

Historic Scotland Board

From: Kathleen Gibb

Date: 15 June 2007

May 2007 Finance Report

1. The budgets agreed with the SE and internally, with Group directors, are shown below:

Table 1.1

SE Approved Budgets Limits	<u>HS Budget</u> <u>(SE Approved)</u>
Revenue Funding	72,335
Revenue Expenditure	72,335
Revenue Outturn	-
Capital Funding	1,000
Capital Expenditure (operational)	1,000
Capital Outturn	-
Total Agency Outturn	-

Table 1.2

HS Internal Budgets	Original Budget	Forecast/Revised Budget
Income:		
SE Funding	47,715	48,029
PIC Estate Income	23,494	24,238
Other Receipts	681	1,423
Total Income	71,890	73,690
Expenditure:		
Policy Group	15,504	15,473
Inspectorate	5,610	5,610
TCRE	2,527	2,527
PIC	33,945	35,671
Chief Executive Group	495	631
Human Resources	3,501	3,502
Finance	3,855	3,745
Direct Cost of Sales	3,376	3,369
Capital Charges	3,607	3,607
Total Expenditure	72,420	74,135
Total Agency Outturn	(530)	(445)

2. The SE budget reverts to its original structure. This means that operational capital is set at £1m to retain flexibility in our funding. It will be revised in September and December at which times we will adjust for commercial income and for additional capital funding. We will report forecast against SE budget 4 times a year to pick up on any budget adjustments. Uniquely this year we will increase it in September by £900k to include eRDM funding.

3. As can be seen from Table 1.2, the budgeted allocations to groups indicate an original overcommitment of £530k. This is a reasonable level of overcommitment to start the year with as it will ensure we spend our full budget during the year even if there is some project slippage. Even at this early stage adjustments to income have reduced this overcommitment by £0.085 million.

Income Outturn

4. The draft results for the year including the May trading period are shown below:

YEAR TO DATE	Budget	Actual	%+/- Bgt	%+/- Ly	Annual Budget	Forecast
Visitor Numbers	627,836	617,253	-2%	-6%	3,130,234	3,119,651
Admissions	£1,953,343	£1,960,252	0%	4%	£10,828,842	£10,835,751
Site SEPs	£126,000	£168,857	34%	36%	£1,070,000	£1,112,857
Site Membership	£26,524	£51,384	94%	110%	£218,000	£242,860
Retail	£1,143,933	£1,089,096	-5%	-1%	£6,000,001	£5,945,164
Tourism & Membership	£842,793	£912,195	8%	20%	£5,659,765	£5,729,167
VSD INCOME	£4,092,593	£4,181,784	2%	8%	£23,776,608	£23,865,799
Other Income	£59,254	£41,796	-30%	-35%	£459,210	£441,753
Total Commercial Income (KPT)	£4,151,847	£4,223,580	2%	7%	£24,235,818	£24,307,552

5. Our year to date position for visitor numbers remains down on budget and last year by 2% and 6% respectively, hampered somewhat by the poor weather so far this year and the slightly scaled down free weekend

6. Despite the decline in visitor numbers PIC income is ahead of budget by 2% and up 7% on last year, thanks largely to the sales of Explorer Passes and Memberships at the sites and strong performances by the HQ teams. The majority of areas are achieving budget, but the main area falling behind is retail income, which is down 5% on budget and 1% on last year.

Grants

7. The forecast outturn on grants is shown below:

	No	Value
Secular	92	£9,607,779
Places of Worship	16	£656,877
Recurring Commitments	10	£3,593,099
NPOW Scheme	6	£456,278
Regeneration Fund	1	£1,500,000
Total	125	£15,814,033
Original Grants Budget		£12,880,000

8. The level of overcommitment allows for slippage and project planning, spend will be brought into line with the original budget by the year-end.

Major Projects

9. Budgeted spend for Major Projects as agreed at the PIC Capital Meeting is shown below:

	Original Budget
Edinburgh Castle Visitor Reception	2,054
Stanley Mills, Bell Mill	2,038
Stirling Castle Palace	250
Stirling Castle Tapestries	203
Urquhart Castle WWTP	20
Other Major Projects	86
Major Projects Capital	4,651

10. An element of overcommitment has been allowed on the Major Projects budgets, £0.266 million. However, given the maturity of the two main projects, Edinburgh Castle Visitor Reception and Stanley Mills which are both expected to complete this year, the level of overcommitment is lower than in previous years.

11. Spend against the eRDM budget will be monitored carefully since the full funding falls entirely within this year but the expenditure will be incurred over two financial years –

from September 2007 to September 2008. The scoping study will ensure a clearer picture of the phasing is available and we will then be in a position to work with Directors to flex the funding over 2007-08 and 2008-09.

12. Laura Petrie will discuss these figures at the meeting on 28 June.

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