

Historic Scotland Board

From: Laura Petrie
Date: 26 April 2007**March 2007 Finance Report: Draft Yearend Outturn**

1. The latest figures have now been updated. The draft outturn is shown in two forms: against the SE Budget limits; and against the HS internal budgets. These are shown below:

Table 1.1

SE Approved Budgets Limits	<u>HS Budget</u> <u>(SE Approved)</u>	<u>HS Outturn</u>	<u>Variance</u>
Revenue Funding	68,798	68,393	(405)
Revenue Expenditure	68,798	66,775	2,023
Revenue Outturn	-	1,618	1,618
Capital Funding	1,602	1,788	186
Capital Expenditure (operational)	1,602	2,133	(531)
Capital Outturn	-	(345)	(345)
Total Agency Outturn	-	1,273	1,273

Table 1.2

HS Internal Budgets	Final Budget	Outturn	Variance
Income:			
SE Funding	45,229	45,229	-
PIC Estate Income	23,526	22,983	(543)
Other Receipts	2,006	1,968	(38)
Total Income	70,761	70,180	(581)
Expenditure:			
Policy Group	14,405	14,405	-
Inspectorate	5,828	5,857	(29)
TCRE	2,630	2,645	(15)
PIC	34,643	34,168	475
Chief Executive Group	690	690	-
Human Resources	3,610	3,610	-
Finance	2,180	2,045	135
Direct Cost of Sales	3,168	3,168	-
Capital Charges	3,607	2,319	1,288
Total Expenditure	70,761	68,907	1,854
Total Agency Outturn	-	1,273	1,273

2. The forecast outturn of £1.273 million relates mainly to the non cash impairment budget. This is because there are no major projects completing within this financial year. We have flagged up this underspend throughout the year. The underlying revenue and capital cash budgets are fully spent with small overspend of £0.015 million.
3. Within this outturn figure is an underlying capital overspend of £0.345 million. This arises because the final split between heritage and operational capital differs from that estimated in December. I do not anticipate any difficulties arising from this.
4. We have been advised of a late provision adjustment of £0.280 million for professional fees by Major Projects group. Audit Scotland are considering whether this provision should be included. In the event that it is approved it will reduce the revenue line to a £1.338 million underspend and the overall outturn to £0.993 million.
5. There is little chance of end year flexibility (EYF) this year and the Tourism Culture and Sport (TCS) group will have a significant overspend on capital charges this year. We flagged up the potential underspend of £1 million with them in September.

Income Outturn

6. The draft results for the year including the March trading period are shown below:

YEAR TO DATE	Annual Budget	Forecast Outturn	Var to budget	%+/- Bgt	%+/- Ly
Visitor Numbers	2,910,000	3,123,027	213,027	7	7
Admissions	10,761,338	10,248,939	(512,399)	(5)	5
Site SEPS & Membership	1,145,064	1,244,651	99,587	9	32
Retail	5,938,576	5,781,074	(157,502)	(3)	4
Tourism & Membership	5,335,022	5,344,015	8,993	1	9
VSBD INCOME	23,180,000	22,618,679	(561,321)	(2)	7
Other Income	346,700	489,996	143,296	(2)	7
Total Commercial Income (KPT)	23,526,700	23,108,675	(418,025)	(2)	7

7. Our year end position shows us £418,025 down against our original budget. However the budget targets were challenging. The outturn represents strong performance of 7% up on last year particularly given the underlying industry performance.
8. Key achievements for the year include breaking the three million visitor number barrier for the first time, with a strong 7% growth year on year. This performance means we are back on track to hit our three year Corporate Plan target by March 2008.

9. A full analysis of the year end position will be issued once all the figures are audited and analysed.

Grants

10. The forecast outturn on grants is shown below:

	No	Value
Historic Building Repair Grants	65	£6,868,580
Place of Worship	37	£1,456,755
City Heritage Trusts	5	£2,938,148
Recurring Commitments	9	£654,256
Voluntary Sector Bodies	5	£105,253
Total	121	£12,022,992
Original Grants Budget		£11,780,000

11. We have had a strong performance on grants this year with a full spend against budget. We have allowed grants expenditure to run hot this year recognizing that there was a risk of underspend elsewhere in the Agency. The additional expenditure has been authorised.

Major Projects

12. These figures do not include the provision for the professional fees.

	Original Budget	Revised Budget	Outturn	Variance Original Budget	Variance Revised Budget
Edinburgh Castle Visitor Reception	1,148	1,025	740	408	285
Stanley Mills, Bell Mill	3,169	2,305	2,385	784	(80)
Stirling Castle Palace	1,013	685	672	341	13
Urquhart Castle WWTP	20	20	-	20	20
Other Major Projects	50	21	28	22	(7)
Major Projects Capital	5,400	4,056	3,825	1,575	231

13. There has been significant slippage on the Edinburgh Castle, Stanley Mills and Stirling Royal Palaces projects. Edinburgh and Stanley will complete in 2007-08 the funding for Stirling will have to be phased accordingly to allow these projects to proceed.

14. I am happy to discuss these figures at today's meeting.

Laura Petrie
Director of Finance

26 April 2007