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MOUNT EDGCUMBE JOINT COMMITTEE



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20 July 2011

MOUNT EDGCUMBE JOINT COMMITTEE

TO FOLLOW

DATE: FRIDAY 22 JULY 2011
TIME: 1.15 PM
**PLACE: BELVEDERE ROOM, BARROW PARK COMPLEX,
MOUNT EDGCUMBE, CREMYLL**

**Please find attached a Budget Monitoring 2011/12 report for agenda item number 5.
for your information.**

BARRY KEEL
KEVIN LAVERY
Joint Clerks

MOUNT EDGCUMBE JOINT COMMITTEE

5. BUDGET MONITORING 2011/12 (Pages 1 - 10)

The Joint Committee will receive a report on budget monitoring 2011/12.

**CITY OF PLYMOUTH
MOUNT EDGCUMBE JOINT COMMITTEE**

Subject: Budget Monitoring 2011/12

Committee Mount Edgcumbe Joint Committee

Date: 22 July 2011

Joint Chairs: Councillor Mrs Beer (PCC) and Councillor Trubody (CC)

Cabinet Member: Councillor Jordan (PCC) and Councillor German (CC)

CMT Members: Director for Community Services
Director for Corporate Support

Cornwall Council: Head of Environment and Heritage Service, Cornwall Council

Author: Ian Berry – Park Manager

Contact: Tel: 01752 832226
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Ref: ME

Key Decision: No

Part: I

Executive Summary:

This report presents an update on the financial position of the Joint Committee for financial year 2011/12.

Corporate Plan 2011-2014:

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**

A Joint Committee report presented on 10 December 2010 recommended a number of options to address an ongoing operating deficit in 2011/12, following which there was Constituent Authority approval to increase financial support to £0.474m from £0.384m in 2011/12 to produce a balanced budget.

Current monitoring has highlighted a number of variations and areas of budgetary risk that will require management action to ensure operations are contained to approved level of constituent authority support. Action continues through development of the business plan and work by Mount Edgcumbe Officers Working Group to align operations to future Constituent Authority support levels no greater than £0.384m and to increase the Joint Committee's level of reserves.

Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

- Increased risk management will need to take place to manage the impact of the challenging financial position.

Recommendations and Reasons for Recommended action:

It is recommended that the Joint Committee -

- a) notes the report.

Background Papers:

Mount Edgcumbe 2011 budget setting.

Sign Off

Fin	CoSF LA1112 003 TOCS	Leg	LT 1407	HR	N/A	AM	N/A	IT	N/A
Originating SMT Member				James Coulton					

REVENUE BUDGET MONITORING 2011/12

1. INTRODUCTION

- 1.1. This report has been produced to update the Joint Committee with the monitoring position up to the 30 June 2011.
- 1.2. Variations are reported in Appendix A broken down by park operation.

2. 2011/12 REVENUE MONITORING VARIATIONS

- 2.1. Currently an operating deficit of £6,896 has been identified which requires management action to address.
- 2.2. Main variations have been identified as follows -
 - 2.2.1. Employees – there has been a cost for a delay with action against one post included within the 10 December recommendations, this has been offset by further vacancy savings for season stewards with a net pressure of £3,716.
 - 2.2.2. Catering staff costs of £7,527 were incurred in advance of the new arrangements for catering and staff resignation.
 - 2.2.3. There have been a number of variations in relation to property and equipment budgets which reflect the transfer of utility costs to the new catering operator together with action by Mount Edgcombe management curtailing spend to address the budget pressures highlighted above.
 - 2.2.4. Budget setting for 2011/12 reflected the price increases for parking permits, parking at Cremyll and Dry Walk Car park and the inclusion of the new car park near Barrow Complex. This is anticipated to now start in autumn and currently a budget pressure of £14,565 has been identified. This also includes a 10% reduction in revenue for 2011 compared to same period in 2010.

3. BUDGET RISK

- 3.1. Appendix A also includes a risk rating (Red Amber Green) explained below, there are a number of high rated risks within Mount Edgcombe monitoring which may require further action to address through Mount Edgcombe Officers' Working Group and Joint Committee.
 - 3.1.1. Property - whilst actual spend in first three months has not highlighted any concern, there are a number of property issues around the park such as sea wall damage and potential demands for managing a wide range of sensitive structures.
 - 3.1.2. Car parking income projections are based on a price increase coming into effect.
 - 3.1.3. Utility cost increases.
 - 3.1.4. Direct House admission prices have increased however the target for income for use of the wider park and Barrow facilities needs to be achieved.

- 3.1.5. Income from Commercial Catering - Income from the licence includes for 2011/12 full Orangery hire charges and a percentage on takings. Detailed trading information is still awaited from the new catering operator, however Orangery bookings established during winter months are strong.
- 3.1.6. Trading operations at both Barrow and Cremyll Shop continue to be scrutinised and a full stock review will be undertaken shortly. Management action to address poor trading at Barrow shop on Friday and Saturday when the main house is closed has been taken, the impact of which will be incorporated within next monitoring.
- 3.1.7. The majority of special events occur during summer months and Christmas after which time any variances can be identified, the risk currently reflects the impact of weather to income levels.

4. **RECOMMENDATIONS**

- 4.1. It is recommended that the Joint Committee -
 - a) notes the report.

MOUNT EDGCUMBE Monitoring 2011/12

Summary

Existing House & Park operations	Original Budget 2011/12	Actual as at 30th June 2011	Latest Forecast 2011/12	Forecast Variance
	£	£	£	£
	0	(21,180)	7,297	7,297
DEFICIT/(SURPLUS)				

Barrow Shop	Original Budget 2011/12	Actual as at 30th June 2011	Latest Forecast 2010/11	Forecast Variance
	£	£	£	£
	0	(315)	6,690	6,690
DEFICIT/(SURPLUS)				

Cremyll Shop	Original Budget 2011/12	Actual as at 30th June 2011	Latest Forecast 2010/11	Forecast Variance
	£	£	£	£
	0	(9,209)	(5,798)	(5,798)
DEFICIT/(SURPLUS)				

Special Events	Original Budget 2011/12	Actual as at 30th June 2011	Latest Forecast 2010/11	Forecast Variance
	£	£	£	£
	0	(3,825)	(1,293)	(1,293)
DEFICIT/(SURPLUS)				

(SURPLUS) TO RESERVES	0	(34,529)	6,896	6,896
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MOUNT EDGCUMBE Monitoring 2011/12
Existing House & Park operations

APPENDIX A

Existing House & Park operations	Original Budget 2011/12	Actual as at 30th June 2011	Latest Forecast 2011/12	Forecast variance	RAG Rating
	£	£	£	£	
<u>Employees</u>					
Staffing ~ Core House	452,417	125,451	456,133	3,716	G
Staffing ~ Catering	0	5,849	7,527	7,527	G
Staffing ~ Agency	17,057	4,084	18,773	1,716	G
Other Employee Costs	5,047	1,185	4,421	(626)	G
Sub Total	474,521	136,569	486,854	12,333	
<u>Premises & Park</u>					
General Maintenance	48,370	8,023	48,620	250	R
Energy Costs	27,600	2,089	22,600	(5,000)	R
NNDR, Water, Env chgs	34,421	10,816	27,016	(7,405)	R
Cleaning	7,303	2,315	5,270	(2,033)	G
Insurances	10,003	9,603	10,003	0	G
Sub Total	127,697	32,846	113,509	(14,188)	
<u>Gardens</u>					
Grounds Maintenance Ad Hoc	15,500	1,302	13,593	(1,907)	G
<u>Transport</u>					
Vehicle costs	26,069	14,316	22,143	(3,926)	G
<u>Supplies and services</u>					
Equipment/general operating costs	54,921	6,617	50,907	(4,014)	G
Catering supplies/purchases	0	3,750	4,298	4,298	G
Collection Management	1,000	825	1,000	0	G
Loan repayment	29,301	0	29,301	0	G
External Audit Fees	2,500	0	2,500	0	G
Contribution Transport initiative	6,300	0	6,300	0	G
Consultants ~ Business Plan	2,000	0	0	(2,000)	G
Projects (FOME)	0	0	5,000	5,000	G
Exhibitions	1,000	23	2,780	1,780	G
Insurances	14,730	3,488	14,077	(653)	G
Advertising and Interpretation	20,000	2,370	23,500	3,500	G
Gross Expenditure	775,539	202,106	775,762	223	
<u>INCOME</u>					
Grants and contributions	(2,500)	7,080	(2,500)	0	G
Admission, use of facilities & adhoc hires	(65,968)	(23,685)	(65,921)	47	A
Wedding & function Income	(27,054)	(30,099)	(26,738)	316	G
Rent of Land	(37,189)	(13,598)	(40,043)	(2,854)	G
Trenninow Chalets	(69,680)	(28,014)	(69,680)	0	G
Car Parking	(66,648)	(16,141)	(52,083)	14,565	R
Income From Donations	(2,500)	(329)	(7,500)	(5,000)	G
Agreed contribution from Constituent Authorities	(384,000)	(96,000)	(384,000)	0	G
Additional Contributions agreed for 2011/12 only	(90,000)	(22,500)	(90,000)	0	G
Income from Commercial Catering	(30,000)	(17,686)	(30,000)	0	A
Total Income	(775,539)	(223,286)	(768,465)	7,074	
DEFICIT/(SURPLUS)	0	(21,180)	7,297	7,297	

MOUNT EDGCUMBE Monitoring 2011/12

Barrow Shop

	Original Budget 2011/12 £	Actual as at 30th June 2011 £	Latest Forecast 2011/12 £	Forecast Variance £	% of income	RAG Rating
Barrow Shop						
<u>Employees Staffing ~ Agency</u>	11,535	3,949	14,774	3,239	64%	G
<u>Sub Total</u>	11,535	3,949	14,774	3,239		
<u>Supplies and services Cost of Sales</u>	11,536	856	14,987	3,451	65%	A
Gross Expenditure	23,071	4,805	29,761	6,690		
<u>INCOME</u>						
Retail sales	(23,071)	(5,120)	(23,071)	0		A
DEFICIT (SURPLUS)	0	(315)	6,690	6,690		A

MOUNT EDGCUMBE Monitoring 2011/12

Cremyll Shop

	Original Budget 2011/12 £	Actual as at 30th June 2011 £	Latest Forecast 2011/12 £	Forecast Variance £	% of income	RAG Rating
Cremyll Shop						
<u>Employees</u>						
Staffing ~ Agency	28,366	4,102	24,514	(3,852)	43%	G
Other Employee Costs						
<u>Sub Total</u>	28,366	4,102	24,514	(3,852)		
<u>Supplies and services</u>						
Other operating costs	2,000	0	0	(2,000)		A
Cost of Sales	27,212	2,747	27,212	0	47%	
Gross Expenditure	57,578	6,849	51,726	(5,852)		
<u>INCOME</u>						
Retail sales	(57,578)	(16,058)	(57,524)	54		A
DEFICIT (SURPLUS)	0	(9,209)	(5,798)	(5,798)		A

APPENDIX A

MOUNT EDGCUMBE Monitoring 2011/12

Special Events

Special Events	Original Budget 2011/12 £	Actual as at 30th June 2011 £	Latest Forecast 2011/12 £	Forecast Variance £	RAG Rating
<u>Supplies and services</u>					
Event Expenditure	11,250	214	9,957	(1,293)	G
Gross Expenditure	11,250	214	9,957	(1,293)	
INCOME					
Hire of Facilities	(1,250)	0	(1,250)	0	A
Event Income	(10,000)	(4,039)	(10,000)	0	A
DEFICIT (SURPLUS)	0	(3,825)	(1,293)	(1,293)	A

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