

PLYMOUTH CITY COUNCIL

Subject: Budget Outturn 2015/16
Committee: Mount Edgumbe Joint Committee
Cabinet Member: Councillor Jordan (Plymouth City Council)
Councillor Duffin (Cornwall Council)
CMT Member: Anthony Payne (Strategic Director for Place)
Peter Marsh (Head of Commissioning and Asset Management)
Author: Chris Burton (Mount Edgumbe Park Manager)
Angela Bruce (Principal Technical Accountant)
Contact: Tel: 01752 307269
e-mail: Chris.Burton@plymouth.gov.uk
Ref: ME
Key Decision: No
Part: I

Executive Summary:

This report presents the final outturn position of Mount Edgumbe for the financial year 2015/16.

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 2015 a forecast position of the budget being delivered on target was reported to the Joint Committee. The final outturn is £6,063 overspent.

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:

Fin	BAN PlaceF EDD1617 007.2806 16	Leg		HR	N/A	Corp Prop	N/A	IT	N/A	Strat Proc	N/A
Originating SMT Member David Draffan											

I. INTRODUCTION

- 1.1 This Report has been produced to update the Joint Committee with the Outturn position as at 31st March 2016.
- 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. 2015/16 OUTTURN VARIATIONS - OVERVIEW

- 2.1 At the 6th November 2015 Joint Committee meeting, the Revenue Budget Monitoring report detailed a forecast of the budget being delivered on target. Since then staff at Mount Edgcumbe continually reviewed expenditure and looked at increasing revenue wherever possible. This has resulted in an outturn position of £6,063 over budget.

3. 2015/16 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 came 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 outturn £390,728 against the £384,000 budget. In 2013/14 the net budget was reduced by £70,000 to a £314,000 budget, with the final outturn being £15,605 overspent. In 2014/15, as part of the joint ongoing funding review, the net budget was reduced by £30,000 to a £284,000 budget, with the final outturn being £21,833 overspent.

Since an external advisor was brought in, to look at options for the park to improve current income streams and introduce new ones, the advice has continued to be followed. This mainly involved using capital receipts from the sale of assets to fund improvements and develop new income streams.

4. 2015/16 REVENUE OUTTURN VARIATIONS – To be read with Appendix A

4.1 Mount Edgcumbe House Outturn £34,151 over budget

Main variations are:

- Increased Employees fees mainly due to high usage of Pertemps staff of approximately £16,000 and relocation & recruitment fees for new Mount Edgcumbe Park Manager of approximately £3,000.
- Net overspend on Premises costs of £19,675 predominantly made-up of electrical services / works; electricity fees; increased and backdated business rates charges (NNDR); and reduced fuel oil cost (due to lower use in year).
- Additional income and savings spread over the areas of Income, Supplies & Services and Transport of approximately (£4,800).

4.2 Mount Edgumbe Park Outturn (£42,872) savings

Main variations are:

- Increase in Income mainly due to improved car parking income and good occupancy levels of rental units, amounting to approximately (£15,500).
- Savings on Premises of approximately (£27,000) but assumed (£15,700) is due to works relating to Higher Level Stewardship that have been charged elsewhere on the accounts. With (£11,300) genuine savings relating to upkeep of grounds and general maintenance.

4.3 Mount Edgumbe Trading Outturn £14,784 over budget

Main variations are:

- Capital Financing outside NCS overspend on the works to convert buildings into holiday lets of approximately £5,500.
- Net pressure of approximately £9,300 made up of:
 - Higher Employees fees of £2,000 Pertemps charges allocated to the retail main shop.
 - Reduced income of £3,200
 - Higher Supplies and Services fees of £3,900 mainly for special events.

5. FUTURE BUDGET

5.1 Whilst this year's 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 4 years and budgeted for 2016/17. Staff continue to work on initiatives to reduce the subsidy required from both Councils by reducing costs, increasing current income and developing new income streams from investment in the park's assets. The budget for 2016/17 has been further reduced by £60,000 to produce a net budget of £224,000.

	Actual 2012/13	Actual 2013/14	Actual 2014/15	Actuals 2015/16	Budget 2016/17
	£	£	£	£	£
Expenditure	770,390	788,446	749,728	768,826	751,978
Income	-379,661	-458,841	-443,895	-478,762	-527,978
Net Cost of operation	390,728	329,605	305,833	290,064	224,000
Income as % of expenditure	49%	58%	59%	62%	70%

6. SMALL BODIES AUDIT

6.1 This year Mount Edgumbe is no longer legally required to complete a Small Bodies Audit & has not instructed an auditor to carry one out. As Mount Edgumbe forms part of both Plymouth & Cornwall authorities statement of accounts, it is already subject to both ongoing internal and external interim / annual audit checks. As to future intentions regarding this, it will need to be decided whether Mount Edgumbe continues with this arrangement.

Note, the 2014/15 audit opinions for Mount Edgumbe assurance levels ranged from 'Good Standard' to 'High Standard' (see appendix B). Since this was carried-out, there have been no known changes to the way in which systems and processes are being handled.

As the the Annual Governance Statement is no longer required for the Small Bodies Audit, this year, we have included (see appendix C) Plymouth City Council's most up-to-date version, which is encompasses Mount Edgumbe.

7. CAPITAL OUTTURN

7.1 The position on the Mount Edgumbe capital schemes is as the table below, made up of the new holiday lets & shop works, Orangery roof works, capital element of the Higher Level Stewardship scheme, and sea wall defences.

Project	Total Approval	2013/14 Spend	2014/15 Spend	2015/16 Outturn	Remaining Funding
Cremyll Lodge holiday let & shop	£ 89,248	£ -	£ 46,794	£ 42,454	£ -
Orangery Roof	£ 12,298	£ -	£ -	£ 12,298	£ -
Mount Edgumbe Higher Level Stewardship	£ 429,332	£ -	£ 48,421	£ 30,546	£ 350,365
Mount Edgumbe Sea Wall Repairs	£ 300,000	£ -	£ -	£ -	£ 300,000
Total	£ 830,878	£ -	£ 95,215	£ 85,299	£ 650,365

RECOMMENDATIONS

It is recommended that the Joint Committee:

- a) Notes the report.
- b) Maintains an updated risk register, specifically given the range of initiatives to be delivered and the reduced budget target.

Appendix A

Mount Edgcumbe House and Country Park	Detail CIPFA standard Groups	2015/16 Budget	2015/16 Actual spend	Difference 2015/16 Actual V's Budget
Mount Edgcumbe House	Employees	364,811	384,052	19,241
	Income	-416,076	-418,809	-2,733
	Premises	62,361	82,036	19,675
	Supplies and Services	62,107	61,736	-371
	Support Services	14,765	14,765	0
	Transport	26,943	25,282	-1,661
Mount Edgcumbe House Total		114,911	149,062	34,151
Mount Edgcumbe Park	Employees	96,736	99,614	2,878
	Income	-119,600	-135,134	-15,534
	Premises	75,207	48,136	-27,071
	Supplies and Services	8,564	5,419	-3,145
	Transport	0	0	0
Mount Edgcumbe Park Total		60,907	18,035	-42,872
Mount Edgcumbe Trading	Capital Financing outside NCS	5,000	10,473	5,473
	Employees	6,662	8,697	2,035
	Income	-70,032	-66,820	3,212
	Premises	0	167	167
	Supplies and Services	24,260	28,196	3,936
	Transport	292	253	-39
Mount Edgcumbe Trading Total		-33,818	-19,034	14,784
Grand Total		142,000	148,063	6,063