

From: Laura Petrie,
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Historic Scotland Board

Copy to: Kathleen Gibb, Chief Accountant

July 2006 Finance Report

1. Forecast income and expenditure is shown below:

	<u>HS Budget</u> <u>(SE Approved)</u>	<u>HS Forecast</u>	<u>Variance</u>
Funding:			
Exchequer Funding	40,808	40,808	-
PIC Income	25,845	24,932	913
Other Income	932	861	71
Total Funding	67,585	66,601	984
Expenditure:			
Administration Costs	30,549	31,866	(1,317)
Programme Current	29,453	28,106	1,347
Heritage Capital	6,583	1,957	4,626
Operational Capital	1,000	5,252	(4,252)
Total Expenditure	67,585	67,181	404
Forecast Agency Outturn	-	(580)	580
Non-cash expenditure: capital charges	3,607	2,607	1,000

2. The overcommitment of £0.429 million reported at the start of this year has now increased to £0.58 million. This is a result of a reduction in the forecast for commercial income of £0.3 million, offset by an increase in grants recoveries of £0.14 million. Other forecast income and expenditure remain largely unchanged at the moment.

3. This forecast assumes that we will not receive the drawdown of £0.5 million from the SE, although this will still not be confirmed until the Autumn Revision in September/October. The associated expenditure has also been excluded from this forecast. I am content to sit with this level of overcommitment at this stage of the year while the decision on the drawdown from the SE is awaited. If we do not receive this money then I have agreed with both PIC and Policy Group to make budget cuts of £0.3 million to bring the figure closer to budget.

Income Outturn

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

YEAR TO DATE	Budget	Actual	%+/- Bgt	%+/- Ly	Annual Budget	Year End Reforecast
Visitor Numbers	1,341,680	1,391,235	4	13	2,910,000	3,093,766
Admissions	4,396,572	4,094,474	(7)	10	10,761,338	10,611,338
Site SEPS & Membership	500,331	515,791	3	25	1,145,064	1,145,064
Retail	2,624,727	2,419,884	(8)	7	5,938,576	5,818,576
Tourism & Membership	2,204,445	2,137,380	(3)	1	5,335,022	5,335,022
VSBD INCOME	9,726,075	9,167,529	(6)	8	23,180,000	22,910,000
Other Income	113,729	87,034	(23)	(10)	352,700	317,000
Total Commercial Income (KPT)	6,606,740	6,216,668	(6)	7	23,532,700	23,227,000

5. Year to date visitor numbers are 4% ahead of budget. However since 60,000 more visitors than anticipated attended during the free weekend, the total of paying visitors is actually 10,000 short of target for the year to date. The year end forecast is almost 3.1 million, 6% ahead of budget.

6. Year to date admissions income is below budget by £0.302 million. Some of this is due to mix of visitors and higher numbers of free visitors than anticipated. In addition the move to more sales of Friends memberships and the change to payment by direct debit means that this income is not currently showing in site admissions although the budget assumes income is received up front. Profiles will be amended to reflect this.

7. Year to date retail sales are almost £0.205 million behind budget, with retail SPV currently 22 pence behind target. Some of this is attributable to the success of the free weekend where visitors traditionally spend less, but recent reports also indicate a continuing decline of the high spending, long haul markets and the growth in budget tourism from Europe, both of which have impacted negatively on the average spend per visitor.

8. The projected out-turn for year end is 1% or just over £0.3 million behind budget.

Grants

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

	No	Value
Secular	37	£4,860,686
Places of Worship	6	£282,011
Recurring Commitments	13	£3,679,664
NPOW Scheme	17	£559,564
Total Committed Funds	73	£9,381,925
Secular	9	£789,902
Places of Worship	1	£105,940
NPOW Scheme	9	£347,150
Total Indicatives	19	£1,242,992
Secular	32	£3,031,480
Places of Worship	3	£161,500
Total Estimates	35	£3,192,980
Regeneration Fund		£350,000
Total	127	£14,167,897
Grant Budget		£11,966,000

10. There is sufficient overcommitment in the system at present to bring in a full year spend on this line.

11. The future grants commitments for 2007-08 to 2010-11 are as follows:

Status	2007-08	2008-09	2009-10	2010-11	Total
Firm Offer	£649,752	£0	-	-	£649,752
Indicative Authorisations	£2,604,382	£225,871	-	-	£2,830,253
POW Scheme	£90,245	£2,500,000	£2,500,000	£2,500,000	£7,590,245
Recurring	£3,852,964	£4,562,163	£4,762,163	£4,762,163	£17,939,453
Total Committed Funds	£7,197,343	£7,288,034	£7,262,163	£7,262,163	£29,009,703
<i>Excess of demand from previous yr</i>	£2,201,897				£2,201,897
Demand from batching 1	£1,750,000	£3,000,000	£3,000,000	£3,000,000	£10,750,000
Regeneration Projects/Fund	£1,205,000	£1,655,000	£1,848,750	£939,955	£5,648,705
Estimates	£8,410,562	£1,756,433	£368,333	-	£10,535,328
Total	£20,760,802	£13,699,467	£12,479,246	£11,202,118	£58,145,633
Budget (projected)	£12,966,000	£12,966,000	£12,966,000	£12,966,000	£51,864,000

12. This profile assumes that the £1 million allocated in the Corporate Plan continues although this is subject to the outcome of the spending review. Otherwise the level of commitment remains reasonable at this stage.

13. I will discuss these figures at the meeting on 21 August 2006.

Laura Petrie
Director of Finance

15 August 2006