

## Finance Report: November 09

## 2009-10 Budget and Forecast

Table 1

HS Internal Budgets	Original HS Budget	Revised Budget	Forecast	Variance
INCOME:	£000	£000	£000	£000
SG Funding	49,335	48,975	48,975	-
PIC Estate Income	24,000	26,734	26,813	79
Other Receipts	467	1,618	1,676	58
<b>TOTAL INCOME</b>	<b>73,802</b>	<b>77,327</b>	<b>77,464</b>	<b>137</b>
<b>EXPENDITURE:</b>				
Grants	12,639	13,601	14,110	(509)
Policy	1,238	1,324	1,282	42
<b>Policy Group</b>	<b>13,877</b>	<b>14,925</b>	<b>15,392</b>	<b>(467)</b>
<b>Inspectorate</b>	<b>5,427</b>	<b>6,216</b>	<b>6,217</b>	<b>(1)</b>
<b>TCG</b>	<b>2,525</b>	<b>3,284</b>	<b>3,298</b>	<b>(14)</b>
Conservation	16,109	16,752	16,750	2
VSBD	12,013	12,474	12,472	1
PIC Central	651	266	264	2
Major Projects	5,625	4,857	4,857	0
Joint Capital Projects	-	1,081	1,081	(0)
U&A	2,443	3,041	3,046	(5)
<b>PIC</b>	<b>36,841</b>	<b>38,471</b>	<b>38,470</b>	<b>1</b>
Chief Executive Group	560	593	590	3
Finance	2,358	2,304	2,270	34
Reserves	2,074	538	538	-
Human Resources	3,442	3,897	3,880	17
Direct Cost of Sales	3,036	3,607	3,806	(199)
Capital Charges	3,607	2,607	2,607	-
	<b>15,077</b>	<b>13,546</b>	<b>13,691</b>	<b>(145)</b>
<b>TOTAL EXPENDITURE</b>	<b>73,747</b>	<b>76,441</b>	<b>77,068</b>	<b>(627)</b>
<b>TOTAL AGENCY OUTTURN</b>	<b>55</b>	<b>886</b>	<b>397</b>	<b>(490)</b>

1. PIC income has increased by £0.079 million this month and is now £2.813 million ahead of the original budget.
2. Grants have been funded by £0.5 million from the under-spend to give a grants budget of £13.4 million. This will help alleviate pressure in 2009-10 and also 2010-11. The over-commitment has fallen slightly from £14.982 million to £14.884 million. Although still, under pressure, this should be contained within budget.
3. The under-spend is made up of the following amounts:

### November Underspend Breakdown

	£000
October underspend	975
Budget released to Grants	(500)
Re-instatement of Inspectorate archaeology baseline	(150)
Funding for Understanding and Access	(75)
	<u>250</u>
Increase in income	79
Release of provisions:	
HR Payroll	60
Movements in forecasts etc	8
<b>Funds available</b>	<u><u>397</u></u>

4. Bids have been requested from directors to help the decision process on how these funds are to be allocated. These will be presented to SMT.
5. The long term commitment on grants is shown below. The pressures on 2010 are still of concern, although the projection has reduced slightly this month to £18.3 million (£18.6 million last month). Considerable work has been undertaken to reduce the projected spend profile.

Status	2010-11	2011-12	Total
Firm Offers	£1,427,380	£0	£1,427,380
Indicative Authorisations	£281,774	£194,260	£476,034
CARS 1, 2 & 3	£4,453,903	£2,821,329	£7,275,232
Estimates	£4,479,035	£3,744,555	£8,223,590
City Heritage Trust / NTS / Town Schemes etc.	£4,797,500	£5,274,663	£10,072,163
<b>Total Funds Allocated</b>	<b>£15,439,592</b>	<b>£12,034,807</b>	<b>£27,474,399</b>
<i>Excess of demand from previous year</i>	<i>£1,884,481</i>		<i>£1,884,481</i>
<i>Demand from batching (Building Repair)</i>	<i>£500,000</i>	<i>£2,000,000</i>	<i>£2,500,000</i>
<i>Demand from batching (Places of Worship)</i>	<i>£500,000</i>	<i>£1,000,000</i>	<i>£1,500,000</i>
<b>Total</b>	<b>£18,324,073</b>	<b>£15,034,807</b>	<b>£33,358,880</b>

6. The grants profile for 2009-10 is shown below. The programme is overcommitted by £1.4 million against original budget.

7. There has been a significant reduction in the committed funds for the CARS Scheme of £0.629 million but this has been re-allocated to other projects in the building repair grant scheme. This alleviates some of the pressure in 2010-11. It is likely that we will need to fund £1 million to assist in the repair of the retaining wall at New Lanark. No provision has been made for this.

	No of Cases	2009-10	Same point in 2008-09
Building Repair	47	£4,117,694	£5,535,075
Places of Worship	18	£951,091	£1,324,835
City Heritage Trust / NTS / Town Schemes etc.	15	£5,171,704	£5,153,544
Conservation Area Regeneration Scheme	28	£2,780,755	£2,404,797
<b>Total Committed Funds (Firm)</b>	<b>108</b>	<b>£13,021,244</b>	<b>£14,418,251</b>
Fast Track	0	£0	£176,903
<b>Total Firm and Definite Site Starts</b>	<b>108</b>	<b>£13,021,244</b>	<b>£14,595,154</b>
Building Repair	1	£80,000	£35,928
Places of Worship	0	£0	£225,150
<b>Total Indicatives</b>	<b>1</b>	<b>£80,000</b>	<b>£261,078</b>
Building Repair	10	£1,426,987	£73,400
Places of Worship	4	£356,250	£0
<b>Total Estimates</b>	<b>14</b>	<b>£1,783,237</b>	<b>£73,400</b>
Building Repair	0	£0	£76,500
<b>Total Supplementaries (possible)</b>	<b>0</b>	<b>£0</b>	<b>£76,500</b>
<b>Total</b>	<b>123</b>	<b>£14,884,481</b>	<b>£15,006,132</b>
<b>Budget</b>		<b>£13,500,000</b>	<b>£12,513,758</b>

8. Archaeology grants and grants to owners are shown below. They are over committed by £0.079 million (£0.054 million last month) and are unlikely to reduce this.

	Budget allocation	Max commitment
Archaeology grants and commissions	£ 1,400,000*	£ 1,461,200
AM Grant firm/in principle commitments	£ 250,000*	£ 271, 700
Management agreements	£ 45, 000	£ 40,743
<b>Totals</b>	<b>£1,695,000*</b>	<b>£1,773,643</b>

## **PIC Capital**

9. The annual budget and year to date spend information on PIC capital is shown on the next page. Overall spend reflects 43.5% of the annual budget although we are now 8 months into the year. (41.1% last month). Stirling Castle is showing a £0.612 million under spend to date.(£0.562 million last month) Despite this, it is predicted that the project will show an overspend of £0.150 million for 2009-10.

10. Joint Capital Projects have only spent 28.7% of their annual budget (26.2% last month). A number of projects, including Castle Campbell roof are still showing no spend to date and other projects such as spend on Iona fire protection are falling behind their profiled budget. There is a risk of underspend in this area.

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	% of annual budget
<b>PIC Capital Spend</b>					
<b>Major Projects</b>					
<b>Stirling Castle:</b>					
Palace Project	3,564	2,529	1,917	612	53.8%
Tapestries	213	116	124	(8)	58.2%
Visitor Reception Project	79	30	10	20	12.7%
<b>Edinburgh Castle:</b>					
Edinburgh 50/50	25	20	-	20	0.0%
Visitor Reception	-	-	2	(2)	-
<b>Stanley Mills</b>					
North Range	3	-	1	(1)	33.3%
East Range	4	-	-	-	0.0%
Bell Mill	22	22	12	10	54.5%
Maeshowe Visitor Reception	15	10	6	4	40.0%
Urquhart Castle Waste Water	400	-	-	-	0.0%
<b>Major Projects</b>	<b>4,325</b>	<b>2,727</b>	<b>2,072</b>	<b>655</b>	<b>47.9%</b>
<b>PIC Joint Capital Projects</b>					
Kisimul Castle Services Installation	62	62	62	-	100.0%
HQ C&M CAD Network	60	60	41	19	68.3%
Honours New Air Conit	10	-	-	-	0.0%
Gatehouse Boiler	5	-	-	-	0.0%
Gatehouse Fire Alarm	3	-	2	(2)	66.7%
Palace block new boiler	18	-	-	-	0.0%
HP Education Centre	20	-	-	-	0.0%
Kinneil House	2	-	-	-	0.0%
Urquhart Castle Pier	200	-	30	(30)	15.0%
Castle Campbell Roof Repairs	70	-	-	-	0.0%
Retail - Admissions	13	13	13	-	100.0%
Links of Notland	125	50	86	(36)	68.8%
Tormiston Mill car park	6	6	5	1	83.3%
Caerlaverock Car Park	27	27	-	27	0.0%
Iona Fire Escape Protection	200	200	16	184	8.0%
Edinburgh Castle Car Rock Stabilisation	25	25	24	1	96.0%
Access for All (DDA)	6	-	3	(3)	50.0%
Site Presentation (General)	180	46	22	24	12.2%
1st Impressions	-	-	(3)	3	-
IU Signage Project	-	-	3	(3)	-
Energy Performance Cert	-	-	6	(6)	-
Energy Efficiency	50	-	-	-	0.0%
<b>Joint Capital Projects</b>	<b>1,082</b>	<b>489</b>	<b>310</b>	<b>179</b>	<b>28.7%</b>
<b>Other PIC Capital Budgets</b>					
Conservation and Maintenance	331	195	162	33	48.9%
Understanding and Access	114	26	7	19	6.1%
VSBD	116	58	43	15	36.6%
PIC HQ	-	-	-	-	-
<b>Other PIC Capital</b>	<b>561</b>	<b>279</b>	<b>212</b>	<b>67</b>	<b>37.7%</b>
<b>GRAND TOTAL</b>	<b>5,968</b>	<b>3,495</b>	<b>2,594</b>	<b>901</b>	<b>43.5%</b>

10. I will discuss the report further at the meeting on the 17<sup>th</sup> December.

**Linda Ellison**  
**Interim Director of Finance**

15 December 2009