



JOINT COMMITTEE – 24th June 2011

REVENUE AND CAPITAL OUTTURN 2010/2011

REPORT OF THE MUSEUM DIRECTOR AND TREASURER

1. Purpose of the Report

- 1.1 The Revenue and Capital Budgets for 2010/2011 were approved at the meeting of the Joint Committee on 12th March 2010. The purpose of this report is to present the Revenue and Capital Outturn position for 2010/2011 and outline any major variations since the Revenue Budget Review and Capital Budget Review reported to the Joint Committee on 11th March 2011 and 25th June 2010 respectively.
- 1.2 The Annual Return for 2010/2011, subject to audit, is included elsewhere on the agenda for approval by the Joint Committee.

2. Revenue Outturn 2010/2011

- 2.1 It should be noted that the revenue outturn in this report does not include charges associated with intra-group transactions which have an overall neutral effect on the financial position of the Museum. However, adjustments relating to intra-group transactions are required to be included in the Annual Return. Appendix A summarises the revenue outturn position for 2010/2011.
- 2.2 The revised budget estimate approved by the Joint Committee on 11th March 2011 forecast a break-even position at the year end based on a contribution from reserves of £1,601. The actual position at the year end was a surplus of £9,627.
- 2.3 The variations between the revised estimate and outturn are detailed below:
 - Services (£10,500 underspend). The provision for fees relating to the external audit and inspection has been reduced to £5,000 as a result of the Joint Committee's accounts being audited under the

limited assurance audit regime.

- Miscellaneous Income (£655). The Joint Committee received a refund of £655 during 2010/2011 relating to expenditure previously incurred in 2009/2010.

3. Capital Budget 2010/2011

3.1 The estimated capital expenditure for 2010/2011 reported to the Joint Committee on 25th June 2010 was £1,877,345, which included £1,820,530 relating to Business and Operational Improvement Plan (BOIP) projects and £56,815 on smaller capital projects. The actual amount of expenditure incurred for 2010/2011 was £1,488,743. The expenditure on non-BOIP completed schemes was £157,984 and on BOIP schemes expenditure totalled £1,330,759.

3.2 The variations totalling £101,169 on non-BOIP schemes are shown below:

Capital Scheme	Variation Over / (Under) £
Coffee Pot	796
Lewin Locomotive	(180)
Period Transport Project	3,042
Chauldron Wagons	(9,500)
Ice Rink	98,761
Land Rover	8,250
Total	101,169

3.3 The reasons for the main variations on the above non-BOIP schemes are as follows:

3.3.1 Coffee Pot (£796 overspend) - the slight overspend was due to higher costs relating to final completion work on the boiler. This scheme has now been completed with the Coffee Pot being available for the Easter holiday period and the "Power from the Past" steam event held in April 2010.

3.3.2 Period Transport Project (£3,042 overspend) - an overspend has occurred due to increased costs relating to the refurbishment and restoration of the interior of the Chip Van which is now complete.

3.3.3 Chauldron Wagons (£9,500 underspend) - the underspend is due to a reduction in the estimated cost of the works necessary to carry out the restoration of the two wagons.

3.3.4 Ice Rink – Members will recall that approval was given at the meeting held on 10th September 2010 to purchase an ice skating rink and equipment at a total capital cost of £94,000. The actual cost of the project was £98,761 which was met from the Museum’s Capital Development Reserve. The variation of £4,761 was as a result of increased costs relating to the purchase of the pavilion to store the ice skating equipment.

3.3.5 Land Rover – An insurance claim was made in June 2010 relating to a stolen Land Rover. The subsequent settlement of £7,637 was used to purchase a replacement vehicle with the additional funding of £613 being met from the Capital Development Reserve.

3.4 The actual amount of expenditure incurred on BOIP schemes during 2010/2011 was £1,330,759, which represents a total variance of £489,771 from that which was reported at the Capital Budget Review on 25th June 2010. However, since this date the Joint Committee has approved four further Progress Reports relating to the BOIP which include additional priority projects, increased contract costs and changes to the level and sources of funding available. Project delays as a result of extremely bad weather during the winter season have also lead to slippage in several of the BOIP schemes. Progress Report Number 6 which was approved by the Joint Committee on 6th May 2011 shows total estimated costs to be £2,940,000. Members will continue to be updated with BOIP Progress reports during 2011/2012.

4. Capital Development Reserve

4.1 The table below sets out the position of the Capital Development Reserve as at 31st March 2011, as well as a projected position at 31st March 2012.

	£
Balance as at 1st April 2010	592,799
Interest Received 2010/2011	3,676
Transfers from Earmarked Reserves	59,019
Financing of 2010/2011 capital expenditure	(123,272)
Balance as at 31st March 2011	532,222
Committed from 2011/2012 Capital Programme	(424,097)
Estimated Interest 2010/2011	2,500
Forecast Balance as at 31st March 2012	110,625

4.2 The forecast balance as at 31st March 2011 reported at the Capital Budget Review on 25th June 2010 was £303,580. The actual balance at 31st March 2011 was £532,222. The variation of £228,642 is due primarily to a reduction in the level of capital finance used in 2010/2011 as a result of changes to the funding and timing of BOIP schemes outlined at 3.3 above, and will now be utilised in 2011/2012.

4.3 There was a small overspend of £4,761 on the ice skating rink as detailed at paragraph 3.2.4 which was met from the Capital Development Reserve.

4.4 The forecast balance as at 31st March 2012 of £110,625 includes all of the remaining committed funding on BOIP schemes approved by the Joint Committee at the meeting held on 6th May 2011.

5. Recommendations

5.1 Members are requested to:

- Note the Revenue Outturn and variations for 2010/2011
- Note the Capital Outturn and variations for 2010/2011

Richard Evans
Museum Director

Malcolm Page
Treasurer