

Report to: Joint Museums Committee, 26th October 2023

Report of: Head of Finance

Subject: Q1 FINANCE REPORT 2023/24

1. Recommendation

1.1 That the Joint Museums Committee reviews the financial monitoring details including budget variances for the 1st quarter ended 30th June 2023

2. Background

2.1 This report provides information on the following at Q1:

- Forecast Year end position as at Q1 30th June 2023
- Explanation of main variances
- Draft budget proposal 2024/25
- Reserves

3. Information

3.1 Q1 Revenue Budget Performance

The forecast year-end position for the City-hosted teams at Q1 is £30,683 surplus.

3.2 Table 1: 2023/24 Projected Year End Outturn as at 30th June 2023

Worcester City Hosting	2023/24 Budget	Year End 2023/24	Variance	Variance %
Museum and Art Gallery	242,862	244,106	1,244	0.5%
Commandery	131,538	118,755	-12,783	-10%
Joint Museums Collections Team	103,963	99,568	-4,395	-4%
Joint Museums Management Team	265,574	250,825	-14,749	-6%
Projects	-	-	-	-
Total (Surplus)	743,937	713,254	-30,683	-4%
Transfer to/from reserves	-	-	-	-
Worcester City contribution	(550,027)	(550,027)	-	-
Savings	16,840	16,840	-	-
Worcester County contribution	(210,750)	(210,750)	-	-
Funding	(743,937)	(743,937)	-	-

3.3 Table 2: Subjective Analysis 2023/2024

Worcester City Hosting	2023/24 Budget	Year End 2023/24	Variance	Variance %
Employees	785,064	762,045	(23,019)	-3%
Premises	980	850	(130)	-13%
Transport	1,380	1,380	-	-
Supplies & services	106,882	107,185	303	-
Third Party Payment	9,631	7,000	(2,631)	-27%
Fees & Charges	(97,340)	(107,979)	(10,639)	-11%
Other Income	(62,660)	(57,227)	5,433	9%
Grants & Contributions	(743,937)	(743,937)	-	-
Transfer from reserves	-	-	-	-
Total (Surplus)	0	-30,683	-30,683	

3.4 Table 3: 2023/24 Projected Year End Outturn as at 30th June 2023

County Hosting	2022/23 Budget	Projected 2023/24	Variance	Variance %
Hartlebury Operations	261,800	261,456	(344)	- 0.13%

3.5 Table 4: Subjective Analysis 2023/24

County Hosting – Hartlebury	2023/24 Budget	Year End 2023/24	Variance	Variance %
Employees	278,510	293,820	15,310	5.50%
Premises	2,550	2,550	-	-
Transport	4,830	3,830	(1,000)	-20.70%
Supplies & services	41,430	32,726	(8,704)	-21.01%
Income	(65,520)	(71,470)	(5,950)	9.08%
Total (Surplus)	261,800	261,456	(344)	-0.13%

Hartlebury Operations is hosted by the County Council.

3.6 Explanation of major variances

Both City and County museums performed well in terms of earned income in the first quarter of the year. This reflects some early payments and is anticipated that Q3 may be lower than target as a result. This is being monitored closely and supplies spending will be aligned with income achievement as needed.

Within the City-hosted service, the underspend on employees reflects the part-time return from maternity leave of one member of staff. Rather than employ a single cover post, her work programme has been covered by supporting staff and external expertise and will more closely balance by year end.

The County Museum’s staffing overspend reflects the greater need for additional staffing for events at the start of this year. It is being closely monitored to ensure a balance by year end. The County Council made some small adjustments to the County Museum budget during final budget setting which includes a vacancy saving on all services in 23-24. This is being closely monitored as the County Museum is not anticipating any of its small number of posts falling vacant this financial year.

Draft Budget proposal 2024/25

	2024/25 City Contribution Proposal	2024/25 County Contribution Proposal	2024/25 Total Draft JMS Budget
Worcester City Hosting			
Base budget 2023/24	533,187	210,750	743,937
Plus, inflation	36,870	10,536	47,406
Savings	(5,000)	0	(5,000)
Total (Including inflation)	565,057	221,286	786,343

The 2024/25 draft budget for the City Council is being prepared for review by the Policy and Resources Committee on 19th December 23, final approval by Council in February.

	2024/25 Budget Proposal
County Hosting – Hartlebury	
Base budget 2023/24	261,800
Inflation	15,708
Savings	0
Total (Plus inflation)	277,508

The County budgets will receive final approval by the Council in February.

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. The value of the reserve at the end of Q1 was £191,470.

Amounts were designated from this reserve by the committee in June 2023 for the following purposes:

Worcestershire County Museum development £77,500
 Worcester Art Gallery & Museum development £63,500

There have been no transfers from the general reserve in Q1.

3.8 Restricted Reserves

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

Project reserve **£92,876**

Project	Balance b/fwd. 23/24
Commandery Arts project	16,773
Membership Scheme	2,432
Porcelain Commissions	23,796
What's on project	1,820
Volunteers at Home	453
Museums on the Move	6,562
Commandery Development	14,830
John Ellerman	22,619
HAF	3,591
Total	92,876

There have been no transfers from the projects reserves in Quarter 1.

Ward(s): All
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Background Papers: None