

**CITY OF PLYMOUTH
MOUNT EDGCUMBE JOINT COMMITTEE**

Joint Chairs: Councillor D Reynolds, Plymouth City Council/
(to be confirmed) Cornwall Council

SMT Members: Director for Community Services
Director for Corporate Resources

**Cornwall
Council Officer:** Head of Environment

Subject: Revenue and Capital Monitoring 2009/10

Committee: Mount Edgcumbe Joint Committee

Date: 31 July 2009

Author: Ian Berry, Park Manager

Contact: Tel: (01752) 832226
e-mail: ian.berry@plymouth.gov.uk

Ref: ME

Part: I

Executive Summary:

This report presents an update on the financial position of the Joint Committee for financial year 2009/10.

Corporate Plan 2009-2012 - Plymouth City Council:

Corporate Improvement Priority 6: widening cultural and leisure opportunities
Corporate Improvement Priority 14: value for money/effective long term budget/asset management.

Cornwall Council: (to be confirmed)

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

The overall effect of the variations against the revenue budget listed in the report has identified a further funding requirement in 2009/10.

Ongoing additional costs have arisen as a result of the Job Evaluation exercise undertaken by Plymouth City Council, together with additional staffing requirements for the new trading operations. There are further costs coming through for utilities, a need to expand the marketing budget and produce new signage as a result of branding exercise.

The level of reserves will also affect the level of funding available in future years and therefore, also the implications for the medium Term Financial Plan.

Other Implications: eg Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

None.

Recommendations and Reasons for Recommended action:

1. It is recommended that:
 - (a) The report be noted.
 - (b) To approve Prudential borrowing being sought from Plymouth City Council to meet balancing funding required for additional works arising from the capital project totalling £132,725 through annual repayment by the Joint Committee with effect from 2010/11.
 - (c) To approve Prudential borrowing being sought from Plymouth City Council to meet forecast cost of fitting out new facilities of £177,500 through annual repayment by the Joint Committee with effect from 2010/11.

Alternative Options Considered & reasons for recommended action:

N/A.

Background Papers: Mount Edgumbe Revenue Budget Financial update – March 2009.

Sign Off

Fin		Leg		HR		AM		IT	
Originating SMT Member									

MOUNT EDGCUMBE JOINT COMMITTEE

Mount Edgcumbe Joint Committee – 31st July 2009

REVENUE AND CAPITAL BUDGET MONITORING

1. INTRODUCTION

- 1.1. The purpose of this report is to present to the Joint Committee the latest Mount Edgcumbe revenue and capital monitoring position for 2009/10 detailing significant variations.

2. 2009/10 REVENUE MONITORING

- 2.1. The Joint Committee's revenue forecast for 2009/10 is projecting a shortfall of £196,000 broken down as follows:

	£
Job Evaluation	90,000
Additional staffing	38,000
Loss of funding Museum Development Officer	20,000
Additional Marketing budget	18,000
New signage	16,000
Inflationary increase 2009/10 budgets	13,000
Increase Utility tariff	12,000
Branding	10,000
Loss of income (facility inhouse)*	8,000
Increase insurance premium	7,000
Cremyll Ferry rent free period	5,000
Orangery fitting out	<u>4,000</u>
Total expenditure	241,000
Offset by income generated through soft launch	(45,000)
Net deficit	<u>196,000</u>

- 2.2. Income generation to the park for the first three months has been strong and funding options to meet this shortfall are currently being investigated by officers of the Constituent Authorities.

3. 2009/10 CAPITAL MONITORING

- 3.1. Approval has been previously given by the Joint Committee for prudential borrowing to be sought from Plymouth City Council for the following three schemes:

Replacement Windows and heating at barrow park flats ~ £52,400

Work has been completed with final costing being verified against the funding approval to be drawn in 2009/10 and requiring repayment from 2010/11.

Outbuilding project ~ £61,600

An initial forecast of project costings was presented to the Joint Committee on 14th January 2009 and identified a funding shortfall of £61,600, however further costs have been identified by Cornwall officers and the latest shortfall (subject to final account) is £132,725.

Approval required to seek a further £71,125 prudential borrowing from Plymouth City Council in the first instance, to be repaid from increased income generated from plant, shop and café sales from 2010/11.

Fitting out new facilities ~ £125,000

A request to secure additional funding through prudential borrowing was presented to the Joint Committee on 14th January 2009 to enable fitting out of the new trading operations to be completed. Latest projections total £177,500 therefore a further funding requirement of £52,500 is needed.

Approval required to seek up to a £52,500 prudential borrowing from Plymouth City Council in the first instance which is subject to the need of reserves to meet revenue costs, to be repaid from increased income generated from plant, shop and café sales from 2010/11.

4. **RESERVES**

There is an uncommitted reserve balance of £36,409 currently held.

5. **RECOMMENDATIONS**

5.1. It is recommended that:

- (a) The report be noted.
- (b) To approve Prudential borrowing being sought from Plymouth City Council to meet balancing funding required for additional works arising from the capital project totalling £132,725 through annual repayment by the Joint Committee with effect from 2010/11.
- (c) To approve Prudential borrowing being sought from Plymouth City Council to meet forecast cost of fitting out new facilities of £177,500 through annual repayment by the Joint Committee with effect from 2010/11.