

HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY

From: Laura Petrie,
Date:

Historic Scotland Board

Copy to: Kathleen Gibb, Chief Accountant

HSB: May Finance Report

1. The budget for 2006-07 is shown below:

<u>Summary</u>	DRCs £000	Programme £000	Heritage Capital £000	Operational Capital £000	Total £0
	DRCs	Current	Heritage	Operational	Total
EYF		500		-	500
Baseline	17,707	16,748	316	6,037	40,808
Income	14,154	10,227	1,720	-	26,101
	31,861	27,475	2,036	6,037	67,409
Forecast	31,861	27,904	2,036	6,037	67,838
Outturn	-	(429)	-	-	(429)
Capital Charges	3,607	-	-	-	3,607

2. The overcommitment of £0.4 million was agreed at budget because we need to ensure that we spend our full budget. EYF remains uncertain for the foreseeable future and we can no longer rely on carrying surpluses through to the following financial year.

3. However there have always been two areas of uncertainty within this budget. This was recognised at the budget stage and the need for a possible budget review in year considered. The target for income of a 9% increase on 2005-06 is challenging and, if not met, will increase the level of overcommitment. It has been agreed that we will review the income forecast after the first quarter to allow the effects of Easter and the May public holidays to flow through. The second area is the additional funding of £0.5 million. This is a repayment of monies by TCS but is dependent on their being allowed to drawdown CUP monies. This is looking increasingly unlikely and they may not have the funds to repay us. All of this adds up to a possible budget review in July and August once the first quarter's income figures are reported.

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Income Outturn

4. The income results for the end of May are shown below:

YEAR TO DATE	Actual	Budget	%+/- Bgt	%+/- Ly	Annual Budget	Year End Reforecast
Visitor Numbers	529,769	480,782	10%	30%	2,910,000	2,910,000
Admissions	£1,439,609	£1,604,466	-10%	18%	£10,761,338	£10,761,338
Site SEPS & Membership	£150,543	£148,496	1%	24%	£1,145,064	£1,145,064
Retail	£858,226	£888,888	-3%	15%	£5,938,576	£5,938,576
Tourism & Membership	£739,977	£750,372	-1%	-2%	£5,335,022	£5,335,022
VSBD INCOME	£3,188,355	£3,392,222	-6%	12%	£23,180,000	£23,180,000
Other Income	-	-	-	-	£397,000	£397,000
Total Commercial Income (KPT)	-	-	-	-	£23,577,000	£23,577,000

5. At the end of the first two trading periods there has been good growth in visitor numbers, both against budget (10%) and last year (30%). This is thanks largely to the Free Weekend with 60,000 more visitors than anticipated. We also invested in a variety of activities to boost Easter, in particular a more intensive events programme.

6. Admissions income is trading behind budget. However this does not take into account membership income currently being processed through the Direct Debit system. By the end of the first quarter we should see admissions income closer to target. Similarly, Tourism & Membership are behind budget and last year by just over £10,000. This is largely due to the phasing of budgets and forward business for Travel Trade looks positive for the months ahead.

7. Easter provided a much needed boost for retail sales, as traditionally sales drop during the Free Weekend. Retail income is ahead of last year by 15%. However our Spend per Visitor is behind budget and last year by 12% respectively. With visitor numbers ahead of last year by 30%, and budget by 10%, this is a worrying trend. However we are in the process of delivering new ranges to sites in time for the peak summer months; many of which have been created with a view to increasing our SPV. By the end of the second quarter we should feel the benefit.

8. To conclude we are well ahead of our target for visitor numbers at the end of May. Total income is just over £200,000 adrift of budget, some of which will be offset by membership sales.

HISTORIC SCOTLAND BOARD MEETING 25-27 JUNE: ORKNEY**Grants**

5. The commitments for 2006-07 are shown below:

	No	Value
Secular	31	£3,813,620
Places of Worship	5	£279,654
Recurring Commitments	13	£3,733,184
NPOW Scheme	15	£445,963
Total Committed Funds	64	£8,272,421
Secular	9	£916,541
Places of Worship	1	£105,940
NPOW Scheme	12	£706,150
Total Indicatives	22	£1,728,631
Secular	50	£6,601,025
Places of Worship	2	£122,500
Total Estimates	52	£6,723,525
Regeneration Fund		£250,000
Total	138	£16,974,577

Grant Budget

£11,966,000

9. While the total of commitments seems high at £17 millions slippage and project phasing means that this will be manageable within budget.

10. The future grants commitment for **2006-07 to 2008-09** is as follows:

Status	2007-08	2008-09	2009-10	Total
Firm Offer	£255,334	£0	-	£255,334
Indicative Authorisations	£2,360,822	£61,022	-	£2,421,844
POW Scheme	£70,885	£1,750,000	£1,750,000	£3,570,885
Recurring	£4,106,964	£4,966,163	£4,966,163	£14,039,290
Total Committed Funds	£6,794,005	£6,777,185	£6,716,163	£20,287,353
Excess of demand	£5,008,577			£5,008,577
Demand from batching 1	£1,750,000	£3,000,000	£3,000,000	£7,750,000
Regeneration Projects/Fund	£1,000,000	£1,500,000	£2,000,000	£4,500,000
Estimates	£6,479,413	£1,097,600	-	£7,577,013
Total	£21,031,995	£12,374,785	£11,716,163	£45,122,943

Budget (projected)

£12,966,000	£12,966,000	£12,966,000	£38,898,000
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11. Again the overall level of commitments is manageable within budgets. However it should be noted that these figures do not include Mavisbank.

12. I will discuss these figures at the meeting on 17 August 2005.

Laura Petrie
Director of Finance

16 June 2006