

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

**AGENDA ITEM NO:
2016/2017 OUTTURN
2016/2017 DRAFT WAO RETURN**

THE GLAMORGAN ARCHIVES JOINT COMMITTEE 30TH JUNE 2017

REPORT OF THE TREASURER TO THE GLAMORGAN ARCHIVES JOINT COMMITTEE

FINAL OUTTURN POSITION & DRAFT WALES AUDIT OFFICE RETURN FOR 2016/2017

PURPOSE OF REPORT

1. This report presents a brief overview of the financial results for the year, together with the unaudited draft WAO return for the year ended 31st March 2017. Section 3 of the return, 'Approval by the Body', requires completion but the unaudited draft financial statements are presented to this Committee today for information only.

FINAL OUTTURN POSITION FOR 2016/17

2. The Glamorgan Archives Joint Committee approved a proposed budget of £661,000 for the financial year 2016/2017, to be financed by contributions from each of the six member local authorities. The proposed budget was subsequently agreed and ratified by each member local authority.
4. The Table below summarises the final outturn position for financial year 2016/2017:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	£	£	£
Expenditure	823,000	857,808	34,808
Income	(162,000)	(196,808)	(34,808)
Net Expenditure	661,000	661,000	0

5. **Appendix 1** provides a detailed analysis of the 2016/17 outturn.

6. The final net expenditure position at year-end was balanced following a transfer of £47,622 from the General Reserve. This amount was less than the budgeted £75,000 to be drawn down in 2016/17.
7. Employee related spend had an overspend of £34,997 against a budget of £450,440. This was the result of newly recruited employees in relation to Wellcome Trust supported work which will be fully funded by grant. Agency spend has also increased as a result of maternity cover and Cardiff Works staff who are funded by DWP Access to Work payments.
8. Premises had an underspend of £5,617 and this was largely due to an underspend in electricity of £15,185. This could be a continuing reduction as a result of the solar panels that were installed last year, and will remain difficult to accurately predict in budget proposals. As a result, only £25,415 was spent in comparison to the planned £40,600. This was partially offset off by repairs, alterations and maintenance which had an overspend of £12,590, including essential updates to the security systems software, an overhaul of the fire suppression system and repairs to environmental controls.
9. The planned expenditure for Transport was £2,550 but the actual spend was only £1,836, representing an underspend of £714. Travel expenses were underspent with further offsetting payments from staff travel loans throughout the year.
10. The actual expenditure for Supplies and Services was £56,436 which was an overspend of £14,326 in comparison to the planned expenditure of £42,110. This was due to an overspend on conservation materials which is offset by grant funding detailed in income below.
11. Planned expenditure for Support Services was £39,700 however, the actual spend was only £31,515. This therefore leaves a variance of £8,185. This is the result of rearrangement of Accountancy staff working for Glamorgan Archives.
12. Finally, income received was greater than budgeted. The Glamorgan Archives received £196,808 in comparison to a planned figure of £162,000. This variance of £34,808 was due to a number of factors, most notably increases in sundry charges and income (£27,824) in relation to several small grants, Access to Work payments and other miscellaneous income, and further charges to existing and new clients for the hire of specialist rooms. Furthermore, the receipt of grants from ARCW and Wellcome Trust, the latter continuing into future years, accounted for £7,575 and £11,707 respectively. As previously mentioned, conservation income of £26,553 was received to offset costs in Supplies and Services.
13. The balance on reserve is shown in the table below:

<u>Movements on Glamorgan Archives General Reserve</u>	<u>£</u>
Balance brought forward at 1 st April 2016	310,518
Less Drawdown from General Reserve	47,622
Transfer to General Reserve	0
Balance as at 31st March 2017	262,896

It was agreed last year that there would be a drawdown of £100,000 and that this would be reduced by £25,000 each year moving forward. This year the budget for drawdown was reduced to £75,000. Therefore, the overall position represents a net underspend of £27,378 against budget.

The £47,622 in the table above represents the drawdown of funding from reserve to pay for the balance of in year spend not covered by Local Authority member contributions. The target for 2017/18 is £50,000 drawdown from reserve. However, achievement of this reduction will become more difficult over the following years as the use of reserve is phased out by 2020/21.

WALES AUDIT OFFICE ANNUAL RETURN FOR 2016/2017

14. The draft Annual Return (attached) for the year ended 31st March 2017 is unaudited at this stage. The Wales Audit Office has yet to begin their audit of the accounts. In accordance with the 2005 Regulation, the Annual Return will be available for public inspection for 20 full working days from Tuesday 11th July 2017 to Monday 7th August 2017.
15. To meet the requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended) the Annual Return must be approved by the Committee before 30th September immediately following the end of the financial year. If at this time the audit of the accounts has not concluded then the accounts must be approved as soon as reasonably practicable. Once the audit is complete and the Annual Return has been signed by the Wales Audit Office then it will be presented to the Committee for members to approve along with any certificate, opinion or report issued, given or made by the Wales Audit Office.

LEGAL IMPLICATIONS

16. The committee approved a draft budget which was submitted to each of the parties for approval. Each of the parties confirmed that their contribution was approved Under Section 5(a)(ii); the committee shall only have the power to spend within the agreed budget within any given year.

FINANCIAL IMPLICATIONS

17. The financial performance for the year resulted in an overspend against the agreed budget of £47,622 therefore there was the need to utilise part of the budgeted £75,000 transfer from the general reserve.

RECOMMENDATIONS

1. That the outturn position for 2016/17 be noted.
2. That the attached draft Wales Audit Office Annual Return for 2016/17 be noted and approved.

Christine Salter
Treasurer to the Glamorgan Archives Joint Committee