

**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
14 March 2014**

REPORT OF:

**THE TREASURER TO THE
GLAMORGAN ARCHIVES JOINT
COMMITTEE**

	AGENDA ITEM NO. 7
2013-2014 BUDGET MONITORING	

PURPOSE OF REPORT

1. This report provides members with the projected full year revenue outturn for the 2013/14 financial year.

PROJECTED OUTTURN POSITION FOR FINANCIAL YEAR 2013/2014

2. Appendix 1 details the position for the 2013/14 financial year, as forecasted at 28th February 2014. This is summarised in the table below.

Table 1: Projected Outturn 2013/14 (at 28th February 2014)

	Budget £	Projection £	Variance £
Expenditure			
Employees	582,780	534,449	(48,331)
Premises	228,900	233,637	34,737
Transport	6,550	6,631	81
Supplies & Services	48,020	80,842	32,822
Third Party Payments	0	310	310
Support Services	37,700	50,628	12,928
GROSS EXPENDITURE	903,950	936,497	32,547
Income	(46,520)	(68,906)	(22,386)
Contributions from Reserves	(100,000)	(100,000)	0
NET EXPENDITURE	757,430	767,591	10,161

3. The net expenditure for the full year is projected to be £767,591, which represents an overspend of £10,161 against the approved budget of £757,430. This compares to a reported underspend of £29,298 at 31st October 2013. Reasons for the main variances against the budget are outlined from paragraph 7 onwards.
4. The main reason for the change in position is due to the inclusion of a £30,000 projection in respect of alterations to the Glamorgan Record Office. The intention is to divide the main search room in two by creating a dividing wall. This work has not yet taken place, however it is hoped that it will be completed before the end of the year.
5. One of the other reasons for the change in the level of underspend is due to a £14k increase in the projected underspend against employees, as a result of reduced need for casual staff between now and the end of the year. Within premises, there has been additional expenditure projected in respect of repairs and maintenance (£6k), predominantly for repairs to the boiler and signs, offset by a £22k reduction in projected spend against utilities and a £6.5k reduction in the projection against premises insurance. However, this net reduction against premises is more than offset by a £27k increase in the non domestic rates projection, following an increase in the rateable value of the Glamorgan Record Office.
6. Other reasons for the change in position include an increase in the variance against support services of £4k, following the posting of the actual charges for the year. Also, there has been a £14k increase in the projected overspend against supplies & services, which is mainly a result of the need to purchase office equipment (£4k) and uniforms (£1k), and expenditure in relation to a Welsh language event (£2k). Also, a cost of £5k, in relation to the data link between the Glamorgan Record Office and County Hall, has been built in to the projections.

Employees - £48,331

7. One of the main factors which contributes towards the underspend on employees is the Conservator post, which was vacant for a number of months. This post was filled from the beginning of December and the in-year saving that has resulted totals £19,623.
8. In line with the projected outturn as at 31st October 2013, an underspend of £9,520 exists against the budget held to fund the costs of a part-time Administrative Officer to provide support to the Archives & Record Council for Wales (ARCW). Due to the fact that responsibility for this post has transferred away from Glamorgan Archives, there will be no costs incurred this year.

9. A further underspend exists as a result of an Archivist post becoming vacant during the year. This post will remain vacant for the rest of the year, which will result in an underspend of £19,255.
10. Furthermore, there are underspends resulting from members of staff not being part of the superannuation scheme and the impact of the implementation of the Single Status agreement. These underspends total £10,814. However, they are partly offset by an overspend of £4,970 on other staff expenses, such as training.
11. The net underspends outlined above are partly offset by an unfunded cost of £7,086 on casual staff. However, this overspend has itself been partly offset by additional income.

Premises + £34,737

12. Within premises is a projected saving of £34,316 against budgets for gas and electricity. This has increased by approximately £22k since the monitoring position at 31st October 2013 was reported. This reduction in projected expenditure is a result of measures taken by the Glamorgan Archivist to reduce the level of expenditure on utilities. The other significant underspend within premises relates to premises insurance (£6,500) and is due to the fact that insurance for the Glamorgan Records Office is now covered by the buildings insurance policy for Cardiff Council.
13. The main overspends within premises include the aforementioned £27k overspend in relation to non domestic rates. This overspend has arisen as a result of an increase in the rateable value of the Glamorgan Record Office, which has taken effect from January 2014. The other significant overspends within premises relate to repairs, maintenance and improvements (£17k). This is predominantly the result of unforeseen levels of repairs and maintenance required to the Glamorgan Record Office.
14. As outlined in paragraph 4, it is also likely that there will be further expenditure before the end of the year in respect of the addition of a dividing wall to the search room. This improvement will allow continued provision of services to schools and other groups and will also assist with the maximisation of income from 2014/15 onwards. This alteration is likely to cost in the region of £30,000, however a final quotation has not yet been received. If the work has not taken place by the end of March, the intention is to transfer £30,000 to an earmarked reserve for use in the following year. This would ensure that this expenditure does not place an additional burden upon the 2014/15 revenue budget.

Supplies & Services + £32,822

15. One of the main areas of overspend within supplies and services relates to catering supplies and hospitality (£8k). This expenditure is in connection with the provision of catering to parties hiring rooms within the Glamorgan Record Office, and is reflected by a corresponding increase in projected income.
16. The other significant overspends within supplies and services are against conservation (£8,425), which is funded by the NMCT grant, £4k in relation to the purchase of an interactive whiteboard and £1k in connection with the purchase of staff uniforms. Also, there is a cost of £5,428, which was not budgeted for, in relation to the data link between the Glamorgan Record Office and County Hall.

Support Services + £12,928

17. The support service charges for the 2013/14 financial year have now been posted and result in an overspend against the £37,700 budget. This overspend is £3,640 higher than the projected figure at month 7.

Income - £22,386

18. Income is currently projected to exceed budgeted levels, partly due to the receipt of grant income that was not known about at the time of setting the 2013/14 budget. These grants relate to CyMAL (£500), ARCW (£4,336) and the National Manuscripts Conservation Trust (£8,425). These income sources offset expenditure incurred within supplies and services.
19. Income received in respect of the hire of rooms and sale of food is anticipated to be £14,560 above the budgeted amount. This amount is in line with that reported at month 7. However, this increase in expected income is partly offset by levels of conservation income that are £4k below the amount budgeted.
20. As outlined in paragraph 7, the responsibility for the CyMAL funded post has been transferred away from Glamorgan Archives. As a result this means that there will be a fall out of grant funding amounting to £10,470. However, this is almost offset in full by reduced employee expenditure.
21. The other significant variance relates to royalties, which is projected to total £9,110. This is a new source of income and had, therefore, not been budgeted for at the start of the year.

Local Authority Contributions

22. In line with the strategy outlined in the Glamorgan Archives Committee report dated 10th December 2010, any surplus projected against the

revenue budget has the effect of reducing the second instalment required from the six contributing Local Authorities. However, it was agreed that no overspend would be passed on to the contributing authorities. On the basis of the projected overspend of £10,161 at 28th February 2014, the contributions that have been invoiced are as per the table below.

Table 2: Projected Contributions 2013/14 (at 28th February 2014)

Authority	%	Contribution		
		2013/2014	2013/2014	Reduction
		Original	Current	
		£	£	£
Bridgend C.B.C.	14	106,040	106,040	0
Caerphilly C.B.C.	11	83,317	83,317	0
Cardiff Council	32	242,378	242,378	0
Merthyr Tydfil C.B.C.	6	45,446	45,446	0
Rhondda Cynon Taf C.B.C.	25	189,357	189,357	0
Vale of Glamorgan C.B.C.	12	90,892	90,892	0
Total	100	757,430	757,430	0

Conserving Local Communities Heritage (CLOCH)

23. In June 2010 the Service was awarded a Heritage Lottery Fund (HLF) grant of up to £224,000 towards the provision of practical work based skills training opportunities in digitisation, research, local history, basic conservation and community engagement. The grant agreement was originally for 3 years, however it has been extended to a fourth year, ending on 31st December 2014, and additional grant awarded to bring the total to £322,500.
24. The projected expenditure for this year is £126,150, which is predominantly required to fund the costs associated with bursary payments to trainees. Applications will be made to HLF throughout the year for payment of grant and it is currently anticipated, based on projections at 28th February 2014, that £89,123 will be unclaimed at the end of 2013/14 and, therefore, available for use during the fourth and final year of the project. It should be noted that within the £126,150 expenditure projected for 2013/14 is an additional £3,570 which is over and above the main grant of £322,500.

SUMMARY

25. For the current year, the net cost of the provision of the Glamorgan Archives Service is projected to be £767,591 representing an overspend of £10,161 against the approved budget of £757,430.

FINANCIAL IMPLICATIONS

26. An overspend of £10,161 is projected for 2013/14 based on the monitoring position at 28th February 2014. The second contribution from the contributing authorities has been based on the amount budgeted at the start of the 2013/14 financial year. If the final outturn position represents an overspend, it will be necessary to draw down an amount from the Joint Committee Reserve to fund this overspend.
27. The current balance of the Joint Committee Reserve is £603,518. On the basis of the monitoring position reported in this report, it will be necessary to draw down £10,161 from the reserve, over and above the budgeted £100,000, to fund this year's expenditure.
28. Paragraph 14 of this report outlines possible expenditure of £30,000 in relation to alterations to the Glamorgan Record Office. If the work does not take place during 2013/14, it will be necessary to create an earmarked reserve. This reserve will be funded from any in-year underspend, plus a contribution from the Joint Committee reserve if necessary. If this work does not ultimately take place, it will be necessary to refund each contributing authority their share of the earmarked reserve.

LEGAL IMPLICATIONS

29. There are no legal implications arising from this report.

RECOMMENDATIONS

30. It is recommended to members that they:
 - Note the projected full year position for the 2013/14 financial year as presented in paragraphs 2 to 25 of this report and detailed in Appendix 1.
 - Approve the proposal to create an earmarked reserve, if necessary, to fund alterations to the Glamorgan Record Office.

Christine Salter
Treasurer to the Glamorgan Archives Joint Committee

	2013/2014 Budget £	2013/2014 Projected Outturn £	2013/2014 Variances £
EXPENDITURE			
EMPLOYEES			
APT & C GROSS PAY	384,620	353,020	-31,601
APT & C OVERTIME	3,000	4,436	1,436
APT & C SUPERANNUATION	84,470	75,246	-9,225
APT & C NATIONAL INSURANCE	25,750	22,089	-3,661
APT & C MISCELLANEOUS ALLOWANCES	820	835	15
P&T GROSS PAY	7,810	0	-7,810
P&T SUPERANNUATION	1,710	0	-1,710
OPERATIONAL MANAGER - GROSS PAY	52,470	51,945	-525
OPERATIONAL MANAGER - SUPERANNUATION	12,540	12,415	-125
OPERATIONAL MANAGER - NATIONAL INSURANCE	5,040	4,945	-95
AGENCY STAFF	3,000	3,520	520
LONG SERVICE AWARDS	0	396	396
EMPLOYER & PUBLIC LIABILITY INSURANCE	550	300	-250
REMOVAL EXPENSES	0	725	725
STAFF TRAINING EXPENSES	1,000	4,579	3,579
TOTAL EMPLOYEES	582,780	534,449	-48,331
PREMISES			
REPAIRS, ALTERATIONS & IMPROVEMENTS	4,000	44,421	40,421
SECURITY	5,500	5,500	0
RODENT & PEST CONTROL	100	105	5
FUTURE CONTINGENCY	10,000	16,300	6,300
GROUNDS MAINTENANCE	1,500	1,500	0
FIRE MANAGEMENT/PROTECTION	3,640	3,757	117
MAINTENANCE CONTRACTS	10,000	11,513	1,513
ELECTRICITY	72,000	48,026	-23,974
GAS	25,000	14,658	-10,342
CRC ALLOWANCES	5,200	5,616	416
NATIONAL NON DOMESTIC RATES	70,060	96,970	26,910
WATER	1,200	1,417	217
CLEANING MATERIALS	500	378	-122
WINDOW & FLUE CLEANING	700	700	0
REFUSE COLLECTION / BULK	1,500	1,523	23
OFFICE CLEANING CONTRACT	7,500	7,254	-246
SANITATION & WASTE DISPOSAL	1,500	1,500	0
INSURANCE	9,000	2,500	-6,500
TOTAL PREMISES	228,900	263,637	34,737
TRANSPORT			
FUEL & OTHER RUNNING COSTS	500	500	0
VEHICLE LEASE	3,500	3,238	-262
PUBLIC TRANSPORT - STAFF USE	500	790	290
CAR ALLOWANCES	600	652	52
TRAVELLING EXPENSES	1,000	1,000	0
VEHICLE INSURANCE	450	450	0
TOTAL TRANSPORT	6,550	6,631	81
SUPPLIES & SERVICES			
PURCHASE/REPAIR OF FURNITURE	0	95	95
EQUIPMENT & MATERIALS	0	1,000	1,000
PURCHASE OF OFFICE EQUIPMENT	0	4,000	4,000
SIGNS - NEW & REPAIRS	250	27	-223
OTHER EQUIPMENT & MATERIALS	0	37	37
CONSUMABLES	0	10	10
CONSERVATION	12,000	20,425	8,425
VENDING MACHINES	3,000	3,889	889
CATERING SUNDRIES	1,000	4,478	3,478
UNIFORMS / PROTECTIVE CLOTHING	100	1,107	1,007
GENERAL PRINTING & STATIONERY	1,500	3,151	1,651
PHOTOCOPIERS	0	180	180
PHOTOCOPYING MATERIALS	500	521	21
TRANSLATION COSTS	1,000	0	-1,000
AUDIT FEES	3,200	3,500	300
ARCHIVING/STORAGE SERVICE	500	2,000	1,500
VOICE & IT COMMUNICATIONS	2,950	879	-2,071
MOBILE PHONES	0	24	24

	2013/2014 Budget £	2013/2014 Projected Outturn £	2013/2014 Variances £
INTERNET CHARGES	0	605	605
CENTRAL TELEPHONE EXCHANGES	3,000	3,340	340
POSTAGES	600	1,030	430
SOFTWARE	1,000	1,000	0
IT CONSUMABLES	1,000	1,000	0
HARDWARE	5,000	5,000	0
SOFTWARE LICENCES & MAINTENANCE	4,000	4,000	0
PRIVATE CIRCUIT RENTALS	0	5,428	5,428
CONFERENCE/CONVENTION EXPENSES	0	1,758	1,758
HOSPITALITY	4,000	8,405	4,405
SUBSCRIPTIONS	1,200	1,200	0
PUBLIC LIABILITY INSURANCE	1,020	1,400	380
MISCELLANEOUS INSURANCE	700	700	0
ADVERTISING (EXCL STAFF)	500	653	153
TOTAL SUPPLIES & SERVICES	48,020	80,842	32,822
THIRD PARTY PAYMENTS			
ACTUARY FEES	0	310	310
TOTAL SUPPORT SERVICES	0	310	310
SUPPORT SERVICES			
SERVICE ACCOUNTANCY	14,800	17,000	2,200
TECHNICAL ACCOUNTANCY	1,500	1,940	440
INCOME RECOVERY	100	250	150
PAYROLL	500	1,010	510
PAYMENTS	500	680	180
PROCUREMENT	600	1,170	570
PROJECT ACCOUNTANCY	500	0	-500
SAP SUPPORT	3,000	2,000	-1,000
ICT SERVICES	12,000	17,000	5,000
HUMAN RESOURCES	3,700	6,930	3,230
LEGAL	500	1,550	1,050
WELSH TRANSLATION	0	1,070	1,070
VEHICLE RECHARGE	0	28	28
TOTAL SUPPORT SERVICES	37,700	50,628	12,928
GROSS EXPENDITURE	903,950	936,497	32,547
INCOME			
CYMAL GRANT	-10,470	0	10,470
ARCW	0	-4,836	-4,836
NMCT	0	-8,425	-8,425
PUBLICATIONS GENERAL	0	-295	-295
SALE OF PHOTOCOPIES	-2,000	-2,266	-266
CONSERVATION INCOME	-10,000	-6,000	4,000
SALE OF FOOD	-5,000	-14,364	-9,364
VENDING INCOME	-300	-283	17
COURSE FEES GENERAL	-250	0	250
OTHER LOCAL AUTHORITIES & BODIES	0	-894	-894
SEARCH FEES	-3,000	-1,500	1,500
HIRE OF SPECIAL ROOMS	-13,000	-18,196	-5,196
DONATIONS	0	-62	-62
ACCESS FOR FILMING	0	-50	-50
INTEREST	-2,500	-2,625	-125
ROYALTIES	0	-9,110	-9,110
CONTRIBUTIONS FROM RESERVES	-100,000	-100,000	0
TOTAL INCOME	-146,520	-168,906	-22,386
TOTAL NET BUDGET	757,430	767,591	10,161