



**Report to: Joint Museums Committee, 7<sup>th</sup> June 2022**

**Report of: Head of Finance**

**Subject: Q4 Finance Report 2021/22**

**1. Recommendation**

1.1 **That the Committee reviews the financial monitoring details including budget variances for the 4th quarter ended 31st March 2122.**

**2. Background**

2.1 This report provides information on the following at Q4:

- Year-end position as of 31<sup>st</sup> March 2122 and transfer to General Reserve at year end
- Explanation of main variances
- Other reserves

**3. Information**

**3.1 Q4 Revenue Budget Performance**

The year-end performance at Q4 is a £34,312 surplus for Worcester City hosting and £10,601 surplus for Hartlebury Operations. This surplus has transferred to the JMS General Reserve. In addition, £4,982 surplus has been returned to the City Council and £4,043 to the County Council.

**3.2 Table 1: 2021/22 Year End Outturn as of 31st March 2122**

<b>Worcester City Hosting</b>	<b>Budget 2021/22</b>	<b>Year End 2021/22</b>	<b>Variance</b>	<b>Variance %</b>
Museum and Art Gallery	222,449	232,168	9,719	4.37%
Commandery	104,427	103,932	-495	0.47%
Joint Museums Collections Team	89,642	95,688	6,046	6.74%
Joint Museums Management Team	221,421	201,169	-20,252	-9.15%
Surplus above 5% to City		4,982	4,982	
Projects	7,187	7,187	0	0.00%
Transfer to/from reserves	-3,784	-3,784	0	0.00%
City Surplus to General Reserve	34,312	34,312	0	0.00%
County Surplus to General Reserve	10,601	10,601	0	0.00%
<b>Total Joint Museum Service</b>	<b>686,255</b>	<b>686,255</b>	<b>0</b>	<b>0.00%</b>
Worcester City	-496,133	-496,133		
Worcestershire County Council	-190,122	-190,122		
<b>Funding</b>	<b>-686,255</b>	<b>-686,255</b>	<b>0</b>	

3.3 **Table 2: Subjective Analysis 2021/22**

<b>Worcester City Hosting</b>	<b>Budget 2021/22</b>	<b>Year End 2021/22</b>	<b>Variance</b>	<b>Variance %</b>
Employees	768,736	744,242	-58,806	-7.65%
Premises	5,970	6,667	697	11.68%
Transport	2,150	284	-1,866	-86.79%
Supplies & services	214,081	245,902	31,822	14.86%
Third Party payment	0	18,264	18,264	0.00%
Grants & Contributions	-862,346	-896,121	-33,775	3.92%
Recharges	1,000	2,876	1,876	187.60%
Fees & Charges	-83,472	-79,891	3,581	4.29%
Other Income	-87,248	-83,352	3,896	4.47%
Transfer to/from reserves	-3,784	-3,784	-	0.00%
City Surplus to General Reserve	34,312	34,312	-	0.00%
County Surplus to General Reserve	10,601	10,601	-	0.00%
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

3.4 **Table 3: 2021/22 Year End Outturn as of 31<sup>st</sup> March 2122**

<b>County Hosting</b>	<b>Budget 2021/22</b>	<b>Year End 2021/22</b>	<b>Variance</b>	<b>Variance %</b>
Hartlebury Operations	212,021	207,978	-4,043	-1.91%

3.5 **Table 4: Subjective Analysis 2021/22**

<b>County Hosting</b>	<b>Budget 2021/22</b>	<b>Year End 2021/22</b>	<b>Variance</b>	<b>Variance %</b>
Employees	237,174	227,074	-10,100	-4.26%
Premises	2,550	2,167	-383	-15.02%
Transport	4,826	3,168	-1,658	-34.36%
Supplies & Services *	32,977	66,482	33,505	101.60%
Income (Including Q1 income loss support grant)	-65,506	-90,913	-25,407	-38.79%
<b>Total</b>	<b>212,021</b>	<b>207,978</b>	<b>-4,043</b>	<b>-1.91%</b>

Hartlebury Operations is hosted by the County Council.

### 3.6 **Explanation of major variances**

The City Council hosted operations year end surplus of £34,312 has been transferred to the JMS general reserve at year end. The County Council hosted year end surplus of £10,601 has been transferred to the JMS general reserve at year end.

Earlier in the year savings were made by reducing spending where possible (for example on shop stock and collections care materials) to mitigate the risk of loss of income due to further lockdowns.

In addition, it has proven hard to recruit to vacant posts, meaning an additional saving although reduced capacity.

Whilst income is under target, some areas such as the Commandery Café, the City museums shops and the County Museums and Commandery events have performed very well in Q4 as in previous quarters, resulting in an increased surplus from previous reporting.

\* Note that in table 4, the Q4 Hartlebury 'supplies and services' line include the transfer of the surplus to City Council hosted reserve, as well as movement of external funding into the 22-23 financial year. Actual spend over budget on supplies was £2,260.

### 3.7 **Transformation savings**

Worcester City asked for £4,000 in savings in 2021/22. The VAT status in Commandery admissions has been reviewed and it has been concluded that no changes can be made as this may affect the City's VAT exemption threshold. However, we were able to achieve in this financial year because the Government temporarily reduced the VAT rate on museum admissions.

### 3.8 **Surplus/deficit split**

Under the terms of the agreement, any variance to budget within 5%, will be transferred to the Joint Museum general reserve.

### 3.9 **JMS Reserve movements during Q4 funding both revenue and capital expenditure**

#### **General Reserve**

**The value of the General reserve at the end of Q4 2021/22 is £142,423.38**

The following transfers have been made during Q4.

#### **To reserve: -**

City Council year end surplus £34,312

Hartlebury Operations year end surplus £10,601

#### **From reserve:**

No transfers in Q4

#### **Restricted Reserves**

These funds are restricted to be used on specific projects and museum work: -

**The value of the Project reserve £122,715.90 at Q4**

The following transfers have been made during Q4.

**To reserve: -**

Japanese Masters to reserve £6,438.96

John Ellerman underspend £5,214

Commandery HAF Project underspend £556

Esmee Fairbairn Glove project underspend £10,198

Culture Recovery 3 project underspend £441.67

**From reserve: -**

No one Left Behind project £595.91

Volunteers at Home £484.25

Culture Recovery project £17,300

**The value of the Donations reserve £11,846.27 at Q4**

The following transfers have been made during Q4.

**To reserve: -**

MAG donations in year £2,259

Commandery donations £793

MAG Collection Team donations £167

**From reserve: -**

No transfers in Q4

**Other reserves: -**

Shop stock (ring fenced reserve) £18,000.

<b>Ward(s):</b>	<b>All</b>
<b>Contact Officer:</b>	<b>Mark Baldwin – Tel 01905 722007</b>
	<b>Email – <a href="mailto:mark.baldwin@worcester.gov.uk">mark.baldwin@worcester.gov.uk</a></b>
<b>Background Papers:</b>	<b>None</b>