

PLYMOUTH CITY COUNCIL

Subject: Revenue Budget Monitoring 2014/15

Committee: Mount Edgumbe Joint Committee

Date: 28 November 2014

Joint Chairs: Councillor Peter Smith Plymouth City Council
Councillor Mrs Hannaford, Cornwall Council

Cabinet Member: Councillor Peter Smith, Plymouth City Council
Councillor Edwina Hannaford, Cornwall Council

CMT Member: Anthony Payne, Stratetegic Director for Place, Plymouth City Council
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Ref: ME

Key Decision: No

Part: I

Executive Summary:

This report presents an update of the financial position for the Mount Edgumbe Joint Committee for financial year 2014/15.

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

The current year end forecast in 2014/15 is an overspend of just under £40,000 which will be shared equally between the two authorities. Management continue to review expenditure and income in order to reduce this amount by the end of the financial year.

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:

Sign off:

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Originating SMT Member: David Draffan													
Has the Cabinet Member(s) agreed the contents of the report?													

I. INTRODUCTION

- 1.1 This Report has been produced to update the Mount Edgumbe Joint Committee with the forecast year end monitoring position as at 31 October 2014.
- 1.2 Variations are reported in the attachment and analysed by park operations. 50% of the budget is funded by each constituent authority at £142,000 each.

2. 2014/15 MONITORING VARIATIONS – OVERVIEW

- 2.1 This is the first detailed monitoring report in 2014/15 and there is a forecast year end position of just under £182,000 which represents an adverse variation of just under £40,000, due largely to reductions in wedding and other income streams, as shown below and in Appendix A (Mount Edgumbe October 2014 Latest Monitoring).

Area	Sum of 2013/14 Actual	Sum of 2014/15 Actual	Sum of 2014/15 Latest Budget	Sum of 2014/15 Forecast	Difference Forecast V Budget
	£	£	£	£	£
Mount Edgumbe House	114,737	66,695	123,464	149,864	26,400
Mount Edgumbe Park	71,890	52,970	58,807	57,953	-854
Mount Edgumbe Trading	-21,825	-39,877	-40,271	-25,834	14,437
Grand Total	164,802	79,788	142,000	181,983	39,983

3. 2014/15 BACKGROUND

- 3.1 After large overspends in financial years 2009/10 and 2010/11 the Mount Edgumbe Officers Working group planned various initiatives to bring the budget back to the original plans that each authority will 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 new initiatives. The majority of these initiatives are now delivering and in 2011/12 the park met its 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. For 2013/14 the final outturn was £15,605 overspent.

An external advisor 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 drive these new income streams.

4. 2014/15 REVENUE MONITORING VARIATIONS – to be read in conjunction with Appendix B (Part II)

4.1 Mount Edgumbe House Forecast £26,400 pressure

Main variations are:

- Reduction in staff costs mainly due to the Park Manager post being vacant for part of the year offset by the cost of an external advisor.
- Increase in premises and utility costs are largely offset by recharges for the use of facilities.

- Supplies and services increases are offset by a reduction in conservation costs and increased donations.
- Reduction in income compared to that budgeted of approximately £29,000. There are various fluctuations within the income lines but the variation is mainly down to income for weddings which is £19,000 less than budgeted. Meetings and Conferences have reduced expenditure and reduced income which results in a net £10,000 pressure.

4.2 **Mount Edgcombe Park Forecast (£854) favourable**

- Lower than budgeted income on rents and lettings of and pressures on car park repair costs are being offset by reductions in repairs costs and hire of equipment along with donations from the Friends of Mount Edgcombe towards particular items of expenditure

4.3 **Mount Edgcombe trading Forecast £14,437 pressure**

Main variations are:

- Net pressure of approximately £3,000 re the main shop and a small variation on the Cremyll shop which should be mitigated by the new letting arrangement.
- Higher than anticipated spend on equipment and hire in relation to the special events of £11,000

5. BUDGET RISK

- 5.1 The intention is to reduce this overspend and mitigating actions being taken include the regular review of outstanding orders, the review of all expenditure and the maximisation of income through lettings and other opportunities. The Christmas Fayre is also still to take place.

6. RECOMMENDATIONS

- 6.1 It is recommended that the Joint Committee Notes the report.