

PLYMOUTH CITY COUNCIL

Subject: Revenue Budget Monitoring 2013/14
Committee: Mount Edgumbe Joint Committee
Date: 28 February 2014
Joint Chairs: Councillor Peter Smith Plymouth City Council
Councillor Edwina Hannaford, Cornwall Council
Cabinet Member: Councillor Peter Smith, Plymouth City Council
Councillor Edwina Hannaford, Cornwall Council
CMT Member: Anthony Payne, Strategic Director for Place, Plymouth City Council
Peter Marsh, Interim Corporate Director for Environment
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Ref: ME
Key Decision: No
Part: I

Purpose of the report:

This report presents an update of the financial position for the Joint Committee for financial year 2013/14.

Members' attention is draw to the confidential information referred to in item 9 which is considered to be commercially sensitive.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

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

The current forecast in 2013/14 is an overspend of £28,000 which will be divided between the authorities. Management continue to review expenditure and income to reduce this amount, however there are a number of outstanding debts which are likely to be written off which could increase this by approximately £12,500.

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.

Equality and Diversity

Not applicable.

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.

Published papers:

Mount Edgumbe 2011 budget setting. MEJC report 19/07/201

<http://www.plymouth.gov.uk/mgInternet/documents/s48007/201305%20Mount%20Edgumbe%20Year%20end%20final%201.pdf>

Background papers:

None.

Sign off:

Fin		Leg		HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member David Draffan											

1. INTRODUCTION –

- 1.1 This Report has been produced to update the Joint Committee with the monitoring position as at 31 January 2014.
- 1.2 Variations are reported in the attachment and broken down by park operation that reflects 50 per cent of the budget agreed by each constituent authority of £157,000 each.

2. 2013/14 MONITORING VARIATIONS - OVERVIEW

- 2.1 In June the co-chairs of Mount Edgcumbe Joint committee agreed an overspend of £28,000 for this financial year, this is down to reductions in wedding/event income streams and are shown in Appendix A Mount Edgcumbe July Monitoring.

3. 2013/14 BACKGROUND

- 3.1 After large overspends in financial years 2009/10 and 2010/11 the Mount Edgcumbe Officers Working Group planned various initiatives to bring the budget back to the original plans that each authority contribute £192,000 towards the running of the park making a total budget of £384,000. These plans included increasing 2011/12's contribution by £45,000 per authority on a one off basis to give the park management time to implement these initiatives. The majority of these initiatives have come to fruition and in 2011/12 the park ran to budget. However some initiatives experienced small delays, particularly the procurement and installation of the Marquee to enable the park to offer a quality wedding venue. In spite of these delays the park almost achieved a balanced budget in 2012/13 with final out turn £390,728 against the £384,000 budget. In January 2013 Cornwall council announced plans to cut the subsidy by 66k a year over next three years which was unrealistic in such a small timescale and senior managers in both authorities agreed a £70k net reduction in budget to £314,000 for this financial year. Steve Pickering has been brought in to look at options for the park to improve current income streams and introduce new ones, using the capital receipt from the sale of Picklecombe Cottage to fund the improvements needed to enable these new income streams.

4. 2013/14 REVENUE MONITORING VARIATIONS (to be read with Appendix B)

- 4.1 **Mount Edgcumbe House Forecast £19,279 pressure (£5,279 in reports as forecasting £14k additional income from Cornwall to cover net 28k pressure) –**
Main variations are:
 - Increase in employee costs of £2,481, per cent pay rise not budgeted for
 - Increase in premises costs of £4,996 due to a water leak and additional refuse collections.
 - Reduction in supplies and services forecast of (£4,804). This comprises of various savings against equipment purchase and maintenance, and a reduction of catering costs for conferences amongst other various small savings.
 - Transport (£278) saving is net effect of various lines on maintenance, fuel and hire charges.
 - Reduction in income forecast of £2,884. There are various fluctuations within the income lines but variation is mainly down to Weddings which are down by over £17,000 However included in this forecast is the additional £14,000 income that would come from Cornwall to cover their half of £28,000 pressure. Hence only £2,884 difference on this report.

4.2 **Mount Edgumbe Park Forecast - £119 pressure**

- Increase in employee costs of £156 and £1331 increase in upkeep of grounds partially offset by savings of (£1,338) on hire and maintenance of equipment.

4.3 **Mount Edgumbe trading Forecast £8,602 pressure – Main variations are:**

- Reduction in income forecast of £7,700, due to reduction in Orangery functions booked of £3,400 and commission received from caterer of £4,300 less than budget.
- Increase in premises costs of £723, payments to caterer for hire of Orangery incorrectly paid to Mount Edgumbe.

5. BUDGET RISK

- 5.1 There is a potential write off in respect of income from catering which has a value of circa £12,500.

RECOMMENDATIONS

It is recommended that the Joint Committee notes the report.