

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

**AGENDA ITEM NO:
2017/2018 OUTTURN
2017/2018 DRAFT WAO RETURN**

THE GLAMORGAN ARCHIVES JOINT COMMITTEE 15TH JUNE 2018

REPORT OF THE TREASURER TO THE GLAMORGAN ARCHIVES JOINT COMMITTEE

FINAL OUTTURN POSITION & DRAFT WALES AUDIT OFFICE RETURN FOR 2017/2018

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 2018. Page 4 of the return, 'Committee Approval & Certification', requires completion but the unaudited draft financial statements are presented to this Committee today for information only.

FINAL OUTTURN POSITION FOR 2017/18

2. The Glamorgan Archives Joint Committee approved a proposed budget of £654,000 for the financial year 2017/2018, 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 2017/2018:

	<u>Budget</u> £	<u>Actual</u> £	<u>Variance</u> £
Expenditure	856,250	918,363	62,113
Income	(202,250)	(264,363)	(62,113)
Net Expenditure	654,000	654,000	0

5. **Appendix 1** provides a detailed analysis of the 2017/18 outturn.

6. The final net expenditure position at year-end was balanced following a transfer of £28,950 from the General Reserve. This amount was less than the budgeted £50,000 to be drawn down in 2017/18.
7. Employee related spend had an overspend of £29,436 against a budget of £521,720. This is due to the need for agency staff and associated holiday pay as well as additional staff training expenses and apprenticeship levies that were not budgeted for at the beginning of the year.
8. Premises had an overspend of £11,427 and this was mainly due to an overspend in repairs, alterations and maintenance of £12,181. The reason for this overspend was due to work that was needed on both the chiller and the boiler during the year and it was initially reported in Month 4. There has also been an overspend of £3,401 for security measures which has a total of £8,901 compared to a budget of £5,500. Some of this overspend has been offset by underspends of £2,367 for maintenance contracts and £2,124 for electricity. Water rates also had a large overspend of £2,269 but it is believed that this may be due to an issue with the meter. This is something that is currently being looked into.
9. The planned expenditure for Transport was £1,450 but the actual spend was only £1,215, representing an underspend of £235. Hire of transport and staff use of public transport were both overspends due to commitments to attend meetings but these were offset by underspends of travel expenses and car allowances. Also, there was a repayment of a staff rail season ticket loan within the year which therefore resulted in an overall net underspend.
10. The actual expenditure for Supplies and Services was £62,369 which was an overspend of £27,679 in comparison to the planned expenditure of £34,690. Similarly to last year, this was due to an overspend on conservation materials of £22,312 which is offset by grant funding detailed within income below. There was also an unplanned hardware purchase of £4,155 during the year for laptops but these were funded by New Burdens funding and the cost is therefore offset by grant funding as below. Finally, there was a further overspend of £594 on software licenses and maintenance agreements and £2,020 on maintenance and development but this was largely due to additional training that was required for the set up of the new e-payments system.
11. Planned expenditure for Support Services was £33,900 however, the actual spend was £27,705. This resulted in an underspend of £6,195. This is the result of a further rearrangement of Accountancy staff working for Glamorgan Archives as well as a reduced cost for ICT services during the year (underspends of £7,590 and £2,000 respectively). The majority of support services have an underspend this year with the exception of income Recovery and Human Resource and People Services, with overspends of £180 and £4,470.
12. Finally, income received was greater than budgeted. The Glamorgan Archives received £264,363 in comparison to a planned figure of £202,250. This variance of

£62,113 was due to a number of factors, most notably increases in sundry charges and income (£62,482) in relation to several small grants, Access to Work payments and other miscellaneous income, as well as 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 £6,642 and £80,851 respectively. As previously mentioned, conservation income of £15,228 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 2017	262,896
Less Drawdown from General Reserve	(28,950)
Transfer to General Reserve	0
Balance as at 31st March 2018	233,946

It was agreed in 2015 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 £50,000. Therefore, the overall position represents a net underspend of £21,050 against budget.

The £28,950 in the table above represents the drawdown of funding from reserves to pay for the balance of in year spend not covered by Local Authority member contributions. The target for 2018/19 is £25,000 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 2017/2018

14. The draft Annual Return (attached) for the year ended 31st March 2018 is unaudited at this stage. The Wales Audit Office has yet to begin the audit of the accounts. In accordance with the 2005 Regulation, the Annual Return will be available for public inspection for 20 full working days in July (dates will be in line with Cardiff Council's display, which are yet to be finalised).
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 June 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 underspend against the agreed budget of £21,050 therefore there was the need to utilise only part of the budgeted £50,000 transfer from the general reserve.

RECOMMENDATIONS

1. That the outturn position for 2017/18 be noted.
2. That the attached draft Wales Audit Office Annual Return for 2017/18 be noted and signed.

Christine Salter
Treasurer to the Glamorgan Archives Joint Committee

Appendices

1. Appendix 1 – Budget Monitoring Outturn 2017/18
2. Appendix 2 – WAO Annual Return for 2017/18
3. Appendix 3 – GRO Statement of Accounts 2017/18