

Norfolk Joint Museums Committee

Report title:	Finance Monitoring 2018/19
Date of meeting:	11 January 2019
Responsible Officer:	Steve Miller – Assistant Director, Culture and Heritage
Strategic impact This report covers the forecast position for the Norfolk Museums Service (NMS) in 2018/19 as at 30 November 2018.	

Executive summary

This report covers the forecast Norfolk Museums Service (NMS) budget out-turn for 2018/19. The report details the latest monitoring position for the revenue budget, capital programme, reserves and provisions. The report also details savings proposals applied to the revenue budget for 2019/20.

The main issues for consideration by this Committee are:

- Monitoring of the NMS Revenue budget indicates that the Service is currently projecting an over-spend position at year-end.
- Latest monitoring position of NMS Capital Budgets.
- Movements in NMS Reserves & Provisions.
- Savings proposals for 2019/20.

Recommendations: Committee Members are asked to consider and comment on:

- **The latest monitoring position of the revenue budget, capital programme, reserves and provisions and forecast out-turn for 2018/19.**
- **Note the proposed budget savings and changes for 2019/20 and beyond.**

1. Proposal (or options)

1.1. Revenue Budget 2018/19

1.1.1. NMS is currently projecting an over-spend of £0.080m on the revenue budget.

1.1.2. NMS is currently projecting a shortfall of -£0.037m on Admissions income, which is currently 2.66% below target. Income performance made a slow start to the year, which was mainly due to the adverse weather conditions in April and May, combined with the impact of planned downtime between exhibitions. Unfortunately, the downward trend has continued over the usually busy Summer months with the exceptionally hot weather being the main factor. This has resulted in an overall decrease of £0.090m on the year to date compared to 2017/18. It is anticipated that the Service will see a turnaround in the figures over the coming months with several key exhibitions planned over the Autumn / Winter period, including Armistice, Circus 250 and Viking: Rediscover the Legend, although it is unlikely to meet the very high income generating levels of last year.

- 1.1.3. There is a projected income shortfall of £0.040m on Partnerships income, including undesignated fundraising and sponsorship income.
- 1.1.4. The Service is continuing to review all non-essential spend and withhold vacancies as appropriate with a view to minimizing the projected over-spend.
- 1.1.5. The table below sets out the net revenue service budgets and out-turn for the NMS.

Service	Approved budget £m	Outturn £m	+Over/-Under spend £m	+Over/Under spend as % of budget
Norfolk Museums Service	2.585	2.495	0.090	3.48%
NMS Total	2.585	2.495	0.090	3.48%

1.2. Capital programme

- 1.2.1. Norfolk County Council's commitment to the county's cultural heritage and resources has been evidenced over the last year in our continuing programme of refurbishment and improvement to museums.
- 1.2.2. The capital programme is monitored over the life of the scheme rather than a single year. This reflects the life of the projects and the associated funding. Norfolk Museums Service is highly active in attracting external funding for new schemes and where appropriate these will be reported to future committees. There are modest NCC supported capital renewal schemes planned for Norwich Castle in the coming 3-year period to improve the operation of the external lift and the visitor welcome and to improve the air-handling systems within the main galleries.
- 1.2.3. NMS 2018/19 capital programme is detailed in the table below and includes any programme revisions.

Capital Programme 2018/19 – Norfolk Museums Service

Scheme or programme of work	Approved 2018/19 Capital Budget £m	2018/19 Forecast Capital Outturn £m	Slippage	Reasons
Schemes in Progress				
Voices from the Workhouse Project	0.075	0.075	0	Project estimated to be completed in 18/19
Castle Keep Improvements	0.295	0.295	0	Stage 1 to be completed on 18/19
Norwich Castle Keep Development Match Funding	1.950	1.950	0	Project estimated to be completed in 18/19
Strangers Replacement	0.002	0.002	0	Project complete –

Lighting				final payments due
Norwich Castle Critical M&E Services	0.122	0.122	0	Stage 1 Development phase to be completed in 18/19
Norwich Castle Access Improvements	0.050	0.050	0	Project estimated to be completed in 18/19
Norwich Museums Capital Projects	0.009	0.009	0	Project estimated to be completed in 18/19
Time & Tide Health & Safety Work	0.002	0.002	0	Project estimated to be completed in 18/19
Total	2.505	2.505	0	

Funding of the NMS Capital Programme

The NMS capital programme is funded from a variety of sources:

- Voices from the Workhouse project is funded by the Heritage Lottery Fund (HLF). £1.800m funding has been over 2 years, transforming Gressenhall into a national centre for workhouse interpretation and increasing the role of Gressenhall as a regional centre for heritage tourism.
- Initial capital funds for Castle Keep Development were received in July 2015 from Historic England £0.800m prior to the HLF bid. Further development funding of £0.462m was received from the Heritage Lottery Fund for Norwich Castle: Gateway to Medieval England to develop the project further during 2016-18.
- Policy & Resources Committee approved funding of £1.950m to support the major project to re-develop the Medieval Keep at Norwich Castle Museum. The £13.5m project will re-create the 12th century Norman royal palace and will develop a new British Museum Gallery of the Medieval Period. A successful bid has been made to the Heritage Lottery Fund for £9.2m accounting for the majority of funding. Additional fundraising is ongoing.
- Policy & Resources Committee approved the funding of £0.900m to improve two critical elements of the Norwich Castle site M&E infrastructure during 2017-20, including the systems that control the temperature in the exhibition galleries and improve the reliability of the external lift, addressing a key requirement of the Equalities Act 2010.
- Norwich Castle Access Improvements is funded by NCC to develop a new entrance for immediate use for wedding parties at Norwich Castle. This will address some accessibility issues and support the generation of income.

1.3. Reserves and Provisions

1.3.1. There are some changes to reserves and provisions to report. The table

summarising the out-turn position appears below.

- The income reserve is maintained to enable the Service to effectively manage pressures on revenue streams and resources, particularly during periods of unfavourable weather conditions that can impact upon visitor numbers.
- The Museums Repairs and Renewals Reserve includes funds for Gressenhall play area, farm and superstore equipment.
- The Unspent Grants and Contributions Reserve includes earmarked non-conditional project balances at year end.

Reserves and Provisions 2018/19	Balances at 01Apr18	Forecast Outturn at 31Mar19	Change
	£m	£m	£m
Norfolk Museums Service			
Museums Income Reserve	0.163	0.163	0.000
Museums Repairs and Renewals Reserve	0.165	0.156	-0.009
Unspent Grants and Contributions Reserve	0.399	0.395	-0.004
Service Total	0.727	0.714	-0.013

1.4. 2019/20 Budget Proposals

1.4.1. The budget savings proposals are summarised below:

G. Commercialisation	2019/20 £m	2020/21 £m	2021/22 £m
CMM043 – Income generation	0.000	-0.400	0.000
New 2019-22 Budget Round Savings			
CMM062 – Restructure of teams	0.000	-0.120	0.000
Total	0.000	-0.520	0.000

1.4.2. The impact of the proposed budget savings, inflation, cost neutral adjustments and virements are set out in the table below:

Description	2019/20 Budget (starting point) £m	Additional Costs (Inflation) 2019/20 £m	Savings 2019/20 £m	Growth / Cost Neutral Adjustment / Virements 2019/20 £m	Proposed 2019/20 Budget £m	Savings Reference
Employee related costs	4.443	0.064	0.000	0.042	4.549	
Premises	0.867	0.052	0.000	0.000	0.919	
Transport	0.039	0.000	0.000	0.000	0.039	
Supplies &	2.114	0.009	0.000	-0.033	2.090	

Services						
Third Party Payments	0.004	0.000	0.000	0.000	0.004	
Support Services	0.082	0.000	0.000	0.000	0.082	
Depreciation & Impairment	0.377	0.000	0.000	-0.006	0.371	
Income	-5.308	0.000	0.000	-0.005	-5.313	
Total	2.618	0.125	0.000	-0.002	2.741	

2. Financial Implications

- 2.1. The implications for resources including, financial, staff, property and IT, where relevant, are set out in Section 1 of this report.

3. Issues, risks and innovation

- 3.1. Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

4. Background

- 4.1. There are no other documents to refer to.

Officer Contact

If you have any questions about matters contained in this paper or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

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