

Report

Committee/Panel:	Sir George Staunton Country Park Joint Management Committee
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Report From:	Report of the Honorary Treasurer and Park Manager

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1. Introduction

- 1.1. This report updates Members on the financial position for Sir George Staunton Country Park for 2013/14, as at the end of July 2013.
- 1.2. The start of 2013/14 has been very positive from a financial point of view. The extended period of hot, dry weather has had a significant impact on income received to date without leading to an increase in costs compared with the same period last year.
- 1.3. The original budget for the Park projected a surplus of £32,670 for the year; however current forecasts suggest an outturn position that is over £30,000 better (£63,370). If this in-year surplus can be achieved then the current brought forward deficit of £82,146 will reduce to £18,376. Staffing changes are the main reason for the improved position.
- 1.4. Whilst these early indications are positive, continued control on expenditure will be required if this surplus is to be achieved. Contingency plans need to be put in place and regularly reviewed, to ensure not only that the Park is well placed to clear the current deficit but also to ensure that the risk of incurring future deficits is minimised.
- 1.5. Prolonged periods of good or bad weather can create significant variations in the level of income the Park can generate. In order to mitigate this risk and reduce the Park's dependence on good weather, indoor attractions

need to be well publicised and maintained and other options to attract visitors explored to ensure costs can consistently be covered.

- 1.6. The current financial position and projected outturn are detailed in Appendix A.
- 1.7. A revised budget will be produced and presented for approval at the next meeting in December 2013. The projected outturn position is reflected in Appendix B

2. 2013/14 Performance

- 2.1. The financial performance across the first four months of 2013/14 suggests an improvement against the same period in 2012/13.
- 2.2. A summary breakdown of expenditure by category is set out in Table 1.

	2013/14 £'s	2012/13 £'s	Variance %
Employees	183,772	186,319	-1.3
Premises	30,780	33,186	-7.2
Transport and Plant	10,479	11,505	-23.9
Supplies and Services	83,730	80,005	4.6
TOTAL	308,761	311,015	-0.7

Table 1: Expenditure by category

- Expenditure during the first four months of 2013/14 was 0.7% lower than for the same period for 2012/13, an achievement at a time when prices in general have been rising.
- Employee costs are approximately £2,500 lower than at the same time last year. This is the result of the lower salary cost of the Park manager following the six month secondment to this post coupled with having to pay one-off staff relocation costs in 2012/13.
- Premises costs are over 7% lower than at the same point last year. Although the cost of utilities and refuse collection has increased, this has been more than offset by a reduced need for site maintenance and no requirement to spend on fixtures and fittings.
- Transport costs are £1,000 lower than in the first four months of 2012/13 despite rising fuel costs as usage has been reduced.

- The one area in which costs have increased compared with 2012/13 is supplies and services (£3,700). Additional stock purchases for the shop (£8,100), education project work (£1,000) and the purchase of a marquee to be used as a temporary lambing shed by the Farm (£2,700) are the most significant factors leading to this increased spend.
- These costs are offset to a degree by lower spend on marketing (£6,400) due to reductions in advertising, subscriptions and publicity costs and a decrease in the cost of non-HC3S catering provisions (£1,700).

2.3. Table 2 shows income received in the first third of 2013/14 compared with the same period in 2012/13.

	2013/14	2012/13	Variance %
Partner contributions	0	207,970	-100.0
Other Grants	13,763	19,460	-29.3
Sales	65,644	51,963	26.3
Entrance Charges	214,651	153,362	40.0
Other Fees and Charges	27,042	24,127	12.0
TOTAL	321,100	456,882	-29.7

Table 2: Income by category

- The figures in Table 2 suggest that income received to date is 29.7% lower than for the same period in 2012/13, although this figure does not give a true reflection due to the timing of the payment of partner contributions. Excluding this source of income shows that income is £72,188 (29%) higher than at the same point last year
- Other grants income is variable by nature with payment generally linked to project progress and annual comparisons are therefore not hugely meaningful. Other grant income received to date is in line with expectations for current projects and being used to fund specific costs of those projects.
- Income from sales has increased significantly compared with 2012/13, by £13,581 (26.3%). Shop catering £4,131 (85%), sale of feed £3,463 (42%) and shop sales £6,059 (21%) are all higher,

although livestock sales and other miscellaneous sales are slightly lower and HC3S continue to predict a small surplus.

- Income from entrance charges is up 40% on 2012/13 and can largely be attributed to a combination of the recent good weather and, to a lesser extent, the price increases implemented in June 2013. This 40% increase (£61,289) comprises increased income from Culture-all passports (£8,864), memberships (£22,487) and entrance charges (£29,659).
- Visitor numbers have increased by 6,860 (12.9%) when compared with the same period in 2012/13, whilst membership sales are 47% higher, having increased by 973, from 2,067 to 3,040.
- Income from other fees and charges is 19% higher (£4,000), largely due to an increase in car parking receipts. Although the car parking charge increase has not yet been implemented, car parking has returned net income of £8,100, 100% more than the same period in 2012/13.
- It is anticipated that all Partners will contribute at the same level as 2012/13, with the exception of Horndean Parish Council, who have withdrawn their funding.

3. Looking Ahead

- 3.1. Given the brought forward deficit position, the financial performance of the Park is being closely monitored and analysed by the seconded Park Manager.
- 3.2. Ways to make improvements and efficiencies are being sought so as to control expenditure and increase the scope for sustained income generation.
- 3.3. The first four months of 2013/14 have produced positive results and it is important that this is built on to maximise the opportunity to recover the deficit from previous years.
- 3.4. An early projection of the outturn position for the year is contained in appendix B, although further work will be required before a revised budget can be completed. This will be presented to the Committee in December.
- 3.5. The current year shows significant savings in staff costs (£41,000) and is based on the assumption that the seconded Park Manager remains in post until March 2013 and the cost of the Education Manager post is therefore saved. It also allows for other staff changes, including the maternity leave of

the Marketing Officer, the retirement without replacement of the Retail Manager and the return of a seconded ranger to his substantive post at Queen Elizabeth Country Park in September.

- 3.6. The outturn Employee costs include an additional cost for a 1% pay award (£5,400).
- 3.7. A number of these savings in staff costs are due to unfilled vacancies, which has given the opportunity to create a new staff structure to better meet the needs of the Park. It is intended that this structure will provide a reduction in costs and be more sustainable in the longer term, with implementation planned for 2014/15.
- 3.8. Premises costs are predicted to be slightly higher than budgeted due to increased spend on plant, tools and equipment hire, while transport and supplies and services costs are predicted to come in close to budget.
- 3.9. The HC3S catering projections continue to indicate a small surplus based on the first quarter actuals and projections for the remainder of the year.
- 3.10. Income generally is expected to be in line with the amounts budgeted with the exception of grants, which are forecast to be £9,000 lower due to the loss of the Single Farm Payment funding (£18,000). This loss is offset by additional project grants (£9,000).
- 3.11. The Park Manager is currently working on a five year pricing policy, to be reviewed at the December meeting, with a view to making the Park cost neutral.
- 3.12. For the Park to maintain the current improvement in income levels the team are looking at new ideas to generate income in quieter periods in the year. Current plans include looking at extending the butterfly house and enhancing the play barn to encourage greater use during the colder weather.

4. Recommendation

- 4.1. That the Committee are asked to note the content of the report and endorse the work carried out to date, by the seconded Park Manager, in a bid to substantially reduce the existing deficit.

SIR GEORGE STAUNTON COUNTRY PARK

REVENUE PERFORMANCE 2013/14

Outturn 2012/13		Budget 2013/14 £	Actuals To 31 July 2013	Outturn 2013/14 £	Variance 2013/14 £
Expenditure					
553,054	Employees	590,800	183,772	549,400	41,400
82,429	Premises	98,700	30,780	100,700	(2,000)
44,602	Transport	44,600	10,479	44,600	0
215,862	Supplies & Services	216,200	83,730	215,900	300
<u>895,947</u>	Gross Expenditure	950,300	308,761	910,600	39,700
Income					
394,171	Entrance Charges	486,200	214,651	486,200	0
294,324	Sales and Other Income	288,800	106,449	279,800	9,000
<u>688,495</u>	Total Income	775,000	321,100	766,000	9,000
207,452	Net Expenditure	175,300	(12,339)	144,600	30,700
19,147	Transfer to/(from) reserve	32,670	12,339	63,370	
<u>226,599</u>	Total to be financed by Local Authorities	207,970	0	207,970	
Funded by					
208,373	Hampshire County Council	191,703	0	191,703	0
5,754	East Hampshire District Council	5,294	0	5,294	0
11,727	Havant Borough Council	10,789	0	10,789	0
545	Horndean Parish Council	0	0	0	0
200	Rowlands Castle Parish Council	184	0	184	0
<u>226,599</u>		207,970	0	207,970	0
Reserve Account					
(80,280)	Balance at 1 April 2013	(82,146)	(82,146)	(82,146)	
0	add: Interest	0	0	0	
(80,280)		(82,146)	(82,146)	(82,146)	
(1,866)	less: transfer (to)/from revenue	32,670	12,339	63,370	
<u>(82,146)</u>	Balance at 31 March 2014	(49,476)	(69,807)	(18,776)	

SIR GEORGE STAUNTON COUNTRY PARK

PROJECTED OUTTURN 2013/14

Management	Operations and Education						Commercial				Total	
	Ornamental Farm	Landscaped Gardens & Parkland	Gardens & Glasshouses	Membership & Entrance	Education & Community	Total	Gift Shop	Conference and Events	Catering	Total	Net Expenditure	
£	£	£	£	£	£	£	£	£	£	£	£	
Expenditure												
Employees	154,900	76,200	81,800	81,700	96,800	40,900	377,400	17,100	0	0	17,100	549,400
Premises	84,700		9,000	6,800	0	0	15,800	200	0	0	200	100,700
Transport & Plant	30,300	3,000	7,800	3,000	0	500	14,300	0	0	0	0	44,600
Supplies & Services	89,400	32,800	2,000	9,300	0	20,700	64,800	55,000	200	6,500	61,700	215,900
Gross Expenditure	359,300	112,000	100,600	100,800	96,800	62,100	472,300	72,300	200	6,500	79,000	910,600
Income												
Entrance/Membership Charges	0	0	0	0	486,200	0	486,200	0	0	0	0	486,200
Sales and Other Income	17,400	30,200	46,500	10,800	0	78,900	166,400	86,000	3,000	7,000	96,000	279,800
Partner Contributions	207,970		0	0	0	0	0	0	0	0	0	207,970
Total Income	225,370	30,200	46,500	10,800	486,200	78,900	652,600	86,000	3,000	7,000	96,000	973,970
Net Expenditure	133,930	81,800	54,100	90,000	(389,400)	(16,800)	(180,300)	(13,700)	(2,800)	(500)	(17,000)	(63,370)

Transfer to/(from) reserve

Funded by

Hampshire County Council	191,703
East Hampshire District Council	5,294
Havant Borough Council	10,789
Horndean Parish Council	0
Rowlands Castle Parish Council	184
	<u>207,970</u>

Reserve Account

Balance at 1 April 2013	(82,146)
add: Interest	0
	<u>(82,146)</u>
less: transfer to/(from) revenue	63,370
Estimated Balance at 31 March 2014	<u>(18,776)</u>