

# Mount Edgumbe Joint Committee

Revenue Outturn 2018/19 and Budget 2019/20



Date of meeting:	19 July 2019
Title of Report:	<b>Revenue outturn 2018/19 and Budget 2019/20</b>
Lead Member:	Councillor Peter Smith (Deputy Leader)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
Author:	Christopher Burton, Mount Edgumbe Park Manager
Contact Email:	Chris.Burton@plymouth.gov.uk
Your Reference:	N/A
Key Decision:	No
Confidentiality:	Part I - Official

## **Purpose of Report**

This report presents the final outturn position of Mount Edgumbe for the financial year 2018/19 and confirms the 2019/20 budget.

## **Recommendations and Reasons**

It is recommended that Joint Committee:

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

## **Alternative options considered and rejected**

NONE

## **Relevance to the Corporate Plan and/or the Plymouth Plan**

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

## **Implications for the Medium Term Financial Plan and Resource Implications:**

In November 2018, a forecast nil variation to budget was reported to the Joint Committee and the final outturn is a nil variation to budget. The 2019/20 budget has been built into the Medium Term Financial Plan (MTFP).

## **Carbon Footprint (Environmental) Implications:**

NONE

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

\* When considering these proposals members have a responsibility to ensure they give due regard to the Council's duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.

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.

**Appendices**

\*Add rows as required to box below

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 1 of the Local Government Act 1972 by ticking the relevant						
		1	2	3	4	5	6	7
A	Briefing report title							
B	Equalities Impact Assessment (if applicable)							

**Background papers:**

\*Add rows as required to box below

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.						
	1	2	3	4	5	6	7

**Sign off:**

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Originating Senior Leadership Team member: Nicola Moyle											

Please confirm the Strategic Director(s) has agreed the report? Yes (Anthony Payne)

Date agreed: 09/07/2019

Cabinet Member approval: Councillor Peter Smith (verbal)

Date approved: 09/07/2019

**Section I****I.1 Revenue outturn 2018/19 - Financial summary**

Business type	Activity volumes			2018/19 Budget			2018/19 Outturn			Variation to net budget	Comments on activity volumes
	2017/18	2018/19	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	-45	532	487	-63	
House	7353	8030	9%	-42	47	5	-48	46	-2	-7	Visitor admissions
Gardens				0	9	9	-24	18	-6	-15	
Grounds				-27	66	39	-44	129	85	46	
Trading activities:							0	0			
<i>Rents</i>	41	39	-5%	-206	43	-163	-166	30	-136	27	Units let - 43 Total units
<i>Holiday Lets</i>	355	651	83%	-56	18	-38	-50	30	-20	18	Days occupied - Max. poss. occupancy 183 days a year, per-let
<i>Chalets</i>	81	81	0%	-72	0	-72	-83	8	-75	-3	All units let - 21 Yr. Lease from Yr.2000
<i>Glamping</i>	55	115	109%	-15	1	-14	-11	5	-6	8	Days occupied - Max. 109 per-hut
<i>Parking</i>				-81	2	-79	-101	3	-98	-19	No figures available
<i>Special events</i>	20	18	-10%	-22	29	7	-33	31	-2	-9	Does not include Sat. Park Run
<i>Conferences</i>	12	16	33%	-10	9	-1	-7	4	-3	-2	Total annual bookings
<i>Weddings</i>	33	26	-21%	-58	7	-51	-37	15	-22	29	Wedding functions
<i>Filming</i>	5	2	-60%	0	2	2	-1	0	-1	-3	
<i>Misc. activities</i>				-7	3	-4	-11	0	-11	-7	No measurable comparrison
<b>Total operations</b>				<b>-610</b>	<b>800</b>	<b>190</b>	<b>-661</b>	<b>851</b>	<b>190</b>	<b>0</b>	
Subsidy Corn.CC				-95	0	-95	-95	0	-95	0	Cornwall & Plymouth's subsidy to Mt.
Subsidy PCC				-95	0	-95	-95	0	-95	0	Edgumbe
<b>Subsidy total</b>				<b>-190</b>	<b>0</b>	<b>-190</b>	<b>-190</b>	<b>0</b>	<b>-190</b>	<b>0</b>	
<b>Deficit / (Surplus)</b>						<b>0</b>			<b>0</b>	<b>0</b>	

**Note**

A transfer from reserve to Mt. Edgumbe of £8k was made and included in the income line of staffing and operations. 2018/19 is the first full year of glamping being run through a third-party agency.

**1.2 Commentary**

Key variations to budget can be summarised as:

- (£63k) Reduced borrowing charges this year, reduction in salaries over-time, salary savings, capitalised salaries, and transfer from reserves
- £46k Increased vehicle repair work, refuse and cleaning costs
- £27k Less rental income than budgeted – Funding for new unit conversions re-purposed affecting this financial year
- £18k Less holiday let income due to Captain Blake's hut coming online later than budgeted
- (£19k) Additional parking income
- £29k Less wedding income
- (£38k) Numerous items – Net saving in gardens forecast due to receipt of 2017/18 income, more income from special events and Misc. activities.

**Staffing & operations**

Salary savings due to a reduction in the use of over-time, vacancy management, capitalised salaries, and lower borrowing charges due to less work being completed on projects.

**House**

No material variations to report.

**Gardens**

2017/18 Income that should have been accrued is showing in 2018/19 January and distorting variance and reduced gardening costs this year

**Grounds**

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

**Trading activities**

Rents:

- Mainly the Kennel conversion to stables, Rame Head café and Barn Pool high ropes conversion works not yet completed. Also two units vacant but one subsequently re-let since end of 2018/19.

## Holiday Lets:

- New lets completion slower than original timetable, due to additional works required to allow supply of electricity to Captain Blake's Hut. Income 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 I. for prior year subsidy trend analysis.

**Section 2****2.1 Revenue budget planning 2019/20**

Business type	2019/20 Budget			2019/20 Latest Forecast			Variation to net budget
	Income	Exp.	Net	Income	Exp.	Net	
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Staffing & operations	-53	580	527	-53	580	527	0
House	-41	41	0	-41	41	0	0
Gardens	0	13	13	0	13	13	0
Grounds	-27	102	75	-27	102	75	0
Trading activities:							
<i>Rents</i>	-185	28	-157	-185	28	-157	0
<i>Holiday Lets</i>	-121	63	-58	-121	63	-58	0
<i>Chalets</i>	-76	0	-76	-76	0	-76	0
<i>Glamping</i>	-11	5	-6	-11	5	-6	0
<i>Parking</i>	-94	3	-91	-94	3	-91	0
<i>Special events</i>	-41	31	-10	-41	31	-10	0
<i>Conferences</i>	-8	5	-3	-8	5	-3	0
<i>Weddings</i>	-26	8	-18	-26	8	-18	0
<i>Filming (future Opp)</i>	-1	0	-1	-1	0	-1	0
<i>Misc. activities</i>	-5	0	-5	-5	0	-5	0
<b>Total operations</b>	<b>-689</b>	<b>879</b>	<b>190</b>	<b>-689</b>	<b>879</b>	<b>190</b>	<b>0</b>
Subsidy Corn.CC	-95	0	-95	-95	0	-95	0
Subsidy PCC	-95	0	-95	-95	0	-95	0
<b>Subsidy total</b>	<b>-190</b>	<b>0</b>	<b>-190</b>	<b>-190</b>	<b>0</b>	<b>-190</b>	<b>0</b>
<b>Deficit / (Surplus)</b>			<b>0</b>			<b>0</b>	<b>0</b>

**Section 3****3.1 Approved capital programme**

<b>Scheme</b>	<b>Funding</b>	<b>Prior Years Spend</b>	<b>18/19 Actual</b>	<b>19/20 Budget</b>	<b>Total Scheme cost</b>
		<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
<b>Purchase of Lady Emma's Cottage</b>	£19,650 Loan (50% Corn.CC & 50% PCC). £500,000 Grant. £15,000 Reserves.	0	534,650	0	<b>534,650</b>
<b>Purchase of a new Land Rover</b>	Reserves	0	23,160	0	<b>23,160</b>
<b>Mount Edgumbe Commercialisation</b>	Loan (50% Corn.CC & 50% PCC)	137,566	234,593	6,961	<b>379,120</b>
<b>Tree Houses</b>	Loan (50% Corn.CC & 50% PCC)	0	0	327,350	<b>327,350</b>
<b>Cremyll Car Park</b>	Loan (50% Corn.CC & 50% PCC)	0	0	70,000	<b>70,000</b>
	<b>Total</b>	<b>137,566</b>	<b>792,403</b>	<b>404,311</b>	<b>1,334,280</b>

**3.2 Proposals for future capital projects**

Proposed future projects	Possible funding	Mandate	Business case	Leader approval		Key:		
<b>Restoration &amp; maintenance</b>								
Restoration of English Garden House	Herritage Lottery Fund grant no longer exists	Until new source of funding found to replace Herritage Lottery Fund grant, project is on hold				No business case draft	Business case in draft	Business case presented to CCIB



## **Section 4**

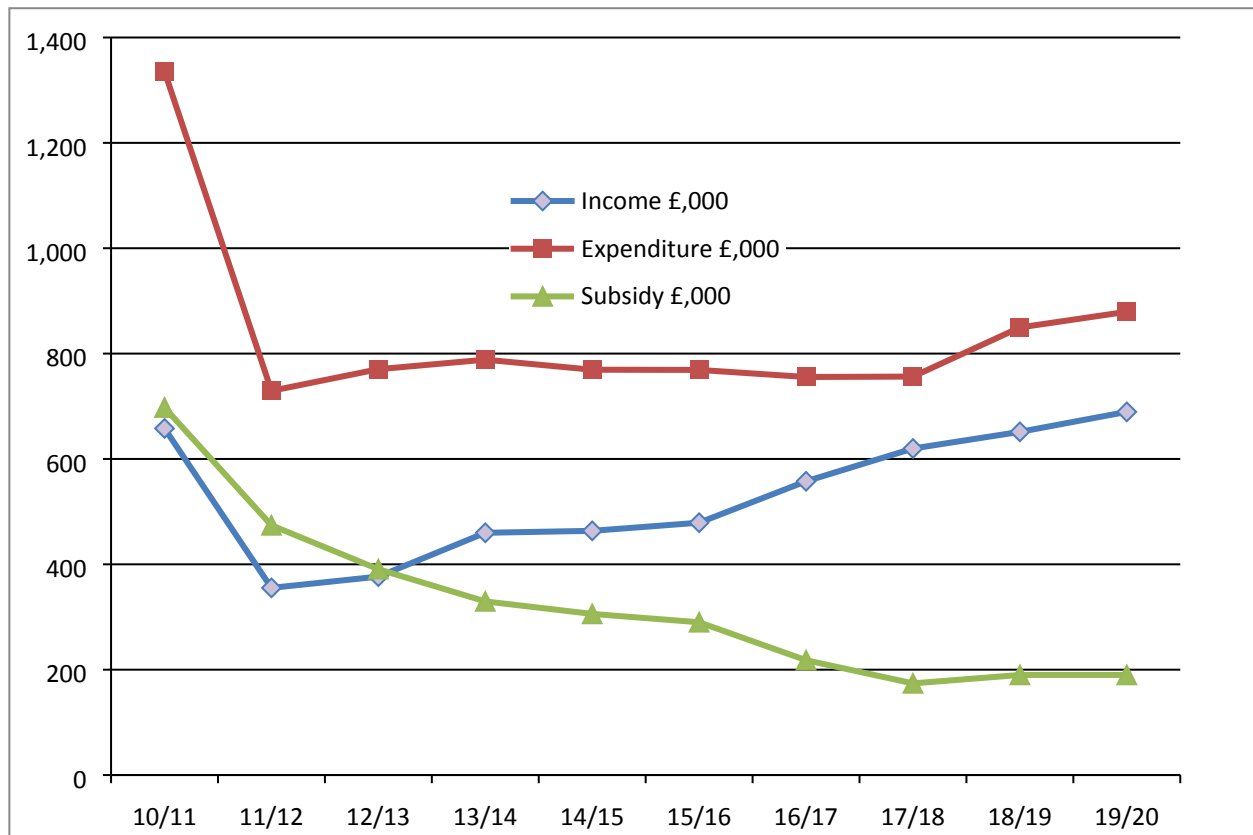
### **4.1 Recommendations**

It is recommended that Joint Committee:

- Notes the financial position contained in the report along with the risks, issues and any mitigating actions
- Notes the capital programme and 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 nine years.

**Note**

Financial year 2019/20 represents projected income and expenditure, based on revised project timetable.

It is also expected that as more commercial income is achieved the subsidy will be reduced.