

**CITY OF PLYMOUTH
MOUNT EDGCUMBE JOINT COMMITTEE**

CMT Members: Director for Community Services
Director for Corporate Support

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

Subject: Revenue and Capital Outturn 2009/10 incorporating Statement of Accounts 2009/10

Committee: Mount Edgumbe Joint Committee

Date: 25 June 2010

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Ref: ME

Part: I

Executive Summary:

The Mount Edgumbe Joint Committee revenue and capital accounts for 2009/10 have now been finalised subject to final audit. This report presents the outturn for this Joint Committee and compares this with the latest forecast.

Corporate Plan 2010-2013:

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 shortfall of funding requirement of £300,000 in 2009/10.

Ongoing additional costs have arisen as a result of the Job Evaluation exercise undertaken by Plymouth City Council which will require consideration as part of future year business planning. Further costs were incurred for additional staffing requirements for the new trading operations above the level of income projected during first part year of trading. The challenge for the business plan and 2010/11 Budget reported to 5th February 2010 Joint Committee is to deliver sustainable trading operations, aligned to the level of constituent authority support available and to build a minimum level of reserves.

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

None.

Recommendations and Reasons for Recommended action:

It is recommended that the Joint Committee:

- a) Notes the report.
- b) Each constituent authority be approached to consider additional financial support of up to £150,000 (per authority) to address the 2009/10 revenue shortfall,
- c) Notes that the constituent authority will be considering conditions against this financial support and final details of this will be reported at next joint committee.
- d) The statement of accounts be approved.
- e) Annual governance statement be approved.
- f) Reviews the 2010/11 Business Plan and Medium Term Financial projection based on the 2009/10 performance, which is reported to the next joint committee.

Alternative Options Considered and reasons for recommended action:

N/A.

Background Papers: Mount Edgcombe Revenue Budget Financial update – 6th March 2009, 31st July 2009, 4th December 2009 and 5th February 2010.

Sign Off

Fin		Leg		HR		AM		IT	
Originating SMT Member									

MOUNT EDGCUMBE JOINT COMMITTEE

Mount Edgcumbe Joint Committee – 25 June 2010

REVENUE AND CAPITAL BUDGET OUTTURN 2009/10

1. INTRODUCTION

- 1.1. The Mount Edgcumbe revenue and capital accounts for 2009/10 have been finalised, subject to final audit and this report compares the outturn position with the Joint Committees final estimate as noted in February.
- 1.2. Variations to 2009/10 Outturn are reported in Appendix A with an explanation of variances to the base budget reported in Appendix A (i) and variances to the last monitoring report presented on 5th February 2010 are shown in Appendix A (ii).

2. 2009/10 REVENUE PROVISIONAL OUTTURN – JOINT COMMITTEE

- 2.1. The Joint Committee's revenue provisional outturn position for 2009/10 is presented in Appendix A and can be summarised as follows:-
£'000

General Expenditure	1,077
Less: Income	393
Contribution from constituent authorities	<u>384</u>
Deficit 2009/10	<u>300</u>

3. 2009/10 REVENUE BUDGET

- 3.1. As reported to previous Joint Committees the forecast budget for 2009/10 anticipated a budget shortfall of £230k, partly as a result of £120,000 additional Job Evaluation costs.
- 3.2. A direct net cost to operate new trading operations (Barrow shop, Stables and plant sales) which started trading in July, and Cremyll shop and Orangery more recently in March, summarised below:

	£'000
Total income	(99)
Cost of Sales	64
Agency staffing	<u>97</u>
Trading deficit	<u>62</u>

There was also £21k additional costs with a catering manager and tupe transfer of employee to Orangery.

- 3.3. Other costs totalling £59k are linked to the operation of the refurbished Barrow Park facilities such as increases to heating, insurance, additional fitting out, introducing electronic point of sale (epos) system and re-branding.
- 3.4. Use of agency staff has also increased to core House & Park activities to cover cash handling, cleaning and driving, this with additional costs covering sickness totalled £23k.

- 3.5. Repair and Maintenance increased by £14k of which £11k related to remedial works following a theft of lead.
- 3.6. Fit out costs of Barrow Park stables, plant sales and shop have exceeded approved funding by £49k , these additional costs have been wholly funded from reserves previously earmarked to fund the commercial manager which had also exceeded budget provision by £8k.
- 3.7. Additional funding for Sudden Oak Death clearance works brought in a further £76k and there was £6k grant funding by Devonport Regeneration Community Partnership toward an exhibition, grant funding for the Museum Development Officer ceased at a £20k loss of income.
- 3.8. Overall income from core activities such as admissions, rents and licences were inline with budgets, although there were a reduction against wedding income.

4. **RESERVES**

- 4.1. Reserves and capital receipts currently stood at the start of the financial year at £125k with commitments of £68k to fund the capital project, £21k support for Commercial Consultant which left an uncommitted balance of £36k.
- 4.2. Actual costs to fit out the new trading areas exceeded the £125k allocation by £49k at a total cost of £174k, with reserves being used to fund this overspend. This reduced the reserves available to fund the commercial consultant from an approved figure of £21k to an actual contribution of £9k.
- 4.3. There are no reserves at year end which needs to be addressed during 2010/11 and beyond.
- 4.4. A further analysis of movements to reserves and capital receipts is shown in Appendix B.

5. **2009/10 CAPITAL PROJECT**

- 5.1. Total spend and contributions to the Capital Outbuilding project has totalled £338k, and £49k above approved funding from Capital Receipts, Reserves and unsupported borrowing.

Year	Total spend	MEJC Approved Contribution	MEJC Additional Reserves	Unsupported borrowing (Fit out)	Unsupported borrowing (windows/heat)	FOME Contribution
	£	£	£	£	£	£
2007/08	38,127	28,127				10,000
2008/09	56,665	56,665				
2009/10	294,096	68,011	48,685	125,000	52,400	
Total	337,888	152,803	48,685	125,000	52,400	10,000

6. ANNUAL RETURN FOR THE YEAR ENDED 31 MARCH 2010

- 6.1. Approval is required to the above statement which is attached in appendix C for submission to external audit by auditors appointed by the Audit Commission.
- 6.2. Members' approval is required to Section 2 Annual Governance Statement and a 'YES' response to the eight statements made. The Internal Audit has identified sound operational review of risks takes place which has been documented within progress reports regularly reported to the Joint Committee.
- 6.3. The Audit Reports will be brought to the next Joint Committee for discussion once management action has been agreed.

7. RECOMMENDATIONS

7.1. It is recommended that:

- a) Notes the report.
- b) Each constituent authority be approached to consider additional financial support of up to £150,000 (per authority) to address the 2009/10 revenue shortfall,
- c) Notes that the constituent authority will be considering conditions against this financial support and final details of this will be reported at next joint committee.
- d) The statement of accounts be approved.
- e) Annual governance statement be approved.
- f) Reviews the 2010/11 Business Plan and Medium Term Financial projection based on the 2009/10 performance, which is reported to the next joint committee