

Report

Committee/Panel:	Sir George Staunton Country Park Joint Management Committee
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Title:	Revised Budget 2013/14 and Proposed Forward Budget 2014/15
Reference:	5404
Report From:	Report of the Honorary Treasurer and Park Manager

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Introduction

- 1.1 The purpose of this report is to present the Sir George Staunton Country Park 2013/14 revised budget and 2014/15 forward budget for approval.
- 1.2 The report provides details of the proposed revised 2013/14 and 2014/15 forward budgets which are summarised by income and expenditure categories in Appendix A. The actual outturn for 2012/13 is included for the purpose of comparison.
- 1.3 The revised budget is further analysed by operational areas of the park in Appendix B. The projected surplus for 2013/14 is £82,770 resulting in a small reserve of £624. This increased surplus is mainly attributable to a reduction in staff costs of £54,300 and £48,900 increase in income.
- 1.4 The 2014/15 forward budget set out in Appendix C shows the anticipated contributions from the Partner Authorities and a breakdown of the operational areas of the budget. In 2014/15 further savings of £39,630 need to be identified to meet the current shortfall, to ensure a balanced budget is achieved.

2 2013/14 Performance to date

- 2.1 The financial performance in the first seven months of 2013/14 show a clear improvement compared to the same period in 2012/13. Costs in the period April to October have decreased by £61,000, a reduction of 10% when compared to the same period in 2012/13.

- 2.2 Whilst employee expenditure shows a direct comparison, as it 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. Specific annual project grants such as Windows Project - 2011/12, Wildlife Zone - 2011/2013 and SITA path project 2013/14 will also affect any direct comparison.
- 2.3 Overall expenditure in the operational and commercial sectors of the Park has reduced when compared with last year. The only areas to have increased costs are Gardens, Gift Shop and Parkland. (see Table 1 below). This is mainly attributed to an increase in staff costs in the Parkland area, cost of stock for sale in the Gift Shop area and plant costs for the Gardens.

	2012/13 £	2013/14 £	Increase/ (Decrease)
Management	211,035	180,912	(30,123)
Ornamental Farm	112,636	78,998	(33,638)
Parkland	45,537	49,589	4,052
Gardens & Glasshouses	51,301	55,785	4,484
Education & Volunteers	56,489	48,128	(8,361)
Gift Shop	97,960	102,807	4,847
Conference & Events	105	0	(105)
Catering	4,916	2,473	(2,443)
TOTAL	579,979	518,692	(61,287)

Table 1: Expenditure by activity from April to October

- 2.4 A further breakdown of expenditure comparison is set out in Table 2 below, which compares expenditure by category. All categories of expenditure have reduced when compared to 2012/13 with the exception of premises costs. Whilst maintenance and fixtures and fittings costs have reduced, the cost of utilities, cleaning and refuse collection have all increased. Staff costs have reduced due to a number of vacancies throughout the first seven months of the year and as a result of further changes in the staffing structure.

	2012/13 £	2013/14 £	Increase/ (Decrease)
Employees	325,137	319,499	(5,638)
Premises	51,512	55,337	3,825
Transport and Plant	25,046	22,274	(2,772)
Supplies and Services	178,284	121,582	(68,800)
TOTAL	579,979	518,692	(61,287)

Table 2: Expenditure by category from April to October

- 2.5 Income to date is 5% higher than for the same period in 2012/13, an increase of £37,862. The main income categories affected by visitor numbers are sales and entrance charges which have increased between the two years by £74,000, which equates to a 26% increase. This increase is attributed to the good weather in 2013/14. Not all partner contributions have yet been received in 2013/14, but have been invoiced since 31st October. Income from entrance charges is 27% higher than last year to date, which includes memberships up by 36%, Culture All passes 41% and entrance charges 21%.

	2012/13 £	2013/14 £	Increase/ (Decrease)
Partner Contributions	208,471	191,703	(16,768)
Other Grants & Sponsorships	51,130	20,699	(30,431)
Sales	106,117	113,333	7,216
Entrance/Membership Charges	277,432	351,813	74,381
Other Fees and Charges	44,229	47,693	3,464
TOTAL	687,379	725,241	37,862

Table 3: Income by category from April to October

3 2013/14 Revised Budget

- 3.1 The revised budget 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 In the revised budget a significant saving of £54,000 has been made within the staff budget. This has been achieved partly due to efficiencies gained from the pooling of resources with Hampshire County Council's Countryside Service. Further savings have been made due to the Education Officer and the Retail Manager posts remaining vacant. The secondment to the Park Manager position provides a further saving of £8,000. The late recruitment to posts that became vacant during the year has resulted in further reductions.
- 3.3 Premises costs are expected to increase during the year by £26,200 when compared to the previous year. Single Farm Payment (SPS) funding of £16,000 has been granted to Staunton to replace fencing on Portsmouth Water land and the rear car park. Further increases are to meet the cost of a temporary lambing marquee, remedial work to the Gothic Library, maintenance work in the play barn and remedial path works.
- 3.4 Transport and plant costs have increased by £2,800 to meet the increased costs of gardening equipment.
- 3.5 Supplies and services costs are expected to increase by £24,100, this includes additional expenditure of £5,600 for cattle handling equipment, funded by a grant from Single Farm Payment (SPS) funds. SITA Waste

Company are contributing £8,500 to meet costs incurred to maintain the car park pathway.

- 3.6 Income targets have been cautiously revised and on this basis income from admission charges has been reduced by £11,600. Whilst Staunton memberships and general entrance charges remain at the same level as the original budget, it can be seen that the income from Culture All Passes will not be met. The sales income budget has been increased by £21,900 based on the current levels of income; this includes a projection of £8,400 income from HC3s catering concession. Grant income has increased by £37,700 this follows the renewal of the three year grant funding from Portsmouth Water for the Education Officer post, additional SPS funding for cattle handling, SITA funding for path works, remaining grant for the windows project. These increases are offset by reductions in grants in the Landscaped Gardens area of the park, mainly due to the loss of the annual SPS funding.
- 3.7 The revised budget projects a surplus to be added to the reserves of £82,770, this will clear the reserves deficit, leaving a small surplus of £624 to be transferred to the reserve. The Park Management Team need to continue to increase revenue and visitor numbers to the Park to ensure its long term viability. Income streams need to be maximised and costs continued to be controlled for the remainder of the year to ensure the deficit is cleared.

4 2014/15 Forward Revenue Budget

- 4.1 The 2014/15 revenue budget figures are outlined in Appendix C.
- 4.2 The major variations from the 2013/14 revised budget are as follows:

Employees (+£71,800)

The forward budget includes a £15,000 provision for the past service pension costs being charged to the JMC. Until 2011/12 this had been paid by the JMC as part of the employer pension contribution which covered both past and current employees. In 2011/12 the charge was split between past and current employees and for three years it has been funded by the Countryside Department at Hampshire County Council. From 2014/15 this will be corrected and the charge will be made to the JMC. Staff cost have further increased to meet the annual cost of increments and a potential 1% cost of living rise. The full year effect of the new Senior Ranger, Education Officer and Administration Officer along with the acting up allowances to provide cover for the Retail Manger has added to further increase employee costs.

Premises (-£9,200)

Premises costs have further increased in 2014/15 in the gardens sector of the park by £8,200 to meet the cost of replanting herb

beds and gardens. This is offset by the removal of a premises budget £17,900 for the farm, which is no longer required as this was mainly for the one off costs for fencing works.

Transport and Plant (-£3,600)

This budget has been reduced in 2014/15 to reflect the reduction in plant and equipment required in the Gardens and Glasshouses sector of the Park. All other transport budgets remain at the same level as 2013/14.

Supplies and Services (-£44,500)

The cost of supplies and services have been kept to a minimum, in a bid to reduce the current deficit budget, these cost are set to significantly reduce in 2014/15. The main area of reduction in costs is within Education and Community where one off project expenditure was incurred in 2013/14.

Income (+£67,900)

The income budget shows a reduction of £67,900. Grants are expected to reduce by £48,800, to reflect the known reduction in one off project based income grant income. A cautious prediction of sales income has resulted in a reduction in the sales income budget of £16,100. Entrance Charges have been kept at the same level as 2013/14, as this income can be very weather dependent. All other earned income has been adjusted to reflect prudent estimates.

Partner Contributions (+£40,000)

Partner contributions show a reduction of £40,000 as a result of Hampshire County Council reducing its grant. This is a necessary step due to the requirement for the Council to meet its own budget pressures and to begin to bring the operating costs of the Park down to be more in line with the other country parks managed by the County Council's Countryside Service. The aim is for all Hampshire County Council's country parks to be operationally 'self-financing' by 2016.

- 4.3 In 2014/15 the current projections show a net shortfall of £39,630 which would result in a deficit reserves position. To ensure this does not happen further work is required to increase income or reduce expenditure to ensure a balanced or surplus budget is achieved.

5 Looking Ahead

- 5.1 With the predicted surplus in 2013/14 expected to clear the existing deficit and producing an overall surplus, this note of positivity should be built upon. The Park will continue to face difficult times in the current economic climate and should continue to keep costs to a minimum whilst ensuring attractions are safe, well maintained and updated. With the increased

annual memberships, other sources of income need to be sourced to encourage this trend to continue.

- 5.2 As mentioned earlier in the report all Hampshire County Council country parks are aiming to be 'self-financing' by 2016. In order to achieve this further reductions in the contribution from Hampshire County Council is inevitable.
- 5.3 The draft development plan for the park sets out where there are opportunities to improve the business and to pursue external funding including the Heritage Lottery Fund. Developing these ideas will be fundamental towards ensuring the park is financially robust for the challenges that no doubt lie ahead.

RECOMMENDATIONS

1. That the revised budget for 2013/14 contained in Appendices A and B be approved.
2. That the partner contributions for 2014/15 as shown in Appendices A and C be approved.
3. That the forward budget for 2014/15 as shown in Appendices A and C be approved.

Sir George Staunton Country Park - Revised Budget 2013/14 & Forward Budget 2014/15

REVENUE BUDGET

Outturn 2012/13		Original Budget 2013/14 £	Revised Budget 2013/14 £	Variance 2013/14 £	Forward Budget 2014/15 £
	Expenditure				
539,750	Employees	590,800	536,500	54,300	608,300
85,747	Premises	98,700	124,900	(26,200)	115,700
48,508	Transport & Plant	44,600	47,400	(2,800)	43,800
252,870	Supplies & Services	216,200	240,300	(24,100)	195,800
0	Savings to be identified	0	0	0	(39,630)
926,875	Gross Expenditure	950,300	949,100	1,200	923,970
	Income				
414,198	Entrance/Membership Charges	486,200	476,600	9,600	476,600
302,340	Other Charges (incl Events)	288,800	347,300	(58,500)	279,400
716,538	Total Income	775,000	823,900	(48,900)	756,000
210,337	Net Expenditure	175,300	125,200	50,100	167,970
(1,866)	Transfer to/(from) reserve	32,670	82,770		0
208,471	Total to be financed by Local Authorities	207,970	207,970		167,970
	Funded by				
191,703	Hampshire County Council	191,703	191,703		151,703
5,294	East Hampshire District Council	5,294	5,294		5,294
10,789	Havant Borough Council	10,789	10,789		10,789
501	Horndean Parish Council	0	0		0
184	Rowlands Castle Parish Council	184	184		184
208,471		207,970	207,970		167,970
	Reserve Account				
(80,280)	Balance at 1 April	(64,009)	(82,146)		624
0	add: Interest	0	0		0
(80,280)		(64,009)	(82,146)		624
(1,866)	less: transfer to/(from) revenue	32,670	82,770		0
(82,146)	Balance at 31 March	(31,339)	624		624

SIR GEORGE STAUNTON COUNTRY PARK

REVISED BUDGET 2013/14

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
£	£	£	£	£	£	£	£	£	£	£	£	£
Expenditure												
Employees	157,700	77,600	76,300	81,800	71,700	56,100	363,500	15,300	0	0	15,300	536,500
Premises	90,300	17,900	9,000	7,500	0	0	34,400	200	0	0	200	124,900
Transport & Plant	28,500	2,500	9,400	6,700	0	300	18,900	0	0	0	0	47,400
Supplies & Services	90,500	43,500	3,500	12,300	0	36,000	95,300	52,500	0	2,000	54,500	240,300
Gross Expenditure	367,000	141,500	98,200	108,300	71,700	92,400	512,100	68,000	0	2,000	70,000	949,100
Income												
Entrance Charges	0	0	0	0	476,600	0	476,600	0	0	0	0	476,600
Sales and Other Charges	1,900	55,400	45,100	12,600	0	117,900	231,000	102,000	1,500	10,900	114,400	347,300
Partner Contributions	207,970	0	0	0	0	0	0	0	0	0	0	207,970
Total Income	209,870	55,400	45,100	12,600	476,600	117,900	707,600	102,000	1,500	10,900	114,400	1,031,870
Net Expenditure	157,130	86,100	53,100	95,700	(404,900)	(25,500)	(195,500)	(34,000)	(1,500)	(8,900)	(44,400)	(82,770)

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>
Add: transfer (to)/from revenue	82,770
Balance at 31 March 2014	<u>624</u>

SIR GEORGE STAUNTON COUNTRY PARK

FORWARD BUDGET 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 Budget
£	£	£	£	£	£	£	£	£	£	£	£	£
Expenditure												
Employees	189,700	82,800	83,600	87,800	69,100	82,300	405,600	13,000	0	0	13,000	608,300
Premises	90,800	0	9,000	15,700	0	0	24,700	200	0	0	200	115,700
Transport & Plant	28,500	2,500	9,400	3,100	0	300	15,300	0	0	0	0	43,800
Supplies & Services	85,400	37,600	2,000	12,300	0	10,000	61,900	46,500	0	2,000	48,500	195,800
Savings to be identified	(39,630)	0	0	0	0	0	0	0	0	0	0	(39,630)
Gross Expenditure	354,770	122,900	104,000	118,900	69,100	92,600	507,500	59,700	0	2,000	61,700	923,970
Income												
Entrance Charges	0	0	0	0	476,600	0	476,600	0	0	0	0	476,600
Sales and Other Charges	400	29,700	40,100	12,600	0	97,600	180,000	90,000	1,500	7,500	99,000	279,400
Partner Contributions	167,970	0	0	0	0	0	0	0	0	0	0	167,970
Total Income	168,370	29,700	40,100	12,600	476,600	97,600	656,600	90,000	1,500	7,500	99,000	923,970
Net Expenditure	186,400	93,200	63,900	106,300	(407,500)	(5,000)	(149,100)	(30,300)	(1,500)	(5,500)	(37,300)	0

Funded by

Hampshire County Council	151,703
East Hampshire District Council	5,294
Havant Borough Council	10,789
Horndean Parish Council	0
Rowlands Castle Parish Council	184
	<u>167,970</u>

Reserve Account

Balance at 1 April 2014	624
add: Interest	<u>0</u>
	624
Add: transfer (to)/from revenue	<u>0</u>
Balance at 31 March 2015	<u>624</u>