

Historic Scotland Board

From: Laura Petrie  
Date: 21 August 2007**July 2007 Finance Report**

1. The outturn for the year is forecast at £0.089 million overspent. This is a reasonable figure for this stage of the year. The original budget agreed with Group directors together with the forecast / revised budget is shown below:

Table 1.1

	<b>Original HS Budget £000</b>	<b>Revised Budget £001</b>	<b>Variance £002</b>
<b>HS Internal Budgets</b>			
<b>Income:</b>			
SE Funding	47,715	48,029	314
PIC Estate Income	23,494	24,203	709
Other Receipts	681	1,633	952
<b>TOTAL INCOME</b>	<b>71,890</b>	<b>73,865</b>	<b>1,975</b>
<b>Expenditure:</b>			
Grants	13,678	13,650	28
Policy	1,393	1,393	-
Heritage Planning Unit	433	432	1
<b>Policy Group</b>	<b>15,504</b>	<b>15,475</b>	<b>29</b>
<b>Inspectorate</b>	<b>5,610</b>	<b>5,610</b>	<b>-</b>
<b>TCRE</b>	<b>2,527</b>	<b>2,527</b>	<b>-</b>
Conservation	16,051	16,076	(25)
VSBD	10,453	10,531	(78)
Marketing	2,292	2,302	(10)
Interpretation	1,098	1,072	26
Major Projects	3,644	4,807	(1,163)
Cultural Resources	407	486	(79)
<b>PIC</b>	<b>33,945</b>	<b>35,274</b>	<b>(1,329)</b>
<b>Chief Executive Group</b>	<b>495</b>	<b>655</b>	<b>(160)</b>
<b>Human Resources</b>	<b>3,501</b>	<b>3,500</b>	<b>1</b>
<b>Finance</b>	<b>3,855</b>	<b>3,990</b>	<b>(135)</b>
<b>Direct Cost of Sales</b>	<b>3,376</b>	<b>3,317</b>	<b>59</b>
<b>Capital Charges</b>	<b>3,607</b>	<b>3,607</b>	<b>-</b>
<b>TOTAL EXPENDITURE</b>	<b>72,420</b>	<b>73,955</b>	<b>(1,535)</b>
<b>TOTAL AGENCY OUTTURN</b>	<b>(530)</b>	<b>(89)</b>	<b>441</b>

2. Major variances above are explained as follows:
3. The increase in SE funding, £0.314 million is the baseline transfer for the IT funding. This is also shown on the finance line where it is offset by the release of provisions to other groups.
4. The income uplift on PIC Estate income reflects the more optimistic forecast made in April following an improvement in outturn at year end. The original estimate was made in October 2006.
5. Other receipts have increased to reflect the HLF funding for Stanley Mills, £0.928 million. This is also reflected in the PIC budgets.
6. PIC expenditure has increased to reflect the HLF funding as well as the transfer of funding for PIC archaeology £0.2 million and the release of the staff provision for Edinburgh Castle and Stanley Mills posts, £0.161 million.
7. The finance line has increased to reflect the additional baseline funding for IT, £0.314 million, offset by the release of staffing provision to PIC.

### Income Outturn

8. The draft results for the year including the July trading period are shown below:

<b>YEAR TO DATE</b>	<b>Budget</b>	<b>Actual</b>	<b>%+/- Bgt</b>	<b>%+/- Ly</b>	<b>Annual Budget</b>	<b>Forecast</b>
Visitor Numbers	1,523,588	1,504,401	(1)%	(3)%	3,130,234	3,098,047
Admissions	£4,804,797	£4,810,603	0%	5%	£10,828,842	£10,889,847
Site SEPs	£469,000	£515,907	10%	12%	£1,070,000	£1,116,907
Site Membership	£86,607	£120,666	39%	51%	£218,000	£255,568
Retail	£2,849,879	£2,716,523	(5)%	0%	£6,000,001	£5,829,501
Tourism & Membership	£2,285,491	£2,302,842	1%	7%	£5,659,765	£5,646,416
<b>VSBD INCOME</b>	<b>£10,495,774</b>	<b>£10,466,541</b>	<b>0%</b>	<b>5%</b>	<b>£23,776,608</b>	<b>£23,738,239</b>
Other Income	£129,168	£133,104	3%	(4)%	£461,214	£465,150
<b>Total Commercial Income (KPT)</b>	<b>£10,624,942</b>	<b>£10,599,645</b>	<b>0%</b>	<b>4%</b>	<b>£24,237,822</b>	<b>£24,203,389</b>

9. Although visitor numbers are forecast down on budget income is holding well and is forecast only £0.034 million down. July has been a disappointing month in terms of both visitor numbers and income. While our top three sites have fared well this month, many of

our smaller sites have had a more difficult time, with lower than expected visitor numbers holding back their potential to generate income. However, our biggest area of income, admissions, is tracking ahead of target, and is bolstering other areas such as retail which are performing below par during these first few months of the season.

## Grants

10. The forecast outturn on grants is shown below:

	<b>No</b>	<b>Value</b>
Secular	87	£8,579,100
Places of Worship	19	£684,148
Recurring Commitments	11	£8,593,099
NPOW Scheme	7	£485,400
Regeneration Fund	1	£1,000,000
<b>Total</b>	<b>125</b>	<b>£19,341,747</b>
<b>Revised Grants Budget</b>		<b>£15,813,900</b>

11. The forecast outturn and budget for grants in the above table reflect expenditure on Dumfries House. This has placed additional pressure on this budget but the Grants Unit are confident that they will be able to hold the spend in line.

## Major Projects

12. Budgeted spend for Major Projects as agreed at the May PIC Capital Meeting is shown below:

	<b>Original Budget</b>
Edinburgh Castle Visitor Reception	2,054
Stanley Mills, Bell Mill	2,038
Stirling Castle Palace	250
Stirling Castle Tapestries	203
Urquhart Castle WWTP	20
Other Major Projects	86
<b>Major Projects Capital</b>	<b>4,651</b>

13. An element of overcommitment has been allowed on the Major Projects budgets, £0.266 million. However, given the maturity of the two main projects, Edinburgh Castle

Visitor Reception and Stanley Mills which are both expected to complete this year, the level of overcommitment is lower than in previous years.

14. We have only just received the scoping study for ISIS. This was originally due at the end of June and this delay since it will impact on the project timetable. The project was originally to have run from September 07 until September 08. However we will receive the funding in 2007-08 and I will now put in place mechanisms to carry this forward in 2008-09.

15. Spend on this project will be incurred over two financial years with a significant amount falling in 2008-09. We will now be seeking methods for transferring funding from this year into next.

16. I will discuss these figures at the meeting on 30 August.

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**21 August 2007**