities income.

Staffing & operations

Position looks adverse due to additional Pertemps charges, which are off-set by savings made under Grounds upkeep and Rent maintenance. Increased Pertemps charge from more events held requiring Pertemps staff, tree safety work, more guided tours, and opening on Sundays.

House

No variation to report

Gardens

No variation to report

Grounds

Saving on upkeep works to-date; reduced maintenance due to good weather.

Trading activities

Higher forecast surplus due to:

- Higher than budgeted, back-dated rent review income from 2016/17 & 2017/18 chalets fees
- Income from unbudgeted Blacks Bees and guided walks / talks.

Subsidy

Currently remains the same as 2016/17. Please see appendix I. for prior year subsidy trend analysis.

Section 2

2.1 Medium term revenue budget planning 2018-21 proposals

Business type	2018/19 Budget			2019/20 Budget			2020/21 Budget			Comments
	Income	Exp.	Net	Income	Exp.	Net	Income	Exp.	Net	
	£000's			£000's			£000's			
Staffing & Operations	-14	528	514	-14	538	524	-14	528	514	Subject to change, pending outcome of agreed joint authority subsidy & approval of capital projects - DRAFT budget
House	-42	55	13	-42	55	13	-42	55	13	
Gardens	0	16	16	0	16	16	0	16	16	
Grounds	-27	97	70	-27	97	70	-27	97	70	
Trading activities:										
<i>Rents</i>	-197	61	-136	-197	61	-136	-197	61	-136	
<i>Holiday Lets</i>	-65	22	-43	-65	22	-43	-65	22	-43	
<i>Chalets</i>	-72	0	-72	-72	0	-72	-72	0	-72	
<i>Glamping</i>	-18	2	-16	-18	2	-16	-18	2	-16	
<i>Parking</i>	-83	1	-82	-83	1	-82	-83	1	-82	
<i>Special events</i>	-22	29	7	-22	29	7	-22	29	7	
<i>Conferences</i>	-5	11	6	-15	11	-4	-5	11	6	
<i>Weddings</i>	-58	7	-51	-58	7	-51	-58	7	-51	
<i>Filming</i>	0	2	2	0	2	2	0	2	2	
<i>Misc Activities</i>	-7	3	-4	-7	3	-4	-7	3	-4	
Total operations	-610	834	224	-620	844	224	-610	834	224	
Subsidy Corn.CC	-112	0	-112	-112	0	-112	-112	0	-112	
Subsidy PCC	-112	0	-112	-112	0	-112	-112	0	-112	
Subsidy total	-224	0	-224	-224	0	-224	-224	0	-224	
Deficit / (Surplus)			0			0			0	

Budgets are work in progress due to joint authority subsidy yet to be finalised. Budgets will progress savings targets, future income streams (includes parking and events) and revenue implications of capital projects proposed.

Section 3

3.1 Approved capital programme

Scheme	Funding	Prior Years Spend	17/18 Actual spend	17/18 Budget	18/19 Budget	Total Scheme cost
		£000's	£000's	£000's	£000's	£000's
Sea Wall Repairs	Loan (50% Corn.CC & 50% PCC) and Environment Agency grant. Funded outside of Mt.Ed. accounts	130,803	0	569,197	0	700,000
Mount Edgumbe Commercialisation	Loan (50% Corn.CC & 50% PCC)	40,265	64,062	179,545	84,310	304,120
Higher Level Stewardship	Ringfenced grant	366,866	599	0	0	367,465
Total		537,934	64,661	748,742	84,310	1,371,585

Note

The sea wall repairs are being funded outside of Mt. Edgumbe's accounts.

3.2 Proposals for future capital projects

Proposed future projects	Possible funding	Mandate	Business case	Leader approval		Key:		
Restoration & maintenance								
Restoration works on French Conservatoire as an education room and art school	Herritage Lottery Fund grant	Bid expected to be submitted for work to begin in 2018/19				No business case draft	Business case in draft	Business case presented to CCIB
Restoration of English Garden House	Herritage Lottery Fund grant & Landmark Trust grant	Bid expected to be submitted for work to begin in 2018/19						
Tree House lets	Loan	Currently in proposal phase						

Section 4

4.1 Recommendations

It is recommended that Joint Committee:

- Notes the financial position contained in the report along with the risks, issues and any mitigating actions
- Approves the capital proposals to be presented to Plymouth City Council's Investment Board, subject to a details business case

Appendix. I

I.0 Income & expenditure V's subsidy

Financial performance over last 7 years.

