

Sir George Staunton Country Park Joint Management Committee

Monday 16TH May 2011

Item 5

Financial Outturn 2010/11

Report of the Treasurer

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1. Introduction

- 1.1. The following report updates members on the current financial situation at the Park.
- 1.2. The outturn in the 2010/11 financial year was significantly better than the outturn in 2009/10. The final figures are as expected and reported to the JMC in February, but are below the revised budget figures. However, the deficit in reserves has been reduced to £99,427.

2. 2010/11 Outturn

- 2.1. The outturn is summarised in Appendix A, and shows an in-year surplus of £17,346 against a budgeted surplus of £28,371. This has reduced the deficit in reserves from £116,773 to £99,427. A more detailed breakdown is shown at Appendix B.
- 2.2. The Park's performance has been good, given the meteorological and economic conditions during the last twelve months.
- 2.3. Expenditure has been pegged back to £22k (2.5%) under the budget, mainly through holding staff vacancies and withholding purchases of equipment and materials.
- 2.4. Total income was £33k (3.7%) under budget due mainly to lower income from Entrance Charges than budgeted for. This was partially offset by a better than budget performance from the income earned through Education and events.

3. 2010/11 Performance

- 3.1. The tables below compare the outturn in 2010/11 with the 2010/11 budget and the outturn in 2009/10.
- 3.2. Overall expenditure in the operational and commercial sectors of the Park has been kept £22k below budget and £168k below the previous year's outturn (see Table 1 below). The higher expenditure in Management is due mainly to higher costs of utilities and vehicles. Compared to last

year, the major savings have been in Catering (due to the outsourcing of the Tea Rooms) and Education and Community (because of the additional expenditure last year on the temporary classroom and refurbishing the meeting rooms).

	2010/11		2009/10
	Budget	Outturn	Outturn
Management	346,600	350,432	306,704
Ornamental Farm	106,500	102,654	108,004
Parkland	100,000	106,272	126,354
Gardens & Glasshouses	100,500	102,800	106,466
Education & Community	71,100	63,908	110,783
Gift Shop	140,300	118,503	121,434
Conference & Events	2,500	-2,456	23,810
Catering	20,600	23,372	130,365
TOTAL	888,100	865,485	1,033,919

Table 1: Expenditure by activity

3.3. The summary breakdown of expenditure by category is set out in Table 2 below. Savings were made across most headings as a result of outsourcing the catering operation. Additional savings were made in Employees through vacancy management and in Supplies and Services through fewer equipment purchases, and no repeat of the 2009/10 one-off expenditures in Education and Community.

	2010/11		2009/10
	Budget	Outturn	Outturn
Employees	579,000	567,425	613,780
Premises	70,900	82,632	89,525
Transport and Plant	44,400	44,575	72,442
Supplies and Services	193,800	171,243	258,172
TOTAL	888,100	865,485	1,033,919

Table 2: Expenditure by category

3.4. Table 3 below, shows the income figures. Apart from Catering which was down because the Tea Rooms had been outsourced, every category of income showed an improvement totalling £65k when compared with 2009/10. However, the overall performance was £37k under the 2010/11 budget. This was almost entirely due to low returns from Entrance charges, the Shop and Catering. This was partially offset by better than forecast receipts from Grants and Sponsorships – mainly through the Education and Community programme.

	2010/11		2009/10
	Budget	Outturn	Outturn
Partner contributions	246,071	245,808	242,776
Other Grants	6,700	50,093	47,041
Sales	154,600	126,267	124,068
Catering	15,000	8,186	132,181
Donations, Sponsorship	20,300	28,326	10,853
Entrance Charges	395,300	341,964	329,303
Other Fees and Charges	78,500	82,187	55,295
TOTAL	916,471	882,831	941,517

Table 3: Income by category

- 3.5 While the income figures for 2010/11 are a little disappointing, it is encouraging that the overall performance has improved on last year, particularly given the economic conditions.
- 3.6 The clampdown on expenditure has been effective, but cannot continue to the same degree without adversely affecting the Park as a visitor attraction.
- 3.7 The performance of the shop is shown at Appendix C in the format agreed at the February JMC. This shows that the stock turnover produced a profit on sales of 44.4%.

4. 2011/12 Position

- 4.1 The budget for 2011/12 will be reviewed after analysing the 2010/11 outturn figures with the intention of significantly increasing the return to reserves and paying off the deficit as quickly as possible. The Park management team are looking at every aspect of the Park's performance to seek improvements and efficiencies.
- 4.2 The new financial year has started well due to the good weather over the school holiday and extended Bank Holiday weekends. 2011/12 will see some new income streams come on line for minimal revenue outlay which will significantly improve the annual income and reduce the reserve deficit which is being underwritten by Hampshire County Council. These new sources of income include the car park charges and the new soft play area.
- 4.3 The Park management team and staff are continually reviewing operating procedures to further reduce expenditure and increase income. For example, the Operations Manager has put measures in place to monitor use of the utilities; there has been a focussed promotion to drive up the

membership numbers which has been building momentum in the last few weeks after a sluggish start; the Education & Community team are looking to attract more income by expanding their service delivery.

- 4.4 The Park is highly dependent on visitor numbers and associated income, and every effort is being made to maximise these. However, the core running costs of the Park still rely heavily on the partners' contributions. Members are, therefore, once more urged to increase their annual contributions, and seek new sources of funding for the Park from other budgets within their Local Authorities.

5. Recommendation

- 5.1 JMC to note the content of this report.

Section 100 D – Local Government Act 1972 – background papers

The following documents disclose facts or matters on which this report, or an important part of it, is based and has been relied upon to a material extent in the preparation of this report. NB this list excluded:

1. Published works.
2. Documents which disclose exempt or confidential information as defined in the Act.

TITLE	FILE
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None

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SIR GEORGE STAUNTON COUNTRY PARK

Appendix A

REVENUE PERFORMANCE 2010/11

Outturn 2009/10 £	Revised Budget 2010/11 £	Outturn 2010/11 £	Variance 2010/11 £
Expenditure			
613,780	579,000	567,342	11,658
89,525	70,900	82,632	(11,732)
72,442	44,400	44,575	(175)
<u>258,172</u>	<u>193,800</u>	<u>170,936</u>	<u>22,864</u>
<u>1,033,919</u>	<u>888,100</u>	<u>865,485</u>	<u>22,615</u>
Income			
329,317	407,800	341,964	65,836
<u>369,424</u>	<u>262,600</u>	<u>295,059</u>	<u>(32,459)</u>
<u>698,741</u>	<u>670,400</u>	<u>637,023</u>	<u>33,377</u>
335,178	217,700	228,462	(10,762)
<u>(92,402)</u>	<u>28,371</u>	<u>17,346</u>	
<u>242,776</u>	<u>246,071</u>	<u>245,808</u>	
Funded by			
223,696	226,492	226,492	0
6,027	6,102	6,102	0
12,282	12,436	12,436	0
571	578	578	0
<u>200</u>	<u>463</u>	<u>200</u>	<u>(263)</u>
<u>242,776</u>	<u>246,071</u>	<u>245,808</u>	<u>(263)</u>
Reserve Account			
(24,371)	(116,773)	(116,773)	
0 add: Interest	(2,919)	0	
<u>(24,371)</u>	<u>(119,692)</u>	<u>(116,773)</u>	
<u>(92,402)</u>	<u>28,371</u>	<u>17,346</u>	
<u>(116,773)</u>	<u>(91,321)</u>	<u>(99,427)</u>	

2010/11: OUTTURN

	Management	Operations and Education					Commercial				Total	
		Ornamental Farm	Landscaped Gardens & Parkland	Gardens & Glasshouses	Education & Community	Entrance	Total	Gift Shop	Conference and Events	Catering	Total	Net Budget
	£	£	£	£	£	£	£	£	£	£	£	£
Expenditure												
Employees	161,657	73,573	96,357	86,098	58,905	0	314,933	75,047	0	15,705	90,752	567,342
Premises	72,097	80	2,732	7,426	0	0	10,238	55	0	240	296	82,632
Transport & Plant	35,979	1,121	5,829	5,194	96	0	12,240	298	-3,943	0	-3,644	44,575
Supplies & Services	80,434	27,881	1,354	4,081	4,906	264	38,486	43,102	1,486	7,427	52,015	170,936
Gross Expenditure	350,167	102,654	106,272	102,800	63,908	264	375,899	118,503	(2,456)	23,372	139,419	865,485
Income												
Entrance Charges							0				0	0
Sales and Other Charges	57,962	21,713	22,193	10,204	82,553	342,679	479,342	79,717	5,849	14,153	99,719	637,023
Partner Contributions	245,808						0				0	245,808
Total Income	303,770	21,713	22,193	10,204	82,553	342,679	479,342	79,717	5,849	14,153	99,719	882,831
Net Expenditure	46,398	80,941	84,079	92,596	(18,645)	(342,415)	(103,443)	38,786	(8,305)	9,219	39,700	(17,346)
Revised Budget:	82,229	76,800	81,800	91,700	28,500	(407,800)	(129,000)	25,300	(12,500)	5,600	18,400	(28,371)
Variance:	35,831	(4,141)	(2,279)	(896)	47,145	(65,385)	(25,557)	(13,486)	(4,195)	(3,619)	(21,300)	(11,025)

Funded by

Hampshire County Council	226,492
East Hampshire District Council	6,102
Havant Borough Council	12,436
Hordean Parish Council	578
Rowlands Castle Parish Council	200
	<u>245,808</u>

Reserve Account

Balance at 1 April 2010	(116,773)
add: Interest	0
	<u>(116,773)</u>
less: transfer (to)/from revenue	17,346
Balance at 31 March 2011	<u>(99,427)</u>

2010/11: SHOP PERFORMANCE

	Current Presentation			Presentation Option A			Presentation Option B		
	Management	Gift Shop	Total	Management	Gift Shop	Total	Management	Gift Shop	Total
	£	£	£	£	£	£	£	£	£
Expenditure									
Employees	161,657	75,047	236,704	206,685	30,019	236,704	236,704	0	236,704
Premises	72,097	55	72,153	72,097	55	72,153	72,153	0	72,153
Transport & Plant	35,979	298	36,278	35,979	298	36,278	36,278	0	36,278
Supplies & Services	80,434	43,102	123,537	80,434	43,102	123,537	81,413	42,124	123,537
Gross Expenditure	350,167	118,503	468,670	395,195	73,475	468,670	426,547	42,124	468,670
Income									
Entrance Charges									
Sales and Other Charges	57,962	79,717	137,679	57,962	79,717	137,679	61,852	75,827	137,679
Partner Contributions	245,808		245,808	245,808		245,808	245,808		245,808
Total Income	303,770	79,717	383,487	303,770	79,717	383,487	307,660	75,827	383,487
Net Expenditure	46,398	38,786	85,183	91,426	-6,243	85,183	118,887	-33,704	85,183
2010/11 Shop profit/(loss) as % of sales:		-48.7%			7.8%			44.4%	

NOTES: Option A - 60% of staff costs taken out of the Shop and coded to Management.

Option B - All non-retail income, staff costs and costs not directly related to the retail activity transferred out of the Shop and transferred to Management.