

Joint Museums Committee

Item No.

Report title:	Finance monitoring report 2017/18
Date of meeting:	6 April 2018
Responsible Chief Officer:	Tom McCabe, Executive Director of Community and Environmental Services
Strategic impact This report covers the forecast position for the Norfolk Museums Service (NMS) in 2017/18 as at 31 January 2018.	

Executive summary

This report covers the forecast Norfolk Museums Service (NMS) budget out-turn for 2017/18. The report details progress with the NMS revenue budget for 2017/18, reserves and provisions, the capital programme, and the approved revenue budget for 2018/19.

The main issues for consideration by this Committee are:

- Progress with NMS Revenue budgets indicates that the Service should achieve a break-even position at the year-end.
- Progress with NMS Capital Budgets.
- Movements in NMS Reserves & Provisions.

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 2017/18.**
- **Note the agreed revenue budget for 2018/19 and beyond.**

1. Proposal (or options)

1.1. Revenue Budget 2017/18

- 1.1.1 The NMS is currently projecting a break-even revenue budget outturn in 2017/18 through careful monitoring and control.
- 1.1.2 There is a potential budget over-spend of £0.030m on Staffing, resulting from increased pressures on front of house staff covering extended opening hours and events across the County. There is also additional pressure on the Archaeology team as the new income-generating business model beds in.
- 1.1.3 There is a projected income shortfall of £0.045m on Partnerships income, including undesignated fundraising and sponsorship income.
- 1.1.4 There is a projected surplus of -£0.070m from Admissions income, which is currently 5.32% above target. There have been strong performances in Admissions income during 2017/18, with exceptional visitor numbers to

both Norwich Castle and Time and Tide Museum in August 2017. This has resulted in an increase of £0.065m compared to August last year and a £0.202m improvement on the year to date. The exhibition programme over the autumn / winter months has continued to perform well, however, the relative strengths of the Spring programme in 2018 compared to 2017, and the disruption caused by the poor weather in March, means the Service is unlikely to meet the income generating levels of last year's very high performance for the final quarter. We are, however, optimistic of maintaining the current positive position.

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	Variance since last report £m
Norfolk Museums Service	3.104	3.104	0.000	0.00%	0
NMS Total	2.988	2.988	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. 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 The NMS 2017/18 capital programme is detailed in the table below and includes any programme revisions.

Capital Programme 2017/18 – Norfolk Museums Service

Scheme or programme of work	Approved 2017/18 Capital Budget £m	2017/18 Forecast Capital Outturn £m	Slippage	Reasons
Schemes in Progress				
Voices from the Workhouse Project	0.185	0.185	0	Project estimated to be completed in 17/18
Norwich Museums Capital Projects	0.013	0.013	0	Project estimated to be completed in 17/18
Castle Keep	0.693	0.693		Stage 1 estimated

Improvements				to be completed in 17/18
ACE Small Capital Grants	0.158	0.158		Year 3 funding to be completed in 17/18
Strangers Replacement Lighting	0.002	0.002	0	Project complete – final payments due
Norwich Castle Critical M&E Services	0.038	0.038	0	Stage 1 Development phase to be completed in 18/19. £0.120m re-profiled to 2018/19.
Gressenhall Pathway	0.002	0.002	0	Project complete
Total	1.091	1.091	0	

* CERF is the Carbon Energy Reduction Fund.

Funding of the NMS Capital Programme

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

- Norwich Museums capital projects is funded by residual monies from the Museum of Norwich project of which £0.025m was funded from the Friends of the Norwich Museums contributions.
- Initial capital funds used for Castle Keep development prior to HLF bid. Successful capital bid money was received in July 2015 from Historic England £0.800m. Further development funding of £0.462m was received from the Heritage Lottery Fund to develop the project further during 2016/18.
- Small Capital grants have been funded by Arts Council England (ACE) for a third year to allow NMS to fund the purchase of capital assets to a number of accredited Museums in our region to increase resilience.
- 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 the external lift, a requirement of the Equalities Act 2010.

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 2017/18	Balances at 01Apr17	Forecast Outturn at 31Mar18	Change
	£m	£m	£m
Norfolk Museums Service			
Museums Income Reserve	0.130	0.130	0.000
Museums Repairs and Renewals Reserve	0.160	0.103	-0.057
Unspent Grants and Contributions Reserve	0.524	0.337	-0.187
Service Total	0.814	0.570	-0.244

1.4. 2018/19 Approved Budget

1.4.1 The budget savings proposals are summarised below:

G. Commercialisation	2018/19 £m	2019/20 £m	2020/21 £m
CMM043 – Additional Income generation	-0.070	0.000	-0.400
CMM049 – Vacancy Management and streamlined management arrangements	-0.025	0.000	0.000
Total	-0.095	0.000	-0.400

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

Description	2017/18 Budget £m	Inflation 2018/19 £m	Savings 2018/19 £m	Growth / Cost Neutral Adjustment / Virements 2018/19 £m	Approved 2018/19 Budget £m	Savings Reference
Employee related costs	4.111	0.062	0.000	0.270	4.443	
Premises	1.259	0.033	0.000	-0.425	0.867	
Transport	0.033	0.000	0.000	0.006	0.039	
Supplies & Services	2.028	0.005	-0.025	0.073	2.081	CMM049
Third Party Payments	0.004	0.000	0.000	0.000	0.004	
Support Services	0.078	0.000	0.000	0.037	0.115	
Depreciation & Impairment	0.262	0.000	0.000	0.115	0.377	
Income	-4.875	-0.011	-0.070	-0.352	-5.308	CMM033

Total	2.900	0.089	-0.095	-0.276	2.618	
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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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