

MEETING	Plas Tan y Bwlch Board
DATE	13 th July 2022
TITLE	PLAS TAN Y BWLCH 2021/22 FINANCIAL UPDATE
REPORT BY	House Manager, Plas Tan y Bwlch
PURPOSE	To update Members on the financial situation

Background

On the 28th of May 2021 Plas opened back after being shut for over a year as B&B only. Redundancies took place between the period of December 2020 and March 2021 which meant we lost eight members of staff which was part of the new Business Plan. It was also decided that the two-catering staff left would halve their hours to form with the new business model of preparing breakfast only. The admin staff team was also halved in staff with the idea of just one member of staff behind reception from 0800-2230.

The B&B business plan took off and deemed to be successful bringing in an income of £184,850. We used Airbnb to start off with and upgraded to using a system called Qbooks which linked in with Booking.com, although this brought in a lot more business the staff became overwhelmed with how busy Plas was which led to sickness absences leaving us more and more short staffed. Although the Business Plan was predominantly meant to be B&B only, we had courses and groups wanting to return as well as new business which meant they wanted full board, which exceeded our income target of £34.7k bringing the total income to £223,593.

Issues we have faced with the B&B Business Model

- Understaffed
- Unable to take holidays/toil
- No Sickness Cover
- Staff mental/wellbeing affected – low morale
- Building deteriorated over lockdown resulting in higher-than-normal expense
- Hydro non-functional resulting in zero income – losing roughly £29k.

- Computer system – Airbnb/booking.com unable to link resulting in double bookings
- Lack of training for House Manager on finance system, not being able to produce an income report for the Board Members and Chief Executive.
- Having to decline bookings because we are short staffed (especially in the catering dept).
- Spending more money on casual staff and external contractors (cleaners - £15pp per hour).

Expenditure Vs Income

Income (appendix 1).

As you can see in appendix 1, we have exceeded our income target by £38.7k, we also received a furlough grant of £17.3k bringing our income to £241k, these figures are from June 2021-March 2022. Unfortunately, our Hydro income was zero due to the maintenance issues we had, which has only just been fixed in April 2022, therefore we have lost an estimate of £29k.

The income was generated with a limited number of staff, resources and refunds were also made due to the state of some of the rooms within the building, covid also had an impact as people needed to cancel due to isolating – for example we lost 10k over the Christmas period as groups were not allowed to meet.

Expenditure (appendix 2)

Appendix 2 shows that we have overspent an estimate of £65k. This is down to several reasons including having to get contract staff in because we only had 3 cleaners in which neither are full time. We also had issues with damp, hot water & heating and therefore had to contact external contractors and purchase products/items from various suppliers. Unfortunately, we also had to purchase a new fridge for the kitchen which cost £1,149 due to a high voltage surge from Scottish Power in which they took zero responsibility for.

There was also an overspend within the transport section of roughly £5,343, this is due to paying the lease off early, this will bring the costs down in 2022/23 as we no longer have the minibus. We now have 1 minibus that is paid for and a people carrier, in the 2022/23 business plan I would not see a need for the bus, but the people carrier would remain the same.

Plas Tan Y Bwlch Business Plan 2022/23

Although the original business plan was for B&B only, we saw that there was a higher demand for group bookings, especially entering 2022. We now have more group bookings than we do B&B (which was not the case last year due to covid), although we did well with the groups last year in 2021 considering we were still in a pandemic, the rise in group bookings is much greater for 2022/23.

Our findings also shows that 94% of people would have chosen an evening meal had we been able to offer that service, we were able to collect this evidence via questionnaires.

Here is our estimate financial forecast for 2022/23 regarding group bookings.

GROUP BOOKINGS 2022			
May-22			
	St Helens College - Estelle Linney	06.05.2022	£3,061.30
	Allstree Ramblers	16.05.2022	£4,672.00
	Twickenham Ramblers	16.05.22	£1,650.00
	Simon Williams painting	16.05.2022	£1,875.55
	St Helens College - Estelle Linney		£3,061.30
Jun-22			
	Ysgol Santes Tudfil	06.06.2022	£10,025.55
	St Helens College - Estelle Linney	11.06.2022	£3,209.00
	Abdingdon School	12.06.2022	£10,489.52
	Lisa Bushby - Imperial College	19.06.2022	£19,573.00
	Postal Society	16.06.2022	£5,000.00
	Dementia Wales	29.06.2022	£4,000.00
Jul-22			
	Moelwyn Gym Club	01.07.2022	£12,000.00
	Ysgol Sarn Bach	04.07.2022	£2,500.00
	Natural Rescouces Wales	29.06.2022	£3,335.40
	Laura and John wedding	09.07.2022	£4,656.00
	Laura and John wedding B&B	09.07.2022	£2,500.00
	Painter weekend	14.07.2022	£1,500.00
	Eddisbury Artists	25.07.2022	£2,000.00
Aug-22			
Sep-22			
	Donna & Steff Wedding(ceremony only)	17.09.22	£780
	Red Bull Hardline	05.09.2022	£25,000.00
	Painting Weekend	19.09.2022	£2,500.00
	Friends of Plas	19.09.2022	£3,240.00
	Susan Longley - Sewing	19.09.2022	£1,500.00
	Ieuan - walking holiday	20.09.2022	£4,500.00
Oct-22			
	Helen & Kev	22.10.2022	£4,950.00
	Helen & Kev B&B	22.10.2022	£2,500.00
	Gwenfai	28.10.2022	£3,000.00
	Alwena	28.10.2022	£2,500.00
			£145,578.62

Audience/Target Market.

Plas will concentrate on private groups, schools, universities, and weddings from February to November with B&B being offered within term time (10 weeks a year), this will ensure that we then have the capacity. B&B will be available if the house is not full within that period but will be offered to groups etc first. This will also help with staffing and being able to take holidays etc as we will have an events calendar in place.

Plas will close in December/January and will allow staff to take any toil, eliminating any toil pay-outs. Plas will only open for special functions during that period if viable for example a wedding or day meetings. Having certain days open during that period is also an option, this will also save on Gas/Electric bills.

New Staffing Structure

<u>House Manager</u>	<u>Full time 37</u>	<u>Remains same</u>
<u>Group Admin Assistant</u>	<u>Full time 37</u>	<u>Remains same</u>
<u>Day Meetings Assistant</u>	<u>Full time 37</u>	<u>Extra Day (this could also be added to the 16.5 hour post bringing it to 23.5 hours).</u>
<u>Receptionist x2</u>	<u>13 + 16.5</u>	<u>Remains same, 16.5 post will become vacant in July.</u>
<u>Handyman x1</u> <u>Gardener x1</u>	<u>16 hours</u>	<u>Remains same</u>
<u>Cleaners x4</u>	<u>28 hours, 16 hours, 15 hours, 24 hours</u>	<u>Remains same</u>
<u>2 Cooks</u>	<u>33.5 hours, 29.25 hours</u>	<u>Remains same</u>
<u>Assistant cook</u>	<u>25 hours</u>	<u>Currently vacant but costed post</u>
<u>Catering Manager</u>	<u>25 hours</u>	<u>New Post</u>
<u>Casuals –</u> <u>Waiter/waitresses</u>	<u>Varied</u>	<u>Remains same</u>

Est Total Cost = £252k

Within the new staffing structure, I have created 2 new posts as well as adding an additional day to one of the admin staff, doing this will increase our income as we will be able to cater for more groups. It will also cover sickness absences and holidays.

We are currently operating with only 2 cooks who are working 9, 12 hour shifts in a row meaning we are having to turn groups and residents down for the staff to have a break, this is also having a negative impact on their health and their relationship with other departments.

A Catering Manager is needed for the up-to-date paperwork that will keep Plas at a 5* hygiene, invoicing, keeping up with legislation, health/safety and to make decisions for the catering team. An assistant cook is also needed as this will help with being able to offer more whilst giving the cook's a break.

Tea Room

Plas would benefit massively if we were to re-open the tearoom using the casual waitresses. The tearoom could be opened 3 days a week including – Friday, Sunday & Monday between the hours of 11am and 330pm. During Term time, the café could open 5 days a week offering only tea/cake – keeping costs and kitchen staff time minimum. The running costs of the Café would be roughly £9.80 for 3 cakes & 0.33p a cup (coffee), with 1 staff member working 5 hours a day at £47.50. Looking at previous years the café made roughly between £100-£200 a day (this included sandwiches and soup).

The unused cakes could also be used the following day meaning there would be minimum waste. We would be able to charge a piece of cake at £3.60 and a cup of coffee at £2.70 therefore for every 20 individuals we would make £126. In the quieter season, reception staff/cleaners would be able to use their hours and help in the café rather than getting casual staff in or even close and then reopen in half term.

Bar

The Bar has now been moved into the conservatory (tearoom), which is currently only open when we have large group bookings. Reception staff are still responsible for manning the bar during the hours of 21:00-23:00. To make full use of the bar/facilities, we would open the bar on the same days/times as the café, increasing our tearoom income.

In the past we have received feedback from our B&B residents on tripadvisor/booking.com that they would have liked for the bar to be open during their stay and that they were very disappointed to find that it was closed, therefore Plas would benefit in opening the bar for all residents during the year especially weekends.

Plas costings 22/23

Description	Original Budget 21/22	Required 22/23	Expenditure 21/22
Employment Costs			
wages	202.5k	250,518	233,000
Extra Hours		10,000	14,696
Land and Property Costs			
c & c - alarm systems	4,000	4,000	3,178
c & c - alarms and mechanical equipment	-	3,000	5,015
maintenance (programmed)	8,000	8,000	15,000
c & c buildings - service	1,000	3,000	3,882
c & c lands - service	4,310	1,000	1,065
electricity	5,000	5,000	19,613
gas	15,000	15,000	16,249
taxes	26,000	26,000	-
water services (tax included)	3,640	3,640	4,934
house supplies	3,000	3,000	5,855
rubbish collection	1,500	1,500	839
Transport			
SNPA - vehicle tax	3,000	3,000	420
SNPA - MOT	-	-	105
SNPA vehicles - maintenance	-	-	2,946
Services and Supplies			
purchase / hire of equipment	1,000	2,000	4,153
catering purchases	13,000	13,000	19,237
bar purchases (Plas)	-	1,000	939
laundry	2,640	2,640	3,194
office equipment and publications	500	300	288
telephone / fax	1,000	1,000	1,123
mobile phones	200	200	564
advertisements (no staff)	2,500	1,000	-
Total amount		357,798	

The staffing costs includes the new post of the Catering manager. The salary would roughly be 17,518 pro rata.

Income 2022/23

Groups/Courses	£200,000
B&B	£89,000
Rent, tearoom, day meetings, garden tours, bar, afternoon teas etc.	22,280
Evening Meals	£21,150
Hydro	£29,000
Total	£361,430

This estimated income is based on current and future bookings if we are adequately staffed, this also includes evening meals on certain days of the week including Thurs, Friday and Saturday at £23.50 per person at 60% occupancy level it would roughly bring in £705 per night (adults only). The evening meals income would therefore cover the costs of the catering manager.

In July we have had to block a numerous number of days off for the kitchen staff to have a break as they will be working throughout June with a minimum of 2 members of staff. Unfortunately, this will have an adverse effect on the business's income in what should be the busiest time of the year, this has been done as Staff well being is much more important and at this moment in time we are unable to cope with the pressure of the busy period, this is having a negative impact on the staff's health and wellbeing.

A job advert had gone out for an Assistant Cook but unfortunately, we have had no interest, although I have had enquiries on the number of hours – unfortunately 25 hours is not enough. Therefore, taking into consideration the business we are losing in July, I have decided to increase the number of hours for the catering manager up to 37 hours (full time), I think our priority is to increase the hours for the catering manager rather than the assistant cook at this stage as the manager will be able to not only cook but also, plan events, order stock, ensure all health and safety guidelines are followed etc.

How will I justify the increase in hours?

At this current moment we have around 15 days blocked in July which is half of the month. Looking at our bookings in June (which is fully booked) we are losing around 4 group bookings which would roughly be around £40k or £1,428 per day for a group booking that is paying £10k for a week. In regards to B&B we are loosing roughly £2,421.net a night at 40% occupancy in between the gaps where different groups are staying.