

PLYMOUTH CITY COUNCIL

Subject: Revenue Budget Monitoring 2018/19
Committee: Mount Edgumbe Joint Committee
Date: 23 November 2018
Cabinet Member: Councillor Peter Smith (Plymouth City Council) and
Councillor James (Cornwall Council)
CMT Member: Anthony Payne (Plymouth City Council) and Peter Marsh
(Cornwall Council)
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Ref: SF Place Fin.
Key Decision: No
Part: I

Purpose of Report

This report presents an update of the financial position for the Mount Edgumbe Joint Committee for financial year 2018/19.

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

The current year end forecast in 2018/19 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 saving, with intentions to eventually reduce the subsidy provided by each authority.

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 I

Sign off:

Fin	pl. 18.19.138	Leg	N/A	Mon Off	Lt/3158 6	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													

Section I

I.1 Revenue financial summary

Business type	Activity volumes			2018/19 Budget			2018/19 Forecast			Variation to net budget	Comments
	Previous year	As at now	Increase/Decrease %	Income	Exp.	Net	Income	Exp.	Net		
				£000's	£000's	£000's	£000's	£000's	£000's	£000's	
Staffing & Operations				-14	564	550	-35	533	497	-53	
House	7,664	8,617	12%	-42	47	6	-51	42	-9	-15	Visitor admissions
Gardens				0	9	9	-22	23	1	-8	
Grounds				-27	66	39	-27	101	74	35	
Trading activities:											
<i>Rents</i>	40	42	5%	-206	43	-163	-162	26	-136	27	Units let - 43 Total units
<i>Holiday Lets</i>	248	357	44%	-56	18	-39	-43	25	-17	21	Days occupied - Max. 183 per-let
<i>Chalets</i>	81	81	0%	-72	0	-72	-81	8	-73	-1	All units let - 21 Yr. Lease from Yr.2000
<i>Glamping</i>	49	103	110%	-15	1	-14	-11	5	-6	8	Days occupied - Max. 109 per-hut
<i>Parking</i>				-81	2	-79	-94	3	-91	-12	No figures available
<i>Special events</i>	23	18	-22%	-22	29	8	-28	26	-2	-9	Does not include Sat. Park Run
<i>Conferences</i>	8	10	25%	-10	9	-1	-4	1	-3	-2	Total annual bookings
<i>Weddings</i>	30	22	-27%	-58	7	-52	-38	6	-32	20	Wedding functions
<i>Filming</i>	6	3	-50%	0	2	2	-2	0	-2	-4	
<i>Misc Activities</i>				-7	3	-4	-11	0	-11	-8	No measurable comparisson
Total operations				-610	800	190	-610	800	190	0	
Subsidy Corn.CC				-95	0	-95	-95	0	-95	0	Cornwall & Plymouth's subsidy to Mt. Edgcumbe
Subsidy PCC				-95	0	-95	-95	0	-95	0	
Subsidy total				-190	0	-190	-190	0	-190	0	
Deficit / (Surplus)						0			0	0	

I.2 Commentary

Key variations to budget can be summarised as:

- (£31k) Reduced salary expenditure – Staff time working on projects capitalised, salary savings and reduction in over-time
- (£10k) Reduced borrowing charges this year
- £15k Vehicle repair work and increased refuse and cleaning costs
- £27k Less rental income than budgeted – Funding for new unit conversions re-purposed this financial year
- £21k Less rental income due to Captain Blake's hut coming online later than budgeted
- £20k Less wedding income
- (£42k) Numerous items – Gardens forecast lower spend, more parking income, more income from special events, and Misc. activities.

Staffing & operations

Salary savings due to staff time spent working on commercialisation projects which are not charged to the revenue account, with a vacant House Steward post and a reduction in the use of over-time. Borrowing charges are also lower this year due to less work being completed on projects.

House

Increased income, due to higher admissions income from the good weather this summer and reduced maintenance costs forecast.

Gardens

No material variations to report

Grounds

Increased spend to carry-out essential vehicle repair works and an increase in the refuse contract cost this year.

Trading activities

Rents:

- Mainly the Kennel conversion to stables, Rame Head café and Barn Pool high ropes conversion works not occurring this financial year.

Holiday Lets:

- New lets completion slower than original timetable, due to additional works required to allow supply of electricity to Captain Blake's Hut. To be re-profiled during budget preparation.

Parking:

- Income increased by higher parking tariffs and new parking machines introduced.

Weddings:

- Despite more wedding ceremonies this year, they have been for cheaper packages (without the marquee) which has had a large impact on income, reducing the total number of functions booked.

Subsidy

Reduced from £112k in 2017/18 to £95k per-authority in 2018/19 but future years subject to ongoing review. Please see appendix 1. for prior year subsidy trend analysis.

Section 2

2.1 Medium term revenue budget planning 2019-21 proposals

Budgets are work in progress due to joint authority subsidy yet to be finalised and review carried-out of commercial project delivery timetable. 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	18/19 Budget	Total Scheme cost
		£000's	£000's	£000's
Mount Edgcumbe Commercialisation	Loan (50% Corn.CC & 50% PCC)	137,567	166,554	304,121
Tree Houses	Loan (50% Corn.CC & 50% PCC)	0	622,000	622,000
Purchase of Lady Emma's Cottage	Borrowing / donation	0	515,000	515,000
Purchase of a new Land Rover	Funded by reserves	0	23,000	23,000

Note

The purchase of Lady Emma's Cottage was originally via borrowing with the understanding a donation from the Oak Foundation will be used to clear the loan initially used.

3.2 Proposals for future capital projects

Proposed future projects	Possible funding	Mandate	Business case	Leader approval		Key:		
Restoration & maintenance								
Restoration of English Garden House	Herritage Lottery Fund grant	Bid expected to be submitted for work to begin in 2019/20				No business case draft	Business case in draft	Business case presented to CCIB

Section 4

4.1 Recommendations

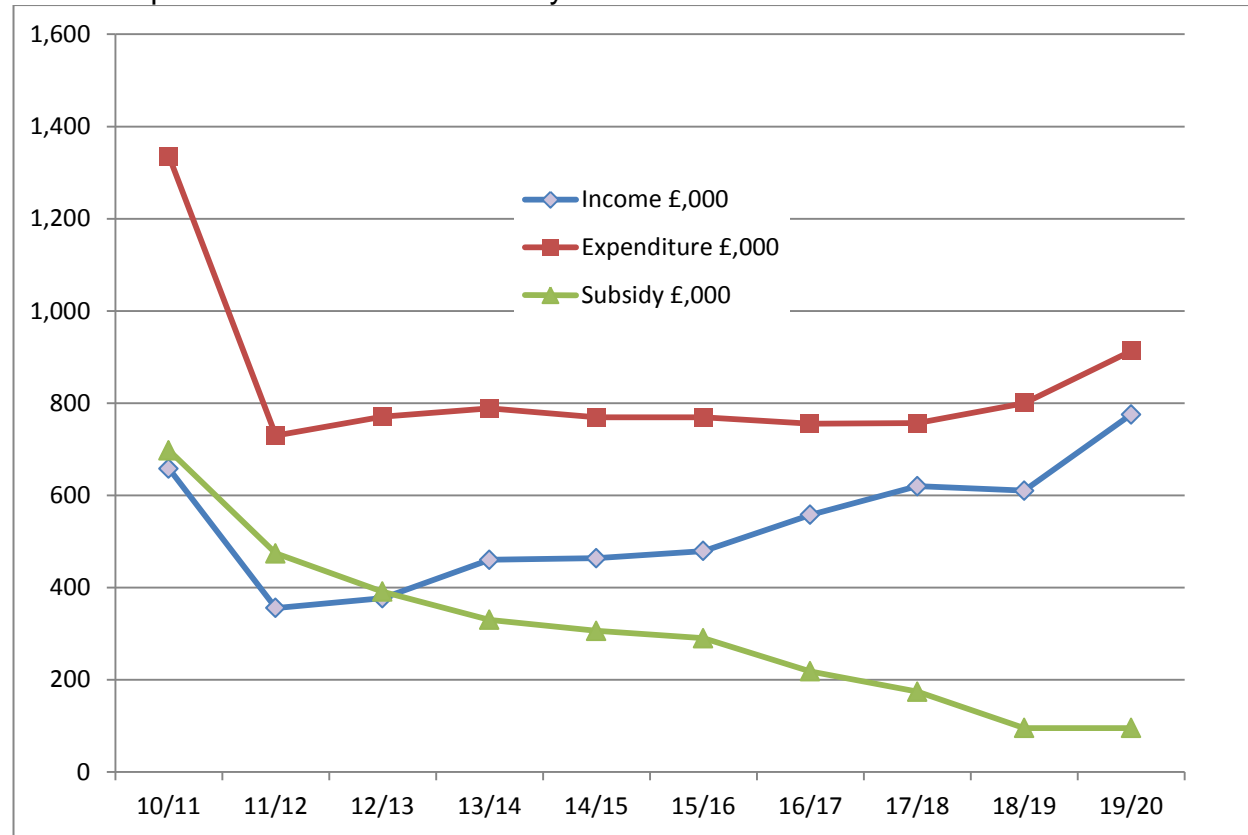
It is recommended that Joint Committee:

- 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 year 2019/20 represents projected income and expenditure, based on current budgeted projects which do not factor in recent changes such as the purchase of Lady Emma's Cottage and will be updated after the budget preparation process is completed this year. It is also expected that as more commercial income is achieved the subsidy will be reduced.