

PLYMOUTH CITY COUNCIL

Subject: Budget Outturn 2014/15
Committee: Mount Edgumbe Joint Committee
Date: 17 July 2015
Cabinet Member: Councillor Smith, Plymouth City Council
Councillor Duffin, Cornwall Council
CMT Member: Anthony Payne, Strategic Director for Place (Plymouth)
Peter Marsh, Head of Commissioning and Asset Management
(Cornwall)
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Ref: ME
Key Decision: No
Part: I

Purpose of the report:

This report presents the final outturn position of Mount Edgumbe for the financial year 2014/15.

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

In November 2014 a forecast overspend of just under £40,000 was reported to the Joint Committee. The final outturn is £21,833 overspent - an improvement of £18,000 since November.

Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Community Cohesion:

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

Equality Impact Assessment been undertaken: No.

Recommendations and Reasons for recommended action:

It is recommended that the Joint Committee –

- a) Notes the report;
 - b) The accounting statements are recommended for approval for the Annual small bodies return (Appendix B);
 - c) The Annual Governance Statement is recommended for approval for the Annual small bodies return (Appendix B);
 - d) The Internal Audit Report to support the Joint Committee sign off of the Annual small bodies return (Appendix C);
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Alternative options considered and reasons for recommended action:

None.

Published Works/Information:

None.

Background papers:

None,

Sign off:

Fin	ABPlaceFE DD151600 3.26.06.15	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 31st March 2015.
- 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% of the budget agreed by each constituent authority of £142,000 each. Appendix A has the table used to explain variations.

2. 2014/15 OUTTURN VARIATIONS - OVERVIEW

- 2.1 At the 28 November 2014 Joint Committee meeting the Revenue Budget Monitoring report detailed a forecast overspend of just under £40,000, due largely to reductions in wedding and other income streams. Since then the staff at Mount Edgumbe have reviewed expenditure and looked at increasing revenue wherever possible. It has also been possible to capitalise some expenditure relating to the Higher Level Stewardship scheme. This has resulted in an outturn position of £21,833 over budget but an improvement of £18,000 from the previous forecast position.

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 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. For 2013/14 the final outturn was £15,605 overspent.

An external advisor was 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. 2014/15 REVENUE OUTTURN VARIATIONS – to be read with Appendix A

4.1 Mount Edgumbe House Outturn £28,090 over budget

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 and Interim Park Manager (£14,000) underspend.
- Overspend on premises and utility costs of £19,000
- Supplies and services increases are offset by a reduction in conservation costs and increased donations.
- Reduction in income compared to that budgeted of £25,000. 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. The lower than expected number of Meetings and Conferences have resulted in both reduced expenditure and income which results in a net £12,000 adverse variation.
- There has also been a one-off wayleave payment received of (£9,000).

4.2 Mount Edgcumbe Park Outturn (£29,903) savings

- Favourable outturn due largely to some originally revenue funded spend relating to Higher Level Stewardship capital work being capitalised, following the creation of an appropriate capital code, to recognise the two elements of Natural England grant approval.

4.3 Mount Edgcumbe Trading Outturn £23,645 over budget

Main variations are:

- Net pressure of approximately £6,000 re the main shop and £3,000 on the Cremyll shop, partly offset by the new letting arrangement.
- Higher than anticipated net spend on equipment and hire in relation to Special Events of £20,000, partly offset by donations.
- Saving on the revenue contribution to capital – funded by donation from the Friends of Mount Edgcumbe of (£5,000).

5. FUTURE BUDGET

5.1 Whilst this years outturn is still above the budget of £284,000 (£142,000 per authority) the table below shows the reduction in financial support given during the past 3 years and budgeted for next year. Staff continue to work on initiatives to reduce the subsidy needed from both Councils by increasing the various income strands generated from new investment in the park using the capital receipt received for Picklecombe cottage. The budget for next year remains at £284,000

	Actual 2012/13	Actual 2013/14	Actual 2014/15	Budget 2015/16
	£	£	£	£
Expenditure	770,390	788,446	749,728	786,208
Income	-379,661	-458,841	-443,895	-502,208
Net Cost of operation	390,728	329,605	305,833	284,000
Income as % of expenditure	49%	58%	59%	64%

6. SMALL BODIES AUDIT

6.1 Appendix B contains the small bodies audit that needs to be approved by the committee.

7. CAPITAL OUTTURN

7.1 The position on the Mount Edgcumbe capital schemes is as the table below, made up of the Phase I Initiatives and the capital element of the Higher Level Stewardship scheme.

Project	Total Approval	2013/14 Spend	2014/15 Outturn	Remaining Funding
Land Train	£ 29,261	£ -	£ -	£ 29,261
Barrow Centre	£ 30,000	£ 5,040	£ 49,641	-£ 24,681
TS Edgcumbe Play	£ 27,000	£ -	£ 21,415	£ 5,585
Caravan site facilities	£ 10,000	£ -	£ -	£ 10,000
Cremyll Lodge holiday let & shop	£ 65,000	£ -	£ 46,794	£ 18,206
Phase I transformation other	£ 26,306	£ 1,877	£ 42,524	-£ 18,095
				£ 20,276
Mount Edgcumbe Higher Level Stewardship	£ 429,332	£ -	£ 48,421	£ 380,911
				£ 380,911
Total	£ 616,899	£ 6,917	£ 208,796	£ 401,187

RECOMMENDATIONS

It is recommended that the Joint Committee –

- a) Notes the report;
- b) The accounting statements are recommended for approval for the Annual small bodies return (Appendix B);
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Appendix A

Team 1 Name	Detail CIPFA standard Groups	Sum of 2014/15 LE	Sum of 2014/15 Actual	Difference 2014/15 Actual V Budget
Mount Edgcumbe House	Employees	361,264	343,086	-18,178
	Income	-406,076	-380,684	25,392
	Premises	64,461	83,654	19,193
	Supplies and Services	62,107	64,689	2,582
	Support Services	14,765	14,765	0
	Transport	26,943	26,044	-899
Mount Edgcumbe House Total		123,464	151,554	28,090
Mount Edgcumbe Park	Employees	96,736	98,786	2,050
	Income	-119,600	-120,363	-763
	Premises	73,107	44,182	-28,925
	Supplies and Services	8,564	6,300	-2,264
	Transport	0	0	0
Mount Edgcumbe Park Total		58,807	28,904	-29,903
Mount Edgcumbe Trading	Capital Financing outside NCS	9,900	4,900	-5,000
	Employees	23,610	18,115	-5,495
	Income	-118,532	-104,513	14,019
	Premises	0	0	0
	Supplies and Services	44,459	64,473	20,014
	Transport	292	400	108
Mount Edgcumbe Trading Total		-40,271	-16,626	23,645
Grand Total		142,000	163,833	21,833