

**THE CITY AND COUNTY OF CARDIFF, COUNTY BOROUGH
COUNCILS OF BRIDGEND, CAERPHILLY, MERTHYR TYDFIL,
RHONDDA CYNON TAF AND THE VALE OF GLAMORGAN**

**THE GLAMORGAN ARCHIVES
JOINT COMMITTEE**

11 December 2009

REPORT OF:

**REPORT OF CARDIFF COUNCIL:
HOST AUTHORITY FOR THE JOINT
COMMITTEE**

PART 1	AGENDA ITEM NO 7
BUDGET REPORT	

PURPOSE OF REPORT

- 1 This report provides members with an update of the final revenue outturn for financial year 2008/2009 and the projected full year revenue outturn for the current financial year 2009/2010. It also details the proposed revenue budget for financial year 2010/2011.

OUTTURN POSITION FOR FINANCIAL YEAR 2008/2009

- 2 The accounts for financial year 2008/2009 have been reviewed by the Wales Audit Office and certified as presenting fairly the financial position of the Joint Committee as at 31st March 2009. The table below summarises the full year revenue position.

Table 1: Outturn Position 2008/09

	Budget	Actual	Variance
	£	£	£
Expenditure			
Employees	519,050	466,782	-52,268
Premises	251,320	243,903	-7,417
Transport	6,100	3,526	-2,574
Supplies & Services	48,210	43,701	-4,509
Support Services	27,000	34,966	7,966
Gross Expenditure	851,680	792,878	-58,802
Income	-46,540	-45,580	960
Net expenditure	805,140	747,298	-57,842

- 3 This table indicates a net expenditure of £747,298 for the year. This represents an underspend of £57,842 (7.2%) against an approved budget of £805,140. The 2008/2009 Statement of Accounts, was approved by Joint Committee Members in July 2009.

- 4 The revenue cost of running the service is funded by the 6 constituent Local Authorities. As contributions in year are based on the approved budget then any underspend against that budget will result in a surplus of contributions. In 2008/2009, as in previous years, this surplus has been added to the general reserve. As at 31st March 2009, the accumulated balance on this reserve stood at £212,632. This comprised of the balance brought forward from 2007/2008 of £134,161 plus the 2008/2009 general fund surplus of £78,471 (revenue surplus plus interest less charges). This reserve is available for the general use of the Glamorgan Archive Service in future years as it is not ring fenced for any particular activity.
- 5 The Committee also holds Heritage Lottery Fund grant monies on behalf of the Women's Archives of Wales. The financial position at the year end is summarised in the table below:

Table 2 : Women's Archives of Wales 2008/09

	£
Balance Brought Forward from 2007/2008	47,066
Amount of Grant Received in 2008/2009	74,800
Amount Utilised in 2008/2009	-78,906
Balance as at 31st March 2009	42,960

- 6 This balance has been carried forward into 2009/2010 for use in that year.
- 7 Following closure and certification of the final accounts for 2008/2009 by the Wales Audit Office, Rhondda Cynon Taf County Borough Council transferred the Joint Committee's cash balance to Cardiff Council.

PROJECTED OUTTURN POSITION FOR FINANCIAL YEAR 2009/2010

- 8 Appendix 1 details the projected full year revenue position for financial year 2009/2010, as forecasted at 30th September 2009. This is summarised in the table below.

Table 3 : Projected Outturn 2009/10 (at Month 6)

	Budget £	Projection £	Variance £
Expenditure			
Employees	567,681	526,290	-41,391
Premises	315,644	375,747	60,103
Transport	5,647	7,720	2,073
Supplies & Services	42,926	38,902	-4,024
Support Services	28,500	28,500	0
GROSS EXPENDITURE	960,398	977,159	16,761
Income	-64,598	-95,987	-31,389
NET EXPENDITURE	895,800	881,172	-14,628

- 10 The full year spend is projected to be £881,172, representing an underspend of £14,628 (1.6%) against the approved budget of £895,800. When the 2009/2010 budget was prepared, a 1% efficiency saving was applied to meet the requirements set out by the Welsh Assembly Government in its 'Making the Connections' Agenda. This efficiency was realised under the employees heading. The projected underspend is in addition to meeting this saving. Reasons for the main variances are given below:

Employees (-£41,391)

- 11 The 2009/2010 budget was based on the mid pay point of the pay scales of a possible scenario for a revised establishment structure. However, this was not implemented in 2009/10. Instead, the Glamorgan Archivist has proposed a new staffing structure, which is subject to a separate report to members, with an effective date of 1st April 2010.
- 12 Savings will be achieved as a direct result of a lower than budgeted pay award and reduced employer superannuation contributions from staff not joining the pension scheme. There is also a saving in the cost of employing the Temporary Programme Director, appointed on a lower pay point than budgeted, but this will be offset by reduced income as his costs are rechargeable to the Capital Programme for the new build.
- 13 These savings will be partly offset by the cost of agency staff including a qualified Archivist who is specialising in cataloguing into the database in preparation for planned service delivery at the new Records Office.

Premises (+£60,103)

- 14 The budget for 2009/2010 was based on the Glamorgan Archive Service relocating in year to new purpose built premises, with a planned operational date of 1st January 2010. Until this time, the service would continue to operate out of existing accommodation. The budget therefore reflects 9 months costs of existing premises combined with 3 months costs of the new premise (based on costs contained in the Outline Business Case).
- 15 The projected outturn also reflects the 9 month/ 3 month split of operational premises costs. It is anticipated that there will be a net overspend against the budget of just £8k due to higher than budgeted National Non Domestic Rates for the new premises.
- 16 The budget assumes that the Glamorgan Building will be vacated by the end of December 2009 whereas in reality costs will continue to be incurred to March 2010 whilst the move to Leckwith is ongoing. These costs can be classified as 'double running' costs and cover items such as rents, rates and service charges.
- 17 The projected outturn for premises includes £52k of such expenditure. There is a provision of £86k within the capital programme for the new building to cover double running costs such as these. The projected income figure includes a contribution of £52k from the programme to

meet these costs.. Any earlier departure from the Glamorgan Building should result in lower costs.

Income (-£31,389)

- 18 The income projection includes £52k from the capital programme to fund the double running costs, as detailed in paragraph 16 above. Other income is anticipated to be £44k (£21k less than budgeted). The loss of income from searches in respect of post mortem cases is £15k and there is reduced income from the new build capital programme in line with savings in the cost of employing the temporary Programme Director of £9k.
- 19 Any surplus or deficit incurred against the revenue budget this year will be transferred to the general reserve, as outlined in paragraph 4. On the basis of the projected outturn at month 6, then there will be a surplus of £14,628 to transfer to the reserve.
- 20 The costs incurred to date this year in respect of the Women's Archive of Wales are £34,205. It is expected that by the end of this financial year, the remaining grant income due from the Heritage Lottery Fund and the balance of grant from last year will be fully spent.

Table 4 : Women's Archives of Wales 2009/10

	£
Balance Brought Forward from 2008/2009	42,960
Amount of Grant Receivable in 2009/2010	18,700
Projected Utilisation in 2009/2010	-61,660
Projected balance as at 31st March 2010	0

PROPOSED BUDGET FOR FINANCIAL YEAR 2010/2011

- 21 2010/2011 sees the full year financial impact of Glamorgan Records Office operating from its new purpose built premises in Leckwith. Members will have previously been made aware, through the Outline Business case and subsequent Final Business case that the move would result in higher revenue costs.
- 22 The table below gives a summary of the proposed budget with a more detailed analysis in Appendix 2.

Table 5 : Proposed Budget 2010/11

	2009/2010 Budget £	Proposed 2010/2011 Budget £	Yr on Yr change £	Yr on Yr change %
Expenditure				
Employees	567,681	521,698	-45,983	-8.10
Premises	315,644	347,007	31,363	9.94
Transport	5,647	8,676	3,029	53.64
Supplies & Services	42,926	54,634	11,708	27.27
Support Services	28,500	28,500	0	0.00
GROSS EXPENDITURE	960,398	960,515	117	-0.01
Income	-64,598	-45,903	18,695	28.94
NET EXPENDITURE	895,800	914,612	18,812	2.1

23 The proposed budget is £18,812 (2.1%) greater than the budget for the current year. The budget has been managed through a one off contribution from reserves of £39,953. This budget reflects the cost of the proposed new staffing structure, as detailed to members, the full year cost impact of operating from the new premises plus a contingency of £24k to meet any unforeseeable costs in the first year of operation.

Employees

24 The employee budget has been prepared on the basis of the proposed new staffing structure which has been outlined in the earlier report. A pay award of 1% has been budgeted for.

Premises

25 The 2010/2011 budget provides for the full year premise costs of the new Glamorgan Records Office. Given that this is a new purpose built building it has been difficult to obtain accurate estimates of the running costs. Particular issues included establishing the cost of utilities with budgets for electricity, gas and water all having to be set at provisional levels.

26 The budget for National Non Domestic Rates has been provided for on the basis of a draft rateable value for the new Records Office of £400k. The rating system re-values all non domestic properties every five years with the next revaluation coming into effect on 1st April 2010.

27 A general provision of £24k has been built into the 2010/2011 budget to cover the cost of unforeseeable repairs to both the interior and exterior of the new Glamorgan Records Office. It may materialise that this budget is not required in which case it will be available to reduce the drawdown from reserves. The requirement for a contingency budget will be reviewed in-light of the actual costs of operating the service from the new building and will be considered as part of the budget setting process in future years.

- 28 A budget of £24k has been set aside for premise insurance premiums and claims. The new Office is currently insured under Cardiff Council's buildings insurance policy but there is a need to review whether this is the best option for the Service.
- 29 All budgets will need to be closely monitored as many of them are at this stage provisional (based on re-priced Business Case figures or best estimates provided by suppliers). It is hoped that the overall premises budget will be more than sufficient to meet the full year running costs of the new Office.

Transport

- 30 The growth in the transport budget is specifically to cover the cost of a leased estate car. A lease agreement was entered into in July 2008 for a period of 4 years and until November 2009 the cost of the lease was met from the capital budget of the new build.

Supplies & Services

- 31 The most significant budgets under the supplies and services budget head relates to IT costs for hardware, software, computer costs and communications. It has not been possible to obtain an accurate cost for these services so a provisional budget totalling £33k has been included. This budget will need close monitoring during the year to ensure that it is sufficient to meet the IT needs of the Service.

Support Services

- 32 The proposed support service charge from Cardiff Council is in line with the 2009/2010 budget. This charge includes support for accountancy, audit, exchequer functions, human resources, legal and committee services.

Income

- 33 Income of just under £6k has been budgeted for as the expected income from sales, fees and charges. The level of uptake for the chargeable elements of service provision at the new premises is an unknown factor. The Glamorgan Archivist envisages that there will be potential for further income generation in the future as visitors become increasingly aware of what is on offer at the new Glamorgan Archives building.
- 34 The contribution from reserves of £39,953 is anticipated to be required in the event of the expenditure budget being fully incurred.
- 35 The effect of the 2010/2011 budget proposals on the contributions of constituent Authorities is shown in the table below. The current year contributions are also shown for comparative purposes

Table 6: Local Authority Contributions

Authority	%	Contribution		
		2009/2010	2010/2011	Increase
Bridgend C.B.C.	14	125,412	128,046	2,634
Cardiff Council	32	286,656	292,676	6,020
Merthyr Tydfil C.B.C.	6	53,748	54,877	1,129
Rhondda Cynon Taf C.B.C.	25	223,950	228,653	4,703
Caerphilly C.B.C.	11	98,538	100,607	2,069
Vale of Glamorgan C.B.C.	12	107,496	109,753	2,257
Total	100	895,800	914,612	18,812

35 Constituent Local authorities will be officially informed of their contributions for 2010/2011 once the budget has been approved. Contributions will be requested in two equal instalments, on 1st July 2010 and 1st January 2011 by the City & County of Cardiff.

SUMMARY

36 The accounts for financial year 2008/2009 have been reviewed by the Wales Audit Office and certified as presenting fairly the financial position of the Joint Committee as at 31st March 2009.

37 Rhondda Cynon Taf County Borough Council transferred the Joint Committee's cash balance of £200,362.96 to Cardiff Council on 26th October 2009.

38 For the current year, the net cost of the provision of the Glamorgan Archives Service is projected to be £881,172 representing an underspend of £14,628 (1.6%) against the approved budget of £895,800.

39 The proposed budget for 2010/2011 is £18,812 (2.1%) greater than the budget for the current year.

40 Contributions totalling £914,612 will be requested from the Constituent Local Authorities in two equal instalments, on 1st July 2010 and 1st January 2011 by the City & County of Cardiff.

FINANCIAL IMPLICATIONS

41 An underspend of £14k is currently projected for 2009/10. This is based on the assumption that the residual running costs of the Glamorgan Building, whilst the move to Leckwith is ongoing, will be funded by the Capital Programme.

42 The value of the general reserve as at 31st March 2010, to be carried forward into 2010/2011, will be dependant upon the actual outturn for 2009/2010.

43 The value of the general reserve is anticipated to be reduced by £39,953 as a result of it being used to assist the 2010/11 formulated budget

- 44 Discussions on the way forward regarding insurance cover will need to take account of the budget provisions as any decision may result in an additional financial commitment.

LEGAL IMPLICATIONS

- 45 Under the terms of the Joint Archives Committee Agreement, the parties delegated to the Committee all their powers and duties in connection with the care preservation maintenance and management of archives and records except for the power of setting a budget or borrowing money.
- 46 The Committee is required under the terms of the Agreement to approve a draft budget for 2010/2011 for submission to each of the parties for approval, such budget to be borne in the proportions set out in Clause 5 (a)(i) of the Agreement reproduced in paragraph 4.3 above.

RECOMMENDATIONS

- 47 It is recommended to members that they:
- Note the final full year position for financial year 2008/2009 and the projected full year position for financial year 2009/2010 as detailed in Appendix 1.
 - Approve the budget proposals for 2010/2011 as detailed in Appendix 2.

C.SALTER
City & County Treasurer

BACKGROUND PAPERS:

Glamorgan Archives Joint Committee - Statement of Accounts 2008/2009
- Report on the 2009/2010 budget
- Full Business Case August 2007

2009/10 PROJECTED OUTTURN POSITION AS AT MONTH 6

APPENDIX 1

	2009/2010 Budget £	2009/2010 Projected Outturn £	2009/2010 Variances £
EXPENDITURE			
EMPLOYEES			
APT & C GROSS PAY	379,983	355,653	-24,330
APT & C OVERTIME	3,000	3,000	0
APT & C SUPERANNUATION	81,997	59,475	-22,522
APT & C NATIONAL INSURANCE	33,069	24,443	-8,626
APT & C MISCELLANEOUS ALLOWANCES	0	312	312
HOS GROSS PAY	47,132	45,982	-1,150
HOS SUPERANNUATION	9,898	9,656	-242
HOS NATIONAL INSURANCE	4,006	4,006	0
AGENCY STAFF	0	20,260	20,260
EMPLOYER & PUBLIC LIABILITY INSURANCE	4,596	2,412	-2,184
MEDICAL EXPENSES	0	90	90
TRAINING GENERAL	4,000	1,000	-3,000
TOTAL EMPLOYEES	567,681	526,290	-41,391
PREMISES			
BUILDING INFRASTRUCTURE, GROUNDS & EQUIP	34,999	4,555	-30,445
SECURITY	845	8,690	7,845
FIRE RELATED FIXTURES	1,950	1,950	0
ELECTRICITY	5,313	15,346	10,033
GAS	1,177	8,750	7,573
RENTS	194,417	239,210	44,793
SERVICE CHARGES	3,000	2,800	-200
NATIONAL NON DOMESTIC RATES	57,750	76,969	19,219
WATER	1,814	2,049	235
FIXTURES & FITTINGS	750	0	-750
OFFICE CLEANING CONTRACT	7,894	8,520	626
WASTE COLLECTION	735	1,025	290
INSURANCE	5,000	5,884	884
TOTAL PREMISES	315,644	375,747	60,103
TRANSPORT			
REPAIR OF VEHICLES	0	764	764
VEHICLE FUEL	1,000	1,000	0
HIRE OF TRANSPORT	909	200	-709
CAR ALLOWANCES	2,723	2,408	-315
TRAVELLING EXPENSES	1,015	1,549	534
VEHICLE LEASE	0	1,350	1,350
VEHICLE INSURANCE	0	450	450
TOTAL TRANSPORT	5,647	7,720	2,073
SUPPLIES & SERVICES			
BOOKS	1,095	1,095	0
OFFICE EQUIP & FURNITURE	750	750	0
TRANSLATION SERVICE (WELSH LANGUAGE ACT)	1,000	1,200	200
EQUIPMENT REPAIRS & MAINT	1,050	1,200	150
PURCHASE OF EQUIPMENT	8,250	0	-8,250
CONSERVATION	1,060	6,026	4,966
CATERING SUNDRIES	188	114	-74
UNIFORMS / PROTECTIVE CLOTHING	280	1,106	826
STATIONERY	1,679	2,000	321
PRINTING	1,000	1,000	0
PHOTOCOPYING	1,979	1,742	-237
AUDIT FEES	2,197	2,200	3
TELEPHONE CHARGES	2,075	3,220	1,145
POSTAGES	1,094	1,094	0
COMPUTER COSTS GENERAL	17,274	12,750	-4,524
SUBSISTENCE	100	100	0
SUBSCRIPTIONS	1,095	1,095	0
MISCELLANEOUS INSURANCE	0	700	700
ADVERTISING (EXCL STAFF)	250	1,000	750
OTHER MISCELLANEOUS EXPENSES	510	510	0
TOTAL SUPPLIES & SERVICES	42,926	38,902	-4,024
SUPPORT SERVICES			
PAYROLL/INCOME/CREDITORS	3,750	3,750	0
ACCOUNTANCY	12,654	12,654	0
HUMAN RESOURCES	1,849	1,849	0
PROCUREMENT	3,803	3,803	0
ADMIN	1,585	1,585	0
LEGAL	4,859	4,859	0
TOTAL SUPPORT SERVICES	28,500	28,500	0
GROSS EXPENDITURE	960,398	977,159	16,761

APPENDIX 1

	2009/2010 Budget £	2009/2010 Projected Outturn £	2009/2010 Variances £
INCOME			
PUBLICATIONS GENERAL	0	-1,159	-1,159
SALE OF DIRECTORIES	0	-3	-3
SALE OF PHOTOCOPIES	-1,200	-1,227	-27
SALE OF MICROFORMS	-750	-659	91
CONSERVATION INCOME	0	-134	-134
POST MORTEM INCOME	-15,000	-20	14,980
SALE OF FOOD	0	-136	-136
COURSE FEES GENERAL	-500	-200	300
SEARCH FEES	-1,875	-3,217	-1,342
ACCESS FOR FILMING	0	-652	-652
SERVICES OF TEMPORARY PROGRAMME DIRECTOR	-45,273	-36,359	8,914
CONTRIBUTION FROM RESERVE	0	-52,222	-52,222
TOTAL INCOME	-64,598	-95,987	-31,389
TOTAL NET BUDGET	895,800	881,172	-14,628

PROPOSED BUDGET FOR FINANCIAL YEAR 2010/2011

APPENDIX 2

	2009-2010 BUDGET £	2010-2011 PROPOSED BUDGET £	Yr on Yr Variance £	Yr on Yr Variance %
EMPLOYEES				
GROSS PAY	427,115	397,316	-29,799	
OVERTIME	3,000	3,000	0	
NATIONAL INSURANCE	37,075	26,702	-10,373	
SUPERANNUATION	91,895	83,436	-8,459	
INDIRECT EMPLOYEE EXPENSES	0	320	320	
STAFF TRAINING	4,000	3,000	-1,000	
TEMPORARY STAFF	0	3,000	3,000	
EMPLOYERS LIABILITY INSURANCE	4,596	4,924	328	
TOTAL EMPLOYEES	567,681	521,698	-45,983	
PREMISES				
ELECTRICITY	5,313	60,000	54,687	
GAS/OIL	1,177	35,000	33,823	
WATER	1,814	8,194	6,380	
SECURITY	845	2,760	1,915	
BUILDINGS INFRASTRUCTURE, GROUNDS & EQUIPMENT	34,999		-34,999	
PLANT & EQUIP MAINTENANCE	0	6,870	6,870	
PEST CONTROL	0	1,000	1,000	
REVOLVING DOOR MAINTENANCE	0	814	814	
GROUNDS MAINTENANCE	0	4,320	4,320	
FIRE RELATED FIXTURES	1,950	0	-1,950	
SERVICE CHARGES - FIRE RELATED	3,000	0	-3,000	
FIXTURE & FITTINGS	750	0	-750	
DECORATION/EXTERIOR CLEANING/REPAIRS	0	2,000	2,000	
CONTINGENCY FOR FUTURE YEARS REPAIRS	0	24,000	24,000	
FIRE PROTECTION	0	64	64	
FIRE MANAGEMENT	0	3,150	3,150	
RENTS	194,417	0	-194,417	
NATIONAL NON DEOMESTIC RATES	57,750	163,600	105,850	
OFFICE CLEANING CONTRACT	7,894	10,000	2,106	
PREMISE INSURANCE	5,000	23,535	18,535	
SANITATION & WASTE DISPOSAL	735	1,700	965	
TOTAL PREMISES	315,644	347,007	31,363	
TRANSPORT				
HIRE OF TRANSPORT	909	300	-609	
TRAVEL EXPENSES	1,015	1,198	183	
CAR ALLOWANCES	2,723	2,500	-223	
FUEL	1,000	1,000	0	
VEHICLE INSURANCE	0	450	450	
VEHICLE LEASE	0	3,228	3,228	
TOTAL TRANSPORT	5,647	8,676	3,029	
SUPPLIES & SERVICES				
BOOKS	1,095	1,000	-95	
SUBSCRIPTIONS	1,095	1,000	-95	
ICT HARDWARE & SOFTWARE	9,481	20,000	10,519	
IT HARDWARE & SOFTWARE UPGRADE	293	1,279	986	
PRINTING	1,000	2,052	1,052	
POSTAGES	1,094	2,273	1,179	
STATIONERY	1,679	2,052	373	
TELEPHONES	2,075	7,908	5,833	
AUDIT FEES	2,197	2,965	768	
CONSERVATION	1,060	3,000	1,940	
STAFF WELFARE	0	0	0	
SUBSISTENCE	100	100	0	
UNIFORMS	280	100	-180	
OFFICE EQUIP & FURNITURE	750	0	-750	
TRANSLATION SERVICE (WELSH LANGUAGE)	1,000	1,000	0	
EQUIPMENT REPAIRS & MAINTENANCE	1,050	1,200	150	
PURCHASE OF EQUIPMENT	8,250	950	-7,300	
CATERING SUNDRIES	188	500	312	
PHOTOCOPYING	1,979	1,900	-79	
COMPUTER COSTS	7,500	3,655	-3,845	
ADVERTISING (EXC STAFF)	250	1,000	750	
MISCELLANEOUS	510	0	-510	
MISCELLANEOUS INSURANCES	0	700	700	
TOTAL SUPPLIES & SERVICES	42,926	54,634	11,708	
CENTRAL SUPPORT				
CARDIFF COUNCIL SUPPORT	28,500	28,500	0	
TOTAL CENTRAL SUPPORT	28,500	28,500	0	
GROSS EXPENDITURE	960,398	960,515	117	0.01

APPENDIX 2

	2010-2011		Yr on Yr Variance £	Yr on Yr Variance %
	2009-2010 BUDGET £	PROPOSED BUDGET £		
INCOME				
PUBLICATIONS	0	-1,000	-1,000	
SALE OF PHOTOCOPIES	-1,200	-1,200	0	
SALE OF MICROFORMS	-750	0	750	
CONSERVATION INCOME	0	-1,250	-1,250	
POST MORTEM INCOME	-15,000	0	15,000	
COURSE FEES	-500	0	500	
SEARCH FEES	-1,875	-2,000	-125	
VENDING INCOME	0	-500	-500	
TEMPORARY PROGRAMME DIRECTOR RECHARGE	-45,273	0	45,273	
CONTRIBUTION FROM RESERVE	0	-39,953	-39,953	
TOTAL INCOME	-64,598	-45,903	18,695	-28.94
TOTAL NET BUDGET	895,800	914,612	18,812	2.10