

Report

Committee/Panel:	Sir George Staunton Country Park Joint Management Committee
Date:	30 th January 2015
Title:	Forecast Outturn 2014/15
Reference:	6411
Report From:	Report of the Honorary Treasurer and Park Manager

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1 Introduction

- 1.1 The purpose of this report is to present Members with an update of the current budget monitoring position, which is summarised in Appendix A by income and expenditure categories. The report also provides details of the anticipated outturn forecast for 2014/15 in Appendices A and B. The outturn position for 2013/14 is included for comparison purposes.
- 1.2 The Outturn Forecast is further analysed by operational areas of the park in Appendix B. The previously reported forecast of £8,000 surplus in 2014/15 is now predicted to be a £29,000 surplus. This is based on the assumption that income targets are reached. The change in the predicted surplus is mainly attributable to reductions in staff costs and an increase in income projections, particularly education, membership and admissions.

2 2014/15 Performance to date

- 2.1 The financial performance in the first eight months of 2014/15 shows expenditure in April to November has decreased compared to 2013/14 by £61,000, a reduction of 10%. This is largely attributable to lower spend in employee costs and costs of supplies and services.
- 2.2 Whilst employee expenditure shows a direct comparison, as it is incurred regularly throughout the year, all other income and expenditure comparisons contained in the tables below should be viewed as a guide, as variations in billing and payment dates will occur. One of the major factors affecting the supplies and services costs is that there are fewer

grant aided projects in 2014/15. Shop spend is also at a lower level than previous years reflecting the levels of stock held.

- 2.3 All operational and commercial sectors of the Park, with the exception of Parkland, have incurred reduced expenditure when compared with 2013/14. (See Table 1 below).

	2013/14 £	2014/15 £	Increase/ (Decrease)
Management	209,949	186,941	(23,008)
Ornamental Farm	87,585	75,375	(12,210)
Parkland	53,572	58,442	4,870
Gardens & Glasshouses	63,692	57,593	(6,099)
Education & Volunteers	54,943	39,435	(15,508)
Gift Shop	138,191	124,512	(13,679)
Catering	2,677	2,049	(628)
TOTAL	610,609	544,347	(66,262)

Table 1: Expenditure by activity from April to November

- 2.4 A further breakdown of expenditure comparison is set out in Table 2 below, which compares expenditure by category. Staff costs are currently lower this year due to current vacancies and staff restructuring throughout the year, with Management and Education underspending whilst Parkland staff costs have increased. Premises costs is the only area of the budget to have increased when compared to 2013/14, showing a 5.8% increase. The cost of premises has risen compared to 2013/14 and can be attributed to the cost of council tax £2,400 on the stable flat, of which £1,000 of this charge relates to previous years. The cost of retail stock is £13,000 lower than in the same period in the previous year to keep stock levels to a minimum. Further reductions in supplies and services costs have been achieved in Education, Farm and Management.

	2013/14 £	2014/15 £	Increase/ (Decrease)
Employees	360,605	335,064	(25,541)
Premises	64,033	67,741	3,708
Transport and Plant	25,151	22,086	(3,065)
Supplies and Services	160,820	119,456	(41,364)
TOTAL	610,609	544,347	(66,262)

Table 2: Expenditure by category from April to November

- 2.5 Income to date is £38,000 lower than the same period in 2013/14, a reduction of 4.7%. This includes a reduction of £40,000 in the (HCC) Hampshire County Council grant. Income, excluding the grant from HCC, is showing a small increase of 0.2%. In 2014/15 visitor numbers are 3,885 below budget but 2,000 higher than in the same period of 2013/14.

The main income categories affected by visitor numbers, entrance charges and memberships, have produced an increase year on year of £22,000. This equates to a 5.8% increase which includes memberships up by 7.4%, Culture All passes 2% and admission charges 7.9%. Income from sales shows a reduction of £15,000 of which £18,000 relates to the shop with an offsetting increase in Farm sales.

	2013/14 £	2014/15 £	Increase/ (Decrease)
Partner Contributions	191,703	151,703	(40,000)
Other Grants & Sponsorships	60,952	46,135	(14,817)
Sales	124,252	109,314	(14,938)
Entrance/Membership Charges	387,135	409,614	22,479
Other Fees and Charges	46,286	54,931	8,645
TOTAL	810,328	771,697	(38,631)

Table 3: Income by category from April to November

3 2014/15 Outturn Forecast

- 3.1 The OTF for 2014/15 is set out in Appendix A and B and is based on actual income and expenditure to date, known and predicted future activity.
- 3.2 At this stage in the year the OTF predicts a surplus of £29,000, which will be added to the reserves.
- 3.3 Employee costs are expected to return an outturn of £31,000 below budget, due to a number of posts continuing to remain vacant. The Park Manager continues to work with a more streamlined staffing structure across both Staunton and Queen Elizabeth Country Park. The new structure will reinstate some of the current vacancies to provide a shared resource to both sites. The OTF for staff includes the cost of living pay award of which equates to 1% in 2014/15 and the employer's pension contribution which has increased by 6.3%.
- 3.4 Premises costs are expected to exceed the budget by £24,000. Utility costs are expected to be £6,000 over budget, due to the new catering agreement, which no longer requires the recharge to HC3S for utility expenses and £5,000 contingency for any unforeseen associated costs. A further £6,000 has been used, to replace fencing on Portsmouth Water land and the rear car park. This will be funded by the balance of £16,000 Single Farm Payment (SPS) funding. Other projects will increase costs by £4,000. The cost of council tax will add £3,000 pressure to the budget. The Chinese Herb Garden, the Walled Garden and the Rose Gardens are currently in need of renovating and to complete this work a budget of £11,000 was set aside in 2014/15 to redesign these gardens.

- 3.5 Transport and plant costs are expected to underspend by £4,000 against the original budget. This will be achieved by ensuring staff travel in the most cost efficient way, car sharing wherever possible, and by aiming to reduce vehicle running costs, particularly in Landscape and Gardens and Glasshouses.
- 3.6 Supplies and services costs are expected to be £32,000 over budget in 2014/15. Higher than expected equipment costs totalling £11,000 have been incurred within Management and the Ornamental Farm to meet increasing veterinary fees and the upgrade of the EPOS tills. In addition £4,000 is required to cover the cost of vending machines now incurred directly by the Park rather than HC3S. There are also additional costs of £4,000 for digger and dumper hire for the gardens. A further provision of £10,000 for marketing to run more marketing campaigns including Hampshire Top Attractions is included in this increase, following the return of the Marketing Officer. This additional funding aims to encourage more visitors to the Park, particularly during the low season. Other small increases make up the balance of this overspend.
- 3.7 Income is expected to exceed the original budget by £90,000. Income for entrance charges is projected to return £32,000 above budget. This is based on achieving an additional £20,000 in admissions and £20,000 in membership income, which will partially be offset by a reduction of £8,000 in income from Culture-All Passes, following the withdrawal of the scheme. The outturn for other sales and charges is expected to exceed the budget by £58,000. This includes £39,000 additional income from the Farm for animal sales and feed, and £6,000 SPS grant as reimbursement for the fencing works on Portsmouth Water land. Lettings income has increased by £6,000 following a recent agreement with Highbury College to relocate its animal care practical courses to the conference room at the Park. Catering income from HC3s is expected to return an additional £10,000 following the removal of utility and catering equipment recharges netting of against income. All these increases are offset by other small reductions in other income.
- 3.8 **Partner Contributions**
Income from Partners is expected to be on budget, as the reduction in grant from Hampshire County Council of £40,000 for 2014/15 was known at the time of setting the original budget.

5 Reserves

- 5.1 The OTF predicts a surplus of £29,000 to be added to the reserves leaving the reserves at £136,000 at 31st March 2015.

6 Small bodies annual return

- 6.1 Members will be aware that a return has to be submitted for audit by 30 June each year which summarises the financial activities for the year and

a report is therefore presented in June each year for approval. As the JMC will not exist after 31 March 2015 it is recommended that the Chairman is given delegated authority to sign the Small Bodies return for 2014/15.

RECOMMENDATIONS

1. That the Outturn Forecast for 2014/15 contained in Appendices A and B be approved.
2. That the Chairman be given delegated authority to sign the Small Bodies return for 2014/15.

**CORPORATE OR LEGAL INFORMATION:
Links to the Corporate Strategy**

Hampshire safer and more secure for all:	No
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Improvement plan link number (if appropriate):	

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. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

2.1. This report does not deal with any issues relating to crime and disorder.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

The contents of this report have no impact on carbon footprint or 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?

Not applicable to this report.

SIR GEORGE STAUNTON COUNTRY PARK - 2014/15 Forecast Outturn and 2015/16 Budget

Appendix A

Actuals 2013/14 £		Original Budget 2014/15 £	Actuals as at 30/11/2014 £	Forecast Outturn 2014/15 £	Budget/Outturn Variance 2014/15 £
Expenditure					
513,849	Employees	608,300	335,064	577,100	(31,200)
104,581	Premises	115,700	67,741	139,800	24,100
35,299	Transport	43,800	22,086	39,500	(4,300)
216,101	Supplies & Services	195,800	119,455	228,450	32,650
0	Savings to be identified	(39,630)	0	0	39,630
<u>869,830</u>	Gross Expenditure	<u>923,970</u>	<u>544,346</u>	<u>984,850</u>	<u>60,880</u>
Income					
517,422	Entrance Charges	(476,600)	(409,614)	(508,600)	(32,000)
<u>333,708</u>	Sales and Other Charges (incl Events)	<u>(279,400)</u>	<u>(362,083)</u>	<u>(337,510)</u>	<u>(58,110)</u>
<u>851,130</u>	Total Income	<u>(756,000)</u>	<u>(771,697)</u>	<u>(846,110)</u>	<u>(90,110)</u>
18,700	Net Expenditure	167,970	(227,351)	138,740	(29,230)
189,086	Transfer to/(from) reserve	0		29,046	
<u>207,786</u>	Total to be financed by Local Authorities	<u>167,970</u>		<u>167,786</u>	
Funded by					
191,703	Hampshire County Council	151,703		151,703	0
5,294	East Hampshire District Council	5,294		5,294	0
10,789	Havant Borough Council	10,789		10,789	0
0	Rowlands Castle Parish Council	184		0	184
<u>207,786</u>		<u>167,970</u>		<u>167,786</u>	<u>184</u>
Reserve Account					
(82,146)	Balance at 1 April	624		106,940	
<u>189,086</u>	add: transfer (to)/from revenue	<u>0</u>		<u>29,046</u>	
<u>106,940</u>	Balance at 31 March	<u>624</u>		<u>135,986</u>	

OUTTURN FORECAST 2014/15

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 Outturn
£	£	£	£	£	£	£	£	£	£	£	£	£
Expenditure												
Employees	164,100	83,000	78,000	88,000	69,700	82,000	400,700	12,300	0	0	12,300	577,100
Premises	108,400	6,400	0	13,000	0	7,000	26,400	0	0	5,000	5,000	139,800
Transport & Plant	35,700	350	1,500	1,600	0	250	3,700	100	0	0	100	39,500
Supplies & Services	91,450	40,600	15,000	15,100	0	10,400	81,100	50,100	0	5,800	55,900	228,450
Gross Expenditure	399,650	130,350	94,500	117,700	69,700	99,650	511,900	62,500	0	10,800	73,300	984,850
Income												
Entrance Charges	0	0	0	0	508,600	0	508,600	0	0	0	0	508,600
Sales and Other Charges	7,100	68,300	41,350	14,200	0	99,560	223,410	90,000	0	17,000	107,000	337,510
Partner Contributions	167,786	0	0	0	0	0	0	0	0	0	0	167,786
Total Income	174,886	68,300	41,350	14,200	508,600	99,560	732,010	90,000	0	17,000	107,000	1,013,896
Net Expenditure	224,764	62,050	53,150	103,500	(438,900)	90	(220,110)	(27,500)	0	(6,200)	(33,700)	(29,046)

Funded by

Hampshire County Council	151,703
East Hampshire District Council	5,294
Havant Borough Council	10,789
Rowlands Castle Parish Council	0
	<u>167,786</u>

Reserve Account

Balance at 1 April 2014	106,940
add: Interest	0
	<u>106,940</u>
Add: transfer (to)/from revenue	29,046
Balance at 31 March 2015	<u>135,986</u>