

## PLYMOUTH CITY COUNCIL

**Subject:** Revenue Budget Monitoring 2013/14  
**Committee:** Mount Edgumbe Joint Committee  
**Date:** 18 July 2014  
**Joint Chairs:** Councillor Peter Smith, Plymouth City Council  
Councillor Hannaford, Cornwall Council  
**Cabinet Member:** Councillor Peter Smith, Plymouth City Council  
Councillor Hannaford, Cornwall Council  
**CMT Member:** Anthony Payne, Strategic Director for Place, Plymouth City Council  
Peter Marsh, Interim Corporate Director for Environment  
**Author:** Ian Berry, Mount Edgumbe Park Manager, David Bennett,  
Senior Accountant Plymouth City Council  
**Contact:** Tel: 01752 822236  
E-mail: ian.berry@plymouth.gov.uk  
**Ref:** ME  
**Key Decision:** No  
**Part:** I

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### **Purpose of the report:**

This report presents an final outturn position of Mount Edgumbe 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.

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### **The Brilliant Co-operataive 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

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### **Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land**

The January forecast in 2013/14 was an overspend of £28,000 which after continued efforts by management team to only spend on essential items and some increases in income during the last quarter the final outturn is £15,605 overspent an improvement of £12,395 in the quarter

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**Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:**

Increased risk management will need to take place to manage the impact of the challenging financial position.

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**Equality and Diversity:**

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**Recommendations and Reasons for recommended action:**

It is recommended that the Joint Committee notes the report.

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**Alternative options considered and reasons for recommended action:**

None.

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**Background papers:** Mount Edgumbe 2011 budget setting. MEJC report 19/07/2013

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**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 Outturn position as at 31 March 2014.
- 1.2 Variations are reported according to the difference between actuals and budget in Appendix A and are broken down by park operation that reflects 50 percent of the budget agreed by each constituent authority of £157,000 each. As this is the outturn report I have excluded the Metta Catherina cost centre because this is grant funded cost centre so has no budgets but actuals with the grant income matching the expenditure. Appendix A has the table used to explain variations plus two other tables showing

## **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 was down to reductions in wedding/event income streams and details were given in the June meeting. In the last 3 months the staff at Mount Edgcumbe have restricted spend to only essential work required and looked at increasing revenue wherever possible. The result of this is an outturn position of £15,605 over budget but an improvement of £12,395 from the forecasted position.

## **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 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 3 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 2013/14 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 A**

- 4.1 **Mount Edgcumbe House Outturn £8,871 Over budget –** Mainly overspends on premise and transport costs partially offset by additional income
  - Increase in premises costs of almost 12k of this 10k is utility increase of which 5k is recharged to users plus a large water leak in Polhawn that has now been rectified. Refuse collection and skip hire charges also increased
  - Transport overspend of just over one thousand pounds is Increase in maintenance cost of plant and vehicles as they get older
  - Income overperformed by over 3k. Additional income of 26k includes 13k of staff time recharged to Metta Caterina project, 5k for various utility recharges to businesses

operating in the park and National Coastwatch for Rame head facility. 4k from Filming for Mike Leigh's film on the artist Turner. Donations and other non wedding related rents also over performed. This is offset by 23k shortfall in two income strands, 7k on house admissions income and 16k on wedding event room hire.

**4.2 Mount Edgcumbe Park Outturn - £7,869 savings – Mix of savings on premise related costs and supplies and services**

- Due to the pressures on the budget only essential maintenance on land, roads and paths has been carried out over the past 6 months. This has led to a reduction in suppliers used to carry out grounds maintenance and materials used to do this

**4.3 Mount Edgcumbe trading Outturn £14,603 Over budget – Main variations are related to income budgets not realised and a write off**

- Income more than £7k lower than budget due to reduction in Orangery functions booked and commission received from caterer.
- Problems with caterers led to contract being terminated early and 7.5k being written off.

**5. FUTURE BUDGET**

5.1 Whilst this years outturn is still above the budget of £314,000 (£157,000 per authority) the table below shows the reduction in financial support given during the past 3 years and budgeted for next year. If 2014/15 budget is hit the support will have dropped by £190,000 in four years as the staff continue to work on initiatives to reduce the subsidy needed from both Councils by increasing the various income strands. The budget for next year has decreased from £314,000 to £284,000 as a result of the expected increase in income from new investment in the park using the capital receipt received for Picklecombe cottage

	Actual 2011/12	Actual 2012/13	Actual 2013/14	Budget 2014/15
Expenditure	829,298	770,390	788,446	786,208
Income	-355,298	-379,661	-458,841	-502,208
Net Cost of operation	474,000	390,728	329,605	284,000
Income as % of expenditure	43%	49%	58%	64%

**6. Small bodies Audit**

6.1 Appendix B contains the small bodies audit that needs to be approved by the committee. This year the Internal audit report in Appendix C has graded one area as “Improvements required” This is in “Section 3. Area Covered: Risks to objectives are not identified or managed” The reason for this is in previous reports they recommended “As a minimum, at least once each year members of the Joint Committee should consider the risks to their business objectives through the formal presentation of the risk register for discussion.” Previously this had been discussed at MEOW meetings but in 2013/14 these meetings stopped so risks are no longer formally identified or discussed. We are therefore recommending resurrecting a ‘Risk register’ for the committee to view and discuss at the next Joint Committee meeting

## **RECOMMENDATIONS**

It is recommended that the Joint Committee:

- a) Notes the report.
- b) The accounts are recommended for approval for Annual small bodies return (appendix B) and to resurrect a 'Risk register' to be reviewed at least once a year
- c) The Annual Governance Statement is recommended for approval for Annual small bodies return