

PLYMOUTH CITY COUNCIL

Subject: Revenue Budget Monitoring 2011/12
Committee: Mount Edgumbe Joint Committee
Date: 25 November 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
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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 £7,425 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 006 SRA	Leg		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 30 October 2011.
- 1.2 Variations are reported in the attachment and broken down by park operation and reflects 50 per cent 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 £7,425 has been identified which requires management action to address this is a decrease of £1,949 from that reported in September.
- 2.2 Main variations have been identified as follows -

Mount Edgcumbe House (7k favourable)

- 2.1.1 Employees – Salary costs for post that was deleted now absorbed by Plymouth City Council. (3.9k favourable).
- 2.1.2 Supplies and Services – management action to curtail spend to address operating deficit. (1.2k favourable).
- 2.1.3 Income – Up on forecast as more functions booked. (1.9k favourable).

Mount Edgcumbe Park (2.6k favourable)

- 2.1.4 Employees – Reduction in overtime (2k favourable).
- 2.1.5 Premises – a new charge for pot hole repairs that was highlighted in previous report has now been absorbed within the current budgets. (4k favourable).
- 2.1.6 Car park income through August and September was down compared to 2010 however the budget set included full year growth from the 50 per cent parking charge increase which will have now been implemented from 19 September 2011. Early indications are that this is running to forecast (3.4k adverse).

Mount Edgcumbe Trading (7.6k adverse)

- 2.1.7 Income reduced – 6.2k for Income reduction identified by VAT team in Plymouth City Council who advised in 1992/3 The Orangery outlet had opted to tax and licensee fees back then where vatable so when they left in 2008/9 any hire of the venue should have been vatable where so vat has now been backdated on old venue hire. 1.4k was also in forecast for events that did not happen this season.

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, so far in first 6 weeks the figures are backing up the 50% increase in income forecast. This will always be weather dependant for rest of the financial year.
- Catering trading information from operator

4. **RECOMMENDATIONS**

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