

PLYMOUTH CITY COUNCIL

Subject: Revenue Outturn 2017/18 and Budget 2018/19

Committee: Mount Edgumbe Joint Committee

Date: 20 July 2018

Joint Chairs: Councillor Vincent, Plymouth City Council
Councillor Trubody, Cornwall Council

Cabinet Member: Councillor Peter Smith, Plymouth City Council
Councillor Sue James, Cornwall Council

CMT Member: Anthony Payne, Strategic Director for Place, Plymouth City Council
Peter Marsh, Service Director Environment, Cornwall Council

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Ref: PL Place Fin.

Key Decision: No

Part: I

Purpose of the report:

This report presents the final outturn position of Mount Edgumbe for the financial year 2017/18 and confirms the 2018/19 budget.

Corporate Plan:

Plymouth City Council:

This monitoring report links to delivering the priorities within the Council's Corporate Plan.

Cornwall Council:

2018-22 Business Plan:

Healthy Cornwall

Homes for Cornwall

Green and prosperous Cornwall

Connecting Cornwall

Democratic Cornwall

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

In November 2017, a forecast nil variation to budget was reported to the Joint Committee. The final outturn is a £87k surplus.

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

Monitoring of commercial project delivery times and ensuring they perform in accordance with budgets set, with continued 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 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:

See appendix

Sign off: Paul Looby

Fin	pl18.19.45	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 outturn 2017/18 - Financial summary

Business type	Activity volumes			2017/18 Budget			2017/18 Outturn			Variation to net budget	Comments
	2016/17	2017/18	Increase/Decrease %	Income £000's	Exp. £000's	Net £000's	Income £000's	Exp. £000's	Net £000's		
Staffing & operations				-14	482	468	-52	507	455	-14	
House	6415	7353	15%	-42	55	13	-47	34	-13	-26	Visitor admissions
Gardens				0	16	16	-5	17	12	-4	
Grounds				-27	97	70	-27	90	64	-7	
Trading activities:											
<i>Rents</i>	40	41	2%	-161	61	-100	-155	26	-129	-29	Units let - 43 Total units
<i>Holiday Lets</i>	322	355	10%	-45	12	-33	-32	17	-15	17	Days occupied - Max. 183 per-let
<i>Chalets</i>	81	81	0%	-66	0	-66	-79	0	-79	-12	All units let - 21 Yr. Lease from Yr.2000
<i>Glamping</i>	0	55	N/A	-15	2	-13	-5	3	-2	11	Days occupied - Max. 109 per-hut
<i>Parking</i>				-83	1	-81	-81	2	-80	2	No figures available
<i>Special events</i>	18	20	11%	-22	29	8	-28	33	5	-3	Does not include Sat. Park Run
<i>Conferences</i>	9	12	33%	-15	11	-5	-28	14	-14	-10	Total annual bookings
<i>Weddings</i>	32	33	3%	-58	7	-52	-61	14	-48	4	Wedding functions
<i>Filming</i>	4	5	25%	0	2	2	-4	0	-4	-6	
<i>Misc. activities</i>				-7	3	-4	-16	1	-15	-12	No measurable comparrison
Total operations				-554	778	224	-620	756	137	-87	
Subsidy Corn.CC				-112	0	-112	-87	0	-87	25	Cornwall & Plymouth's subsidy to Mt.
Subsidy PCC				-112	0	-112	-87	0	-87	25	Edgcumbe - £25k each (£50k) to be refunded
Subsidy total				-224	0	-224	-174	0	-174	50	
Deficit / (Surplus)						0			-37	-37	

Note

2017/18 Was the first year for glamping and why no precedent available.

I.2 Commentary

Key variations can be summarised as:

- (£48k) Repairs & Maintenance budget underspend
- (£19k) Additional income inclusive of ranger time, photo shoots, filming, and conferences
- (£12k) Utilities savings
- (£16k) Additional donations received
- £8k Transport, cleaning & misc. costs
- **(£87k) Total**

Repairs & Maintenance budget underspend

Across the whole of Mt. Edgcumbe anticipated / scheduled repairs and maintenance work was not carried-out per-original forecast, mainly due to work not being required before year-end. e.g. Tree works after winter was expected to be a lot higher than originally budgeted for (due to health of the tree's), as well as general maintenance across the estate buildings and grounds, which also did not require repairs this year.

Additional income from ranger time, photo shoots, filming, and conferences

Additional income for ranger time (tours of the grounds and house), photo shoots & filming (normally at short notice), and additional conference room bookings.

Utilities savings

This was the first year where Mt. Edgcumbe had no water leaks on the estate and bills were paid according to meter readings only; no estimated charges. After much liaison with South West Water this has been confirmed and that no charges on any of the meters were due or outstanding a payment.

Additional donations received

Additional donations in the last month of 2017/18 received by the Friends (from the mini-bus collection) and some very generous visitors.

Increased transport, cleaning & misc. costs

Due to:

- Slightly higher use of transport costs. e.g. Parking & vehicle hire charges
- Slightly higher cleaning costs. e.g. Increased holiday let's use and glamping
- Occupational Health costs
- Slightly higher electricity costs across the Park. e.g. Additional unit rented out & increased holiday let use
- Slightly higher professional fees. e.g. Licenses for additional TV's
- Numerous small costs across Mt. Edgcumbe's budgets

Subsidy / surplus

The full £112k subsidy, per-authority, was not required in 2017/18 with £25k each to be refunded (£50k total) and £37k being transferred to the reserve, for purchase of a new vehicle in 2018/19. Please see appendix 1. for prior year subsidy trend analysis.

Section 2

2.1 Revenue budget planning 2018/19

Business type	2018/19 Budget			2018/19 Latest Forecast			Variation to net budget £000's
	Income	Exp.	Net	Income	Exp.	Net	
	£000's	£000's	£000's	£000's	£000's	£000's	
Staffing & operations	-14	564	550	-14	564	550	0
House	-42	47	6	-42	47	6	0
Gardens	0	9	9	0	9	9	0
Grounds	-27	66	39	-27	66	39	0
Trading activities:							
<i>Rents</i>	-206	43	-163	-206	43	-163	0
<i>Holiday Lets</i>	-56	18	-39	-56	18	-39	0
<i>Chalets</i>	-72	0	-72	-72	0	-72	0
<i>Glamping</i>	-15	1	-14	-15	1	-14	0
<i>Parking</i>	-81	2	-79	-81	2	-79	0
<i>Special events</i>	-22	29	8	-22	29	8	0
<i>Conferences</i>	-10	9	-1	-10	9	-1	0
<i>Weddings</i>	-58	7	-52	-58	7	-52	0
<i>Filming (future Opp)</i>	0	2	2	0	2	2	0
<i>Misc. activities</i>	-7	3	-4	-7	3	-4	0
Total operations	-610	800	190	-610	800	190	0
Subsidy Corn.CC	-95	0	-95	-95	0	-95	0
Subsidy PCC	-95	0	-95	-95	0	-95	0
Subsidy total	-190	0	-190	-190	0	-190	0
Deficit / (Surplus)			0			0	0

Section 3

3.1 Approved capital programme

Scheme	Funding	Prior Years Spend	17/18 Actual	18/19 Budget	Total Scheme cost
		£000's	£000's	£000's	£000's
Mount Edgcombe Commercialisation	Loan (50% Corn.CC & 50% PCC)	40,265	97,302	166,554	304,121
Tree Houses	Loan (50% Corn.CC & 50% PCC)	0	0	622,000	622,000

3.2 Proposals for future capital projects

Proposed future projects	Possible funding	Mandate	Business case	Leader approval		Key:		
Restoration & maintenance								
Purchase of Lady Emma's Cottage	Borrowing / donation	To go to CCIB in June 2018 and purchase anticipated to complete in 2018/19	In draft			No business case draft	Business case in draft	Business case presented to CCIB
Purchase of a new Land Rover	Reserves	Anticipated to be purchased in June / July 2018	N/A As purchase value is too low					
Restoration of English Garden House	Herritage Lottery Fund grant	Bid expected to be submitted for work to begin in 2019/20						

Section 4

4.1 Recommendations

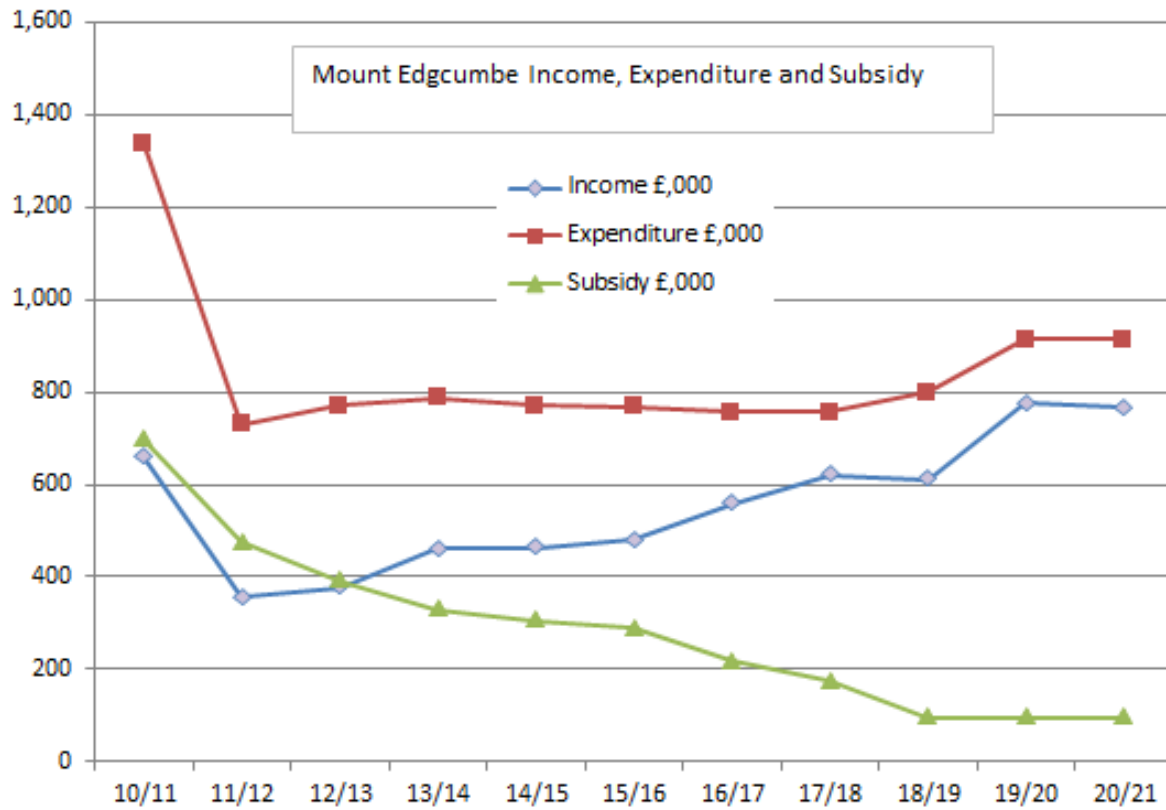
It is recommended that Joint Committee:

- 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 detailed business case

Appendix. I

I.0 Income & expenditure V's subsidy

Financial performance over the last 8 years.



Note

Financial years 2019/20 Onwards represents projected income and expenditure, based on current projects. It is also expected that as more commercial income is achieved the subsidy will be reduced.