

Historic Scotland Board

Copy to: Jennie Smith, Acting Chief Accountant

Finance Report

March 2008 Final Outturn

1. The final outturn for March is shown below. Table 1 shows the outturn against the Scottish Government budgets and Table 2 shows the group performance against internal Historic Scotland budgets.

Table 1

SG Budgets	<u>SG Budget</u>	<u>Year End Outturn</u>	Variance
Funding:			
SG Funding	52,107	52,107	-
Estate Income	26,632	26,337	(295)
Capital Receipts	-	16	16
Total Funding	78,739	78,460	(279)
Expenditure:			
Administration Costs	31,049	34,081	(3,032)
Programme Current	38,429	35,019	3,410
Capital Charges	3,607	3,260	347
Heritage Capital	2,526	4,079	(1,553)
Total Programme Expenditure	75,611	76,439	(828)
Operational Capital	3,128	2,152	976
Total Expenditure	78,739	78,591	148
Forecast Agency Outturn	-	(131)	(131)

2. We have an overspend of £0.131 million which relates to heavy demand on the grant budget and two large write-offs for Stanley Mills and the Edinburgh Castle Visitor Reception centre against the impairment fund. This overspend was cleared with SG Finance at year-end.

3. We also have imbalanced budgets for administration costs and programme current and for heritage and operational capital. We will try to get these corrected at the Autumn and Spring Revisions to prevent the unnecessary variances at expenditure line level.

Table 2

HS Internal Budgets	Original HS Budget	Revised Budget	Forecast	Variance
Income:	£000	£000	£000	£000
SG Funding	47,715	52,107	52,107	-
PIC Estate Income	23,494	24,889	24,889	-
Other Receipts	681	1,633	1,448	(185)
Capital Receipts	-	-	16	16
TOTAL INCOME	71,890	78,629	78,460	(169)
Expenditure:				
Policy Group	15,504	19,289	19,292	(3)
Inspectorate	5,610	6,047	6,175	(128)
TCRE	2,527	2,975	2,969	6
PIC	33,945	36,778	36,774	4
Chief Executive Group	495	734	692	42
Human Resources	3,501	3,697	3,834	(137)
Finance	3,855	2,146	2,130	16
Direct Cost of Sales	3,376	3,376	3,465	(89)
Capital Charges	3,607	3,607	3,260	347
TOTAL EXPENDITURE	72,420	78,649	78,591	58
TOTAL AGENCY OUTTURN	(530)	(20)	(131)	(111)

4. There were few significant variances. The Inspectorate had an agreed over commitment of £150k for archaeology, HR overspent on the central pay budget, mainly on compensation payments and the cost of goods sold figure increased in line with income.

2008-09 Budget and Forecast

5. The internal budgets set for 2007-08 are shown below together with a limited forecast. This forecast reflects changes in income but does not include full group expenditure forecasting until September.

Table 3

HS Internal Budgets	Original HS		
	Budget	Forecast	Variance
Income:	£000	£000	£000
SE Funding	48,064	48,064	-
PIC Estate Income	25,586	25,252	(334)
Other Receipts	681	916	235
TOTAL INCOME	74,331	74,232	(99)
Expenditure:			
Policy Group	15,480	15,480	-
Inspectorate	5,490	5,490	-
TCRE	2,630	2,630	-
PIC	36,621	36,856	(235)
Chief Executive Group	565	565	-
Human Resources	3,756	3,756	-
Finance	2,110	2,110	-
Reserves	1,390	1,390	-
Direct Cost of Sales	3,242	3,242	-
Capital Charges	3,607	3,607	-
TOTAL EXPENDITURE	74,891	75,126	(235)
TOTAL AGENCY OUTTURN	(560)	(894)	(334)

6. The original budgeted allocations result in an overcommitment of £0.560 million. This is a reasonable level of overcommitment to start the year and in line with 2007-08 (£0.530 million).

7. PIC income has been reduced by £0.334 million reflecting a disappointing start to the year. While I will not hold indefinitely at the revised level of overcommitment of £0.894 million I will wait for the results from early summer before adjusting budgets.

8. The adjustment to other income is for the partnership income for the tapestries and the matching expenditure is shown against the PIC line.

I will discuss the report further at the meeting on Tuesday.

Laura Petrie
Director of Finance
17 June 2008