

**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

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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.