

HSB

Copy to: Jennie Smith, Chief Accountant

Finance Report: July 09**2009-10 Budget and Forecast****Table 1**

HS Internal Budgets	Original HS Budget	Revised Budget	Forecast	Variance
	£000	£000	£000	£000
INCOME:				
SE Funding	49,335	49,339	48,839	(500)
PIC Estate Income	24,000	24,598	25,761	1,163
Other Receipts	467	1,493	1,493	-
TOTAL INCOME	73,802	75,430	76,093	663
EXPENDITURE:				
Grants	12,639	12,639	12,637	2
Policy	1,238	1,278	1,273	5
Policy Group	13,877	13,917	13,910	7
Inspectorate	5,427	5,634	5,634	-
TCG	2,525	2,928	2,928	-
Conservation	16,109	16,501	16,561	(60)
VSBD	12,013	12,387	12,388	(1)
PIC Central	651	517	512	5
Major Projects	5,625	4,595	4,605	(10)
Joint Capital Projects		966	966	-
U&A	2,443	2,657	2,657	-
PIC	36,841	37,623	37,689	(66)
Chief Executive Group	560	560	560	-
Finance	2,358	2,299	2,269	30
Reserves	2,074	1,966	2,107	(141)
Human Resources	3,442	3,427	3,664	(237)
Direct Cost of Sales	3,036	3,036	3,036	-
Capital Charges	3,607	3,607	3,607	-
	15,077	14,895	15,243	(348)
TOTAL EXPENDITURE	73,747	74,997	75,404	(407)
TOTAL AGENCY OUTTURN	55	433	689	256

1. The SG baseline funding has been reduced by £0.500 million reflecting the cuts in portfolio applied in 2009-10. This represents our full share of the cuts. However income continues to improve markedly. The latest forecast is now £1.761 million ahead of target.
2. After increasing the VSBD budget for expenditure which relates to the increased income there is still a surplus of £0.689 million. HSB need to consider whether this should be used to ameliorate the £2.3 million cuts made at the start of the year or whether there are other pressures which should be addressed.
3. Most areas are predicting a break even position. There are however some exceptions:
 - Conservation has a shortfall of £48k in their communications budget and funds have yet to be identified from other areas within PIC. Their T&S budget is also overspent.
 - HR has a large number of cases on the Central budget and are forecasting a £0.2 million overspend at the end of the year.

Commercial Income

4. PIC have circulated their report for July together with the review of the first quarter for 2009-10.

Grants

5. Grants are overcommitted by £2.8 million. While this should be a manageable figure there is a worrying level of pressure building on this budget line. Year to date expenditure has exceeded budget by £0.892 million and firm and committed offers total £13.008 million out of a total of £14.707 million. We will continue to monitor this on a monthly basis.

	No of Cases	2009-10	Same point in 2008-09
Building Repair	37	£3,483,229	£4,837,893
Places of Worship	17	£830,038	£877,609
City Heritage Trust / NTS / Town Schemes etc.	15	£5,012,864	£4,607,334
Conservation Area Regeneration Scheme	20	£3,368,977	£2,404,797
Total Committed Funds (Firm)	89	£12,695,108	£12,727,633
Fast Track	2	£313,333	£1,546,062
Total Firm and Definite Site Starts	91	£13,008,441	£14,273,695
Building Repair	2	£168,474	£429,707
Places of Worship	0	£0	£929,570
Total Indicatives	2	£168,474	£1,359,277
Building Repair	13	£1,206,175	£467,065
Places of Worship	3	£323,850	£0
Total Estimates	16	£1,530,025	£467,065
Building Repair	0	£0	
Total Supplementaries (possible)	0	£0	£0
Total	109	£14,706,940	£16,100,037
Grant Budget		£11,900,000	£12,513,758

6. The long term commitment on grants is shown below:

Status	2010-11	2011-12	Total
Firm Offers	£920,819	£0	£920,819
Indicative Authorisations	£724,688	£267,500	£992,188
CARS 1 & 2	£2,685,042	£865,678	£3,550,720
Estimates	£4,965,489	£2,815,832	£7,781,321
City Heritage Trust / NTS / Town Schemes etc.	£5,211,500	£5,488,663	£10,700,163
Total Funds Allocated	£14,507,538	£9,437,673	£23,945,211
<i>Excess of demand from previous year</i>	<i>£2,193,182</i>		<i>£2,193,182</i>
<i>Demand from batching (Building Repair)</i>	£0	£1,500,000	<i>£1,500,000</i>
<i>Demand from batching (Places of Worship)</i>	£500,000	<i>£1,000,000</i>	<i>£1,500,000</i>
<i>Demand from batching (CARS 3)</i>	£1,444,604	£1,415,706	<i>£2,860,310</i>
Total	£18,645,324	£13,353,379	£31,998,703
Projected Budget	£11,900,000	£11,900,000	£23,800,000

7. Archaeology grants and grants to owners are shown below. They remain over committed by £0.127 million but are working to bring this down. The over commitment has dropped slightly since June by £0.025 million.

	Budget allocation	Max commitment
Archaeology grants and commissions	£ 1,200,000	£ 1,283,188
AM Grant firm/in principle commitments	£ 150,000	£ 193,703
Management agreements	£ 45, 000	£ 45, 000
Totals	£1,395,000	£1,521,891

PIC Capital

8. The Annual budget and year to date spend information on PIC capital is shown below. Stirling Castle is showing a £0.94 million underspend to date. The contractor is behind his monthly spend profile and this is being monitored closely. Overall spend reflects 21.2% of the annual budget. However PIC capital budgets are overcommitted by £0.580 million to accommodate slippage and we are still expecting a break-even position at this stage.

	Annual Budget	YTD Budget	YTD Spend	YTD Variance	% of annual budget
PIC Capital Spend					
Major Projects					
Stirling Castle:					
Palace Project	3,900	1,102	1,008	94	25.8%
Tapestries	213	68	61	7	28.6%
Visitor Reception Project	99	10	-	10	0.0%
Edinburgh Castle:					
Edinburgh 50/50	5	-	10	(10)	200.0%
Visitor Reception	-	-	2	(2)	0.0%
Stanley Mills					
North Range	2	-	1	(1)	50.0%
East Range	3	-	-	-	0.0%
Bell Mill	-	-	14	(14)	0.0%
Maeshowe Visitor Reception	15	5	5	-	33.3%
Urquhart Castle Waste Water	400	-	-	-	0.0%
Major Projects	4,637	1,185	1,101	84	23.7%
PIC Joint Capital Projects					
Kisimul Castle Services Installation	63	62	62	-	98.4%
HQ C&M CAD Network	60	-	20	(20)	33.3%
Urquhart Castle Pier	230	-	-	-	0.0%
Retail - Admissions	-	-	13	(13)	0.0%
Links of Notland	50	30	14	16	28.0%
Tormiston Mill car park	6	4	-	4	0.0%
Caerlaverock Car Park	27	-	-	-	0.0%
Iona Fire Escape Protection	200	-	-	-	0.0%
Edinburgh Castle Car Rock Stabilisation	150	15	-	15	0.0%
Access for All (DDA)	-	-	2	(2)	0.0%
Site Presentation (General)	180	3		3	0.0%
1st Impressions			5	(5)	0.0%
IU Signage Project	-	-	3	(3)	0.0%
Joint Capital Projects	966	114	119	(5)	12.3%
Other PIC Capital Budgets					
Conservation and Maintenance	355	66	92	(26)	25.9%
Understanding and Access	93	5	-	5	0.0%
VSBD	148	24	20	4	13.5%
PIC HQ	15	15	-	15	0.0%
Capital transferred to Direct and Current costs	67	-	-	-	0.0%
Other PIC Capital	678	110	112	(2)	16.5%
GRAND TOTAL	6,281	1,409	1,332	77	21.2%

9. I will discuss the report further at the meeting on the 26th August 2009.

Laura Petrie
Director of Finance

20 August 2009