

**PLYMOUTH CITY COUNCIL
MOUNT EDGUMBE JOINT COMMITTEE**

Subject: Revenue Budget Monitoring 2011/12
Committee: Mount Edgumbe Joint Committee
Date: 30 September 2011
Joint Chairs: Councillor Mrs Beer, Plymouth City Council
Councillor Trubody, Cornwall Council
Cabinet Member: Councillor Jordan, Plymouth City Council
Councillor German, Cornwall Council
CMT Member: Director for Community Services, Plymouth City Council
Assistant Head of Service, Waste and Environment,
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**

Current monitoring has highlighted an operating shortfall of £9,394 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 Edgumbe 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 notes the report.

Alternative options considered and reasons for recommended action:

None

Background papers: Mount Edgcumbe 2011 budget setting

Sign off:

Fin	CoSF LA1112 004 TOCS	Leg	12839	HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member James Coulton											

1. INTRODUCTION

- 1.1 This Report has been produced to update the Joint Committee with the monitoring position up to the 31st August 2011.
- 1.2 Variations are reported in the attachment and broken down by park operation and reflects 50% of the deficit that ultimately would need to be borne by each constituent authority if no action taken to address.

2. 2011/12 REVENUE MONITORING VARIATIONS

- 2.1 Currently an operating deficit of £9,374 has been identified which requires management action to address, this is an increase of £2,478 from that reported in July.
- 2.2 Main variations have been identified as follows:

Mount Edgumbe House

- 2.1.1 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 seasonal stewards and agency workers with a net pressure of £2,673.
- 2.1.2 Premises – a number of utility costs for both Orangery and Stables are to be picked up by the Catering operator to give a saving.
- 2.1.3 Supplies and Services – management action to curtail spend to address operating deficit.
- 2.1.4 Income – whilst a favourable income variance is being reported, it should be noted that there has been 10 per cent reduction with admission income compared to the 2010 season. The growth for the 2011 price increase included in the budget set has not been achieved.

Mount Edgumbe Park

- 2.1.5 Employees - additional overtime cost for gardeners undertaking ranger duties at weekends which was previously done by seasonal workers as part of their normal working week.
- 2.1.6 Premises – a new charge for pot hole repairs has been incurred and is shown as a budget pressure. If at the end of the winter period when there is most demand on this budget, that these costs can be contained within the original provision then a saving will be realised.
- 2.1.7 Car Park income is on a par with 2010 however the budget set included full year growth from the 50 per cent parking charge increase which will not be implemented until 19 September 2011.

Mount Edgcumbe Trading

2.1.8 Staffing – the additional costs reported in July for delayed TUPE transfer of catering staff has been offset by lower agency staff at Barrow Shop through its opening hours being aligned to that of the house. Cremyll shops costs plan to be reduced during winter months when the facility will only open for weekends and school half term.

2.1.9 Despite the reduction of staffing costs both retail units are forecast to operate at a trading deficit Barrow £2k and Cremyll £3k, and reflects reductions of income of 57 per cent and 32 per cent respectively.

3. BUDGET RISK

3.1 There are a number of projections that have been incorporated within the latest forecast which have a high risk of change that members should note -

- Trenninow Chalet rent review
- Winter retail trading and stock review
- Car parking price increase from 19 September 2011
- Catering trading information from operator

4. RECOMMENDATIONS

4.1 It is recommended that the Joint Committee notes the report.