

**HAMPSHIRE COUNTY COUNCIL****Report**

<b>Committee/Panel:</b>	Sir George Staunton Country Park Joint Management Committee
<b>Date:</b>	27 <sup>th</sup> February 2012
<b>Title:</b>	Budget Projected Outturn Position 2011/12
<b>Reference:</b>	3739
<b>Report From:</b>	Report of the County Treasurer

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## 1. Summary

- 1.1 This report presents the financial performance of Sir George Staunton Country Park as at 16th January 2012 and provides a forecast outturn to the 31<sup>st</sup> March 2012.
- 1.2 In summary, expenditure to date is almost 11% lower than last year, whilst income is 1% higher.
- 1.3 Visitor numbers continue to increase despite the current economic climate. The Park Manager continues to keep tight control on expenditure, where possible, without affecting income generation.
- 1.4 The Park continues to forecast an operating surplus in the year, of £15,200, slightly lower than the budget. This is dependent on income continuing at the same level as last year for the next two months and requires expenditure to be kept to essential costs only.
- 1.5 The forecast outturn is summarised in Appendix A. As requested at the last JMC Appendix B includes a more detailed analysis of the gift shop expenditure actuals and outturn.

## 2. 2011/12 Performance to date

- 2.1 The overall expenditure to date is £78,000 below the expenditure for the same period last year, a reduction of more than 10%. Excluding catering, expenditure is 7% below last year's levels. (see Tables 1 and 2 below).

- 2.2 The tea rooms, which were outsourced in 2009/10, are now being run by HC3S, Hampshire County Council's in-house caterers. This change was necessitated due to Lime Caterers going into receivership.
- 2.3 After allowing for the difference in the costs of catering, expenditure is £61,000 less compared to 2010/11 for the same period. Expenditure in Management and Marketing costs account for £32,000 of this reduction.
- 2.4 Expenditure in the operational and commercial sectors of the Park account for the balancing £29,000 reduction.

	<b>2011/12</b> £	<b>2010/11</b> £
Management & Marketing	257,471	289,128
Ornamental Farm	84,144	82,371
Landscaped Gardens & Parkland	59,697	82,515
Gardens & Glasshouses	71,355	79,499
Membership & Entrance	2,727	6,515
Education & Community	48,422	48,821
Gift Shop	110,949	107,465
Conference & Events	391	-183
Catering	7,217	24,796
<b>TOTAL</b>	<b>642,373</b>	<b>720,927</b>

*Table 1: Expenditure by activity to January*

- 2.5 The summary breakdown of expenditure by category is set out in Table 2 below. All categories show reductions in spend when compared to last year.
- 2.6 These reductions in expenditure, after removing catering costs, have occurred equally between all budget headings except supplies & services, which have continued to be incurred at the same levels as last year.

	<b>2011/12</b> £	<b>2010/11</b> £
Employees	393,190	433,303
Premises	57,540	75,117
Transport and Plant	28,199	48,129
Supplies and Services	163,444	164,378
<b>TOTAL</b>	<b>642,373</b>	<b>720,927</b>

*Table 2: Expenditure by category to January*

- 2.7 The overall income received to date shows an increase of 1% on last year's income for the same period. (see table 3 below) When catering income is excluded from these figures, income received shows no change between the two years.

- 2.8 The underlying increase in income after removing catering is further masked by the affect of the 8% reduction in partner contributions. With these removed, all other income is actually 3.9% ahead of last year.
- 2.9 Other grants and sponsorship income indicates a 16.5% increase on last year, but this income will always be variable from year to year. Sales income is 6.8% higher than last year.
- 2.10 Income from entrance charges has increased against the comparable period last year by 11.4%, giving an additional £31,200. This increase is mainly attributable to £10,700 from the new car park machine and £21,700 in membership fees, offset by a £2,000 reduction in Culture All and admissions income.
- 2.11 Other fees and charges income shows a reduction year on year of 39.4%, a value of £23,300. The main reductions are in miscellaneous income, which are generally one off sums, and event and recreational income.

	<b>2011/12</b> £	<b>2010/11</b> £
Partner contributions	226,599	245,808
Other Grants, sponsorships, etc	61,377	52,660
Sales	109,886	102,887
Entrance Charges	305,690	274,436
Catering	11,650	8,215
Other Fees and Charges	35,923	59,299
<b>TOTAL</b>	<b>751,125</b>	<b>743,305</b>

*Table 3: Income by category to January*

- 2.12 Visitor numbers have increased by 14.9%, from 91,961 in 2010/11 to 105,650 in the same period for 2011/12. More recent visitor numbers suggest a 16.4% increase on last year. This is evidenced by the increased income from entrance charges and memberships. This goes against the trend of a reduction in visitor numbers to visitor attractions nationally in the current economic climate and clearly indicates that the Park continues to offer good value for money and new experiences for their visitors.

### **3 2011/12 Forecast Outturn**

- 3.1 Projected outturn figures for 2011/12 financial year have been produced taking in to consideration the current economic situation, even though it appears to have had little effect to date. Expenditure will be kept to essential items only, unless income streams are expenditure dependent.
- 3.2 There is still a considerable amount of income required to meet the current forecast and every effort is being made to achieve this. With improved weather conditions this financial year it is anticipated that visitor numbers and therefore income will continue their current trend.

- 3.3 With the increase in visitor numbers there should be an increase not only in entrance charges, but also in secondary income. However it is expected that the tea rooms, now run by HC3S, will not bring in any additional income for the Park in 2011/12.
- 3.4 The income from car parking has already exceeded the budget target and should bring in another £3,000 - £5,000 over the remaining two months of the year, helping to offset other areas of under achievement.
- 3.5 Every effort needs to be made to ensure that the Park meets or exceeds both income and expenditure targets, to produce a surplus at the end of the financial year.

#### **4 Looking Ahead**

- 4.1 The Park continues to face difficult times in the current economic climate. A further reduction in partner contributions of £18,000 in 2012/13 will put added pressure on the Park's budget.
- 4.2 To manage with the expected reduction in partnership contributions a reduction in expenditure on the costs of maintaining and improving the Park will be required, along with the maximisation of income generation.
- 4.3 The capital and grant aided investment that has been made in the Park providing the new Wildlife Zone and Indoor Play Area is now nearing completion and should be open in 2012/13.
- 4.4 The transformation of the glasshouse into a tropical butterfly house will provide another new attraction early in 2012/13, along with a new wallaby walk.
- 4.5 It is anticipated that these new attractions will provide increased visitor numbers and will extend the visitor season, therefore boosting income generation.

#### **5 Reserves**

- 5.1 The reserves at the end of 2011/12 should result in a £15,000 reduction in the current deficit, as opposed to the revised budget projection of £30,000.
- 5.2 This will result in a overall reserve deficit of £84,167 as at 31 March 2012.
- 5.3 With this projected outturn, the 2012/13 projection is likely to be at a similar level, resulting in a reserve deficit of £69,167.

#### **RECOMMENDATIONS**

- 1. That the report be noted.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes/no
Corporate Improvement plan link number (if appropriate):	

*NB: If the 'Other significant links' section below is not applicable, please delete it.*

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

## **IMPACT ASSESSMENTS:**

### **1. Equalities Impact Assessment:**

1.1.

### **2. Impact on Crime and Disorder:**

2.1.

### **3. Climate Change:**

- a) How does what is being proposed impact on our carbon footprint / energy consumption?
  
- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

## SIR GEORGE STAUNTON COUNTRY PARK

## Appendix A

OUTTURN 2011/12

Management	Operations and Education						Commercial				Total	
	Management & Marketing	Ornamental Farm	Landscaped Gardens & Parkland	Gardens & Glasshouses	Membership & Entrance	Education & Community	Total	Gift Shop Trading	Conference and Events	Catering	Total	Net Budget
£	£	£	£	£	£	£	£	£	£	£	£	£
<b>Expenditure</b>												
Employees	169,481	73,747	78,171	86,328	67,106	56,051	361,403	14,943	0	0	14,943	545,827
Premises	66,724	375	9,030	6,309	0	0	15,714	230	0	286	516	82,954
Transport & Plant	25,991	8,377	7,490	4,331	0	235	20,433	0	3	0	3	46,427
Supplies & Services	78,697	28,266	2,010	5,779	3,227	38,764	78,047	51,939	389	6,931	59,259	216,003
Gross Expenditure	340,893	110,766	96,701	102,747	70,334	95,050	475,598	67,113	391	7,217	74,721	891,211
<b>Income</b>												
Entrance Charges	0	0	0	0	388,676	0	388,676	0	0	0	0	388,676
Sales and Other Charges	10,869	34,121	57,478	11,851	0	86,639	190,088	75,215	2,975	12,049	90,239	291,196
Partner Contributions	226,599	0	0	0	0	0	0	0	0	0	0	226,599
Total Income	237,468	34,121	57,478	11,851	388,676	86,639	578,764	75,215	2,975	12,049	90,239	906,471
<b>Net Expenditure</b>	103,425	76,645	39,223	90,896	(318,342)	8,411	(103,167)	(8,103)	(2,584)	(4,832)	(15,518)	(15,260)
Revised Budget:	96,101	83,700	49,200	92,000	(326,500)	7,200	(94,400)	(25,100)	(2,400)	(5,000)	(32,500)	(30,799)
Variance:	7,324	(7,055)	(9,977)	(1,104)	8,158	1,211	(8,767)	16,997	(184)	168	16,982	15,539

**Funded by**

Hampshire County Council	208,373
East Hampshire District Council	5,754
Havant Borough Council	11,727
Hordean Parish Council	545
Rowlands Castle Parish Council	200
	<u>226,599</u>

**Reserve Account**

Balance at 1 April 2011	(99,427)
add: Interest	0
	<u>(99,427)</u>
less: transfer (to)/from revenue	15,260
Balance at 31 March 2012	<u>(84,167)</u>

## SIR GEORGE STAUNTON COUNTRY PARK

Shop Detailed Breakdown - 2011/12

		<b>Actuals</b>	<b>Outturn</b>
		<b>£'s</b>	<b>£'s</b>
<b>Expenditure</b>	Staff	10,316	14,943
	Premises	230	230
	Equipment & Consumables	3,371	4,569
	Stock		
	Books	1,584	4,154
	Confectionary, Drinks	12,537	12,443
	Seasonal Goods	2,113	2,097
	Toys	13,533	13,431
	Jewellery/Gifts	15,359	15,246
<b>Gross Expenditure</b>		<b>59,041</b>	<b>67,113</b>
<b>Income</b>	Sales		
	Books	3,305	3,577
	Confectionary, Drinks	11,494	12,312
	Toys	17,511	18,956
	Jewellery/Gifts	37,293	40,370
<b>Gross Income</b>		<b>69,602</b>	<b>75,215</b>
<b>Net Income</b>		<b>(10,561)</b>	<b>(8,103)</b>

Note: This table reflects stock purchases and sales within the year.  
Opening stock balances are not included.