

**Report to: Joint Museums Committee, 15<sup>th</sup> June 2023**

**Report of: Head of Finance**

**Subject: Q4 FINANCE REPORT 2022/23**

**1. Recommendation**

1.1 **That the Joint Committee reviews the financial monitoring details including budget variances for the 4th quarter ended 31st March 2023.**

**2. Background**

2.1 This report provides information on the following at Q4:

- Year-end position as of 31<sup>st</sup> March 23 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 £33,393 surplus for Worcester City hosting. This surplus has been transferred to the JMS General Reserve. In addition, there was a year-end surplus of £668 from the County Hartlebury Operations.

**3.2 Table 1: 2022/23 Year End Outturn as of 31st March 23**

<b>Worcester City Hosting</b>	<b>Budget 2022/23</b>	<b>Year End 2022/23</b>	<b>Variance</b>	<b>Variance %</b>
Museum and Art Gallery	222,821	233,740	10,919	5.00%
Commandery	120,308	124,675	4,367	4.00%
Joint Museums Collections Team	89,255	89,329	74	0.08%
Joint Museums Management Team	252,107	236,747	-15,360	-6.00%
Net transfer to/from reserves	(7,900)	(7,900)	0	0%
Surplus above 5% to City	0	0	0	0%
City surplus to General reserve	33,393	33,393	0	0%
County surplus to General reserve	668	668	0	0%
<b>Total Joint Museum Service</b>	<b>710,652</b>	<b>710,652</b>	0	0%
Worcester City	(509,158)	(509,158)	0	0%
Worcestershire County Council	(201,494)	(201,494)	0	0%
<b>Funding</b>	<b>(710,652)</b>	<b>(710,652)</b>	0	0%

3.3 **Table 2: Subjective Analysis as of 31<sup>st</sup> March 23**

<b>Worcester City Hosting</b>	<b>Budget 2022/23</b>	<b>Year End 2022/23</b>	<b>Variance</b>	<b>Variance %</b>
Employees	788,380	788,377	-3	0%
Premises	2,940	2,285	-655	22%
Transport	1,632	296	-1,336	-82%
Supplies & services	230,647	236,657	6,010	2.60%
Third Party payment	0	2,652	2,652	0%
Grants & Contributions	(826,204)	(826,204)	0	0%
Recharges	0	0	0	0%
Fees & Charges	(108,113)	(114,117)	(6,004)	5.55%
Other Income	(101,803)	(102,467)	(664)	0.65%
Net transfer to/from reserves	(7,900)	(7,900)	0	0%
Projects to/from reserves	(13,640)	(13,640)	0	0%
City Surplus to General Reserve	33,393	33,393	0	0%
County Surplus to General Reserve	668	668	0	0%
<b>Total</b>	-	-	-	-

3.4 **Table 3: 2022/23 Year End Outturn as of 31<sup>st</sup> March 23**

<b>County Hosting</b>	<b>Budget 2022/23</b>	<b>Year End 2022/23</b>	<b>Variance</b>	<b>Variance %</b>
Hartlebury Operations	238,421	237,753	-668	-0.28%

3.5 **Table 4: Subjective Analysis as of 31<sup>st</sup> March 23**

<b>County Hosting</b>	<b>Budget 2022/23</b>	<b>Year End 2022/23</b>	<b>Variance</b>	<b>Variance %</b>
Employees	260,490	263,050	2,560	0.98%
Premises	2,550	2,851	301	11.80%
Transport	4,826	-1,280	-1,280	-26.52%
Supplies & Services	36,061	18,128	18,128	50.27%
Income	-65,506	-20,377	-20,377	31.11%
<b>Total</b>	<b>238,421</b>	<b>237,753</b>	<b>-668</b>	<b>-0.28%</b>

Hartlebury Operations is hosted by the County Council.

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

The City Council hosted operations year-end surplus of £33,393 has been transferred to the JMS general reserve at year end. This was due to an underspend on salaries of £21k, overspend on supplies and services £6k, over achievement on income of £18k. The County Council hosted year end surplus of £668 has been transferred to the JMS general reserve at year end.

Both the Commandery and the County Museum did exceptionally well against targets for earned income, with new initiatives the Commandery's Escape Room and Blacksmithing courses at the County Museum seeing a successful first year of operation.

Staff savings relate to a member of the management team who returned from maternity leave late in 2022. Backfill arrangements for this post in 21-22 and 22-23 were spread across the teams and are reflected in overspends seen in services and venue budgets, as well as being partly funded externally. These arrangements enabled the service to budget through the recovery from the Covid period.

### 3.7 **Surplus/deficit split**

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

### 3.8 **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 £191,470.39**

The following transfers have been made during Q4.

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

City Council year end surplus £33,393

County year-end surplus £668

#### **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 £92,876.58 at Q4**

The following transfers have been made during Q4.

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

Membership Scheme £1,640.02

John Ellerman underspend £17,404.69

Commandery HAF Project underspend £3,591.77

**From reserve: -**

Japanese Matters project £6,438.96

Esme Fairbairn £29,010.81

**The value of the Donations reserve £19,763.29 at Q4**

The following transfers have been made during Q4.

**To reserve: -**

MAG donations in year £3,058

Commandery donations £0

Other donations £1,640.02

**From reserve: -**

No transfers in Q4

**City Plan fund reserve**

Transfers were also made from the City Plan Fund Reserve £11,111.58

**Other reserves: -**

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

<b>Ward(s):</b>	<b>All</b>
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<b>Background Papers:</b>	<b>None</b>