

# Joint Museums Committee

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| <b>Report title:</b>   | <b>Finance Monitoring Report for 2018/19</b>                  |
| <b>Date of meeting:</b>  | <b>5 April 2019</b>   |
| <b>Responsible Officer:</b>  | <b>Steve Miller, Assistant Director, Culture and Heritage</b> |
| <b>Strategic impact</b><br>This report covers the forecast position for the Norfolk Museums Service (NMS) in 2018/19 as at 28 <sup>th</sup> February 2019. |   |

## 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 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.

### 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.**

## 1. Proposal (or options)

### 1.1 Revenue Budget 2018/19

- 1.1.1 NMS is currently projecting an over-spend of £0.047m on the revenue budget. The projected over-spend has significantly reduced since October 2018 and we are anticipating a positive final period of trading which will hopefully reduce this further.
- 1.1.2 NMS is currently projecting a shortfall of -£0.042m on Admissions income, which is currently 3.06% 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 £0.089m on the

year to date compared to 2017/18. The Service has begun to see a turnaround in the figures with key exhibitions over the Autumn / Winter period, including Armistice, Circus 250 and Vikings: Rediscover the Legend playing a key part, 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 Partnership 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 minimising 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<br>£m | Outturn<br>£m | +Over/-Under<br>spend<br>£m | +Over/Under<br>spend as % of<br>budget |
|-------------------------------|-----------------------|---------------|-----------------------------|--|
| Norfolk<br>Museums<br>Service | 2.580                 | 2.527         | 0.053                       | 2.05%                                  |
| <b>NMS Total</b>              | <b>2.580</b>          | <b>2.527</b>  | <b>0.053</b>                | <b>2.05%</b>                           |

## 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   |
|--------------------------------------|------------------------------------|-------------------------------------|----------|---|
| <b>Schemes in Progress</b>           |                                    |                                     |          |   |
| Voices from the Workhouse Project    | 0.047                              | 0.047                               | 0        | Project completed in 18/19  |
| Castle Keep Improvements             | 0.286                              | 0.286                               | 0        | Stage 1 completed in 18/19  |
| Norwich Castle Critical M&E Services | 0.010                              | 0.010                               | 0        | Stage 1 Development phase to be completed in 18/19                    |
| Norwich Castle Access Improvements   | 0.004                              | 0.004                               | 0        | Preliminary work in 18/19. Project estimated to be completed in 19/20 |
| Norwich Museums Capital Projects     | 0.008                              | 0.008                               | 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                            |
| WREN Improvement Works               | 0.210                              | 0.210                               | 0        | Project to be completed in 18/19                                      |
| HLF Keep Delivery Phase              | 0.350                              | 0.350                               | 0        | Project will be ongoing over the next 4 years                         |
| <b>Total</b>                         | <b>0.917</b>                       | <b>0.917</b>                        | <b>0</b> |   |

### 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 National Lottery Heritage Fund (NLHF). £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 NLHF bid. Further development funding of £0.462m was received from the National Lottery Heritage 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 12<sup>th</sup> century Norman royal palace and will develop a new British Museum Gallery of the Medieval Period. A

successful bid has been made to the National Lottery Heritage 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     |
| <b>Norfolk Museums Service</b>           |                     |                             |        |
| Museums Income Reserve                   | 0.163               | 0.163                       | 0.000  |
| Museums Repairs and Renewals Reserve     | 0.165               | 0.150                       | -0.015 |
| Unspent Grants and Contributions Reserve | 0.399               | 0.368                       | -0.031 |
| Service Total                            | 0.727               | 0.681                       | -0.046 |

## 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 consider.

### 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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