

Norfolk Joint Museums Committee

Item No

Report title:	Finance monitoring 2016/17
Date of meeting:	31 March 2017
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact This report covers the forecast position for the Norfolk Museums Service (NMS) in 2016/17 as at 31 January 2017.	

Executive summary

This report covers the forecast Norfolk Museums Service (NMS) budget out-turn for 2016/17 and the approved revenue budget for 2017/18. The report details progress with the NMS revenue budget for 2016/17, reserves and provisions, the capital programme, and the approved revenue budget for 2017/18.

The main issues for consideration by this Committee are:

- Progress with NMS Revenue budgets and Reserves and Provisions indicates that the Service should achieve a break-even position at the year-end.

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

- **Progress with the revenue budget, capital programme and reserves and provisions forecast out-turn positions for 2016/17**
- **Note the agreed revenue budget for 2017/18 and beyond**

1. Proposal (or options)

1.1 Revenue Budget 2016/17

1.1.1 The NMS expects to achieve a break-even revenue budget outturn for 2016/17.

1.1.2 There is a projected shortfall of £0.041m from Admissions Income, which is -3.2% of the target overall. Admissions income continues to follow the strong performance of 2015/16, however the current forecast is suggesting a shortfall compared to the increased 2016/17 budget. With the remaining planned exhibitions we are anticipating an improvement in this position. Any shortfall is likely to be offset by other additional income and by the control of expenditure.

1.1.3 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	Variance since last report £m
Norfolk Museums Service	2.558	2.558	0.000	0.00%	0
NMS Total	2.558	2.558	0.000	0.00%	0

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. The Norfolk Museums Service is highly active in attracting external funding for new schemes and where appropriate these will be reported to future committees.
- 1.2.3 The NMS 2016/17 capital programme is detailed in the table below and includes any programme revisions.
- 1.2.4 Previously reported projects for Norwich Museums, Seahenge conservation and Gressenhall Biomass Boiler, totalling £0.032m have been re-profiled to 2017-18 as there is no further work planned in this financial year.

Capital Programme 2016/17 – Norfolk Museums Service

Scheme or programme of work	Approved 2016/17 Capital Budget £m	2016/17 Forecast Capital Outturn £m	Slippage	Reasons
Schemes in Progress				
Voices from the Workhouse Project	1.187	1.187	0	Project estimated to be completed in 17/18
Castle Keep Improvements	0.172	0.172	0	Stage 1 estimated to be completed in 17/18
Total	1.359	1.359	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 from Heritage Lottery Fund (HLF). £1.8m funding will be received over 2 years (2016/18), to transform Gressenhall into a national centre for workhouse interpretation and increase the role of Gressenhall as a regional centre for heritage tourism

- Initial capital funds used for Castle Keep development prior to HLF bid. Successful capital bid money was received in July 2015 from Historic England £0.8m. Further development funding of £0.462m was received from the Heritage Lottery Fund to develop the project further during 2016/18

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 2016/17	Balances at 01Apr16	Forecast Outturn at 31Mar17	Change
	£m	£m	£m
Norfolk Museums Service			
Museums Income Reserve	0.130	0.130	0.000
Museums Repairs and Renewals Reserve	0.176	0.148	-0.028
Unspent Grants and Contributions Reserve	0.635	0.590	-0.045
Service Total	0.941	0.868	-0.073

1.4 2017/18 Approved Budget

1.4.1 The budget savings proposals are summarised below:

A – Cutting costs through efficiencies	2017/18 £m	2018/19 £m	2019/20 £m
CMM037 – Additional Income generation	-0.020	0	0
CMM046 – Additional Income generation	-0.005	0	0
Total	-0.025	0	0

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

Description	2016/17 budget £m	Additional Costs (Inflation) 2017/18 £m	Savings 2017/18 £m	Cost Neutral Adjustment/ Virements 2017/18 £m	Proposed 2017/18 Budget £m	Savings Reference
Employee related costs	3.985	0.040	0	0.059	4.084	
Premises	0.714	0.015	0	0.533	1.262	
Transport	0.033	0	0	0	0.033	
Supplies & Services	1.443	0.001	0	0.582	2.026	
Third Party Payments	0.004	0	0	0	0.004	
Support Services	0.078	0	0	0	0.078	
Depreciation & Impairment	0.395	0	0	-0.133	0.262	
Income	-4.230	-0.013	-0.025	-0.581	-4.849	CMM037 CMM046
Total	2.422	0.043	-0.025	0.460	2.900	

2. Financial Implications

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

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

There are no other documents to refer to.

Officer Contact

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

If you have any questions about matters contained in this paper please get in touch with:

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