

HISTORIC SCOTLAND BOARD

FINANCE REPORT

Forecast Position

1. We are now forecasting an overspend of £0.689 million (August £0.940 million). This represents an underlying overcommitment of £0.250 million together with the further deterioration in income of £0.4 million. While I will set out below how I intend to cover this further shortfall there are a number of significant risks associated with these measures.

HS Internal Budgets	Original HS Budget	Revised Budget	Forecast	Variance
Income:	£000	£000	£000	£000
SE Funding	48,064	47,903	47,903	(161)
PIC Estate Income	25,586	23,973	23,973	-
Other Receipts	681	1,410	1,410	-
TOTAL INCOME	74,331	73,286	73,286	(161)
Expenditure:			-	
Grants	13,452	12,804	12,805	(1)
Policy	1,578	1,605	1,636	(31)
Heritage Planning Unit	35	10	-	10
Policy Group	15,065	14,419	14,441	(22)
Inspectorate	5,906	5,871	5,871	-
TCRE	2,630	2,633	2,633	-
Conservation	16,395	17,003	16,957	46
VSBD	12,207	12,163	12,105	58
PIC Central	2,356	501	528	(27)
Major Projects	3,135	4,488	4,500	(12)
U&A	2,528	2,599	2,802	(203)
PIC	36,621	36,754	36,892	(138)
Chief Executive Group	565	550	583	(33)
Finance	2,109	2,262	2,324	(62)
Reserves	1,390	849	849	-
Human Resources	3,756	3,691	3,572	119
Direct Cost of Sales	3,242	3,242	3,203	39
Capital Charges	3,607	3,607	3,607	-
TOTAL EXPENDITURE	74,891	73,878	73,975	(97)
TOTAL AGENCY OUTTURN	(560)	(592)	(689)	(258)

Unauthorised Overspends

2. A number of groups have unauthorised overspends. This is not permitted and expenditure must be brought back in line with budget. I will also be taking back forecast underspends from budgets. This will improve the forecast by £0.255 million.

Efficiency Savings

3. We have identified £0.756 million of efficiency savings to be achieved but forecast for only £0.506 million of these to be likely. This forecast is before the effects of the additional work commissioned by CDIM We have already anticipated £0.302 million of savings. However if the level of identified savings, £0.765 million, is achieved then I will have a further £0.463 million to offset against the Agency overspend but it is highly dependent on Directors achieving the level of efficiency savings which they have identified.

Identification of Further Savings

4. We have completed an exercise to identify savings and cover the previously shortfall of £1.2 million in income. Given the risks associated with the efficiency savings I will need to identify further savings and will be reviewing the Group forecasts over the next two weeks. It must be understood that achieving a breakeven position at year-end will be difficult and that we cannot cover any further reduction in income or unauthorised overspends.

Commercial Income

5. The year to date and forecast position as at the end of September is shown below. PIC have circulated a paper on the income outturn.

Visitor Numbers	YTD Actual	YTD Budget	%+/- Bgt	%+/-Ly	Yr End Bgt	Yr End FC	+/- Bgt
All Sites	2,185,563	2,361,279	-7%	-10%	3,077,744	2,868,382	(209,362)
Admissions	8,240,610	9,378,835	-12%	-8%	13,101,019	11,676,012	(1,425,007)
Retail	4,394,437	4,672,315	-6%	-2%	6,240,950	5,946,968	(293,982)
Day Catering	296,498	316,000	-6%	-1%	443,000	423,498	(19,502)
Eve Catering	183,906	227,500	-19%	-20%	379,000	335,406	(43,594)
Corporate	413,046	422,331	-2%	-9%	799,731	756,046	(43,685)
Weddings	242,362	278,800	-13%	-12%	405,832	343,262	(62,570)
Events	125,184	243,500	-49%	-44%	285,000	280,184	(4,816)
Membership	653,144	620,194	5%	12%	1,089,722	1,122,672	32,950
Travel Trade	1,892,000	1,833,000	3%	3%	2,561,000	2,557,000	(4,000)
Other HQ Sales	114,529	-	-	-	-	300,150	300,150
HQ Sales	3,920,669	3,941,325	-81%	1%	5,963,285	6,118,218	154,933
Total VSBD	16,555,716	17,992,475	-99%	-4%	25,305,254	23,741,198	(1,564,056)
Other Income	317,487	364,364	-13%	-	573,741	526,864	(46,876)
TOTAL PIC	16,873,203	18,356,839	-112%	-5%	25,878,995	24,268,062	(1,610,932)

Grants

6. Grants remain heavily committed and there is no scope for year-end flex in this budget. I will not be able to contain any overspend on this line.

	No of Cases	2008-09	2007-08
Building Repair	43	£4,672,990	£4,981,868
Places of Worship	20	£887,609	£698,268
City Heritage Trust / NTS / Town Schemes etc.	15	£4,673,499	£8,532,099
Conservation Area Regeneration Scheme	14	£2,404,797	£1,311,950
Total Committed Funds (Firm)	92	£12,638,895	£15,524,185
Fast Track	11	£1,626,529	n/a
Total Firm and Definite Site Starts	103	£14,265,424	£15,524,185
Building Repair	2	£53,581	£794,796
Places of Worship	7	£700,400	£537,150
Total Indicatives	9	£753,981	£1,331,946
Building Repair	4	£250,231	£2,397,298
Places of Worship	0	£0	£0
Total Estimates	4	£250,231	£2,397,298
Total	116	£15,269,636	£19,253,429
Grant Budget		£12,213,758	£16,713,900

7. I am happy to discuss the paper further on 4 November 2008.

Laura Petrie
Director of Finance
20 October 2008