

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

**AGENDA ITEM NO:
2018/2019 OUTTURN
2018/2019 DRAFT WAO RETURN**

THE GLAMORGAN ARCHIVES JOINT COMMITTEE 14TH JUNE 2019

REPORT OF THE TREASURER TO THE GLAMORGAN ARCHIVES JOINT COMMITTEE

FINAL OUTTURN POSITION & DRAFT WALES AUDIT OFFICE RETURN FOR 2018/2019

PURPOSE OF REPORT

1. This report presents a brief overview of the financial position for the year, together with the unaudited draft WAO return for the year ended 31st March 2019. Page four 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 2018/19

2. The Glamorgan Archives Joint Committee approved a proposed budget of £654,000 for the financial year 2018/2019, 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 2018/2019:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	£	£	£
Expenditure	852,750	987,959	135,209
Income	(198,750)	(333,959)	(135,209)
Net Expenditure	654,000	654,000	0

5. **Appendix 1** provides a detailed analysis of the 2018/19 outturn.

- 6.** Employee related costs had an overspend of £44,116 against a budget of £535,955. This was mainly due to the need for agency staff during the year (£5,050) to help in the search room and cover out of hours service. As well as this there was an overspend on staff training in areas such as the evacuation chair and first aid. This also includes online and Adobe training but these costs were offset as part of the Archives and Records Council Wales (ARCW) grant.
- 7.** Premises had an overspend of £10,373 and this was mainly due to repairs, alterations and maintenance (£11,253). This includes safety upgrades to exit gates (£2,942) and repairs to the air handling unit (£6,660) as well as a number of other smaller repairs. There has also been an overspend of £1,782 for security measures with a total of £7,282 compared to a budget of £5,500. As well as the usual monitoring contracts for CCTV, intruder and access control, there was a fire alarm callout during the year and repairs were needed for the main gate camera system. Some of this overspend however has been offset by underspends such as £3,040 for gas and £4,975 for water rates. Lastly, the NNDR costs have risen again by £5,185 but this increase has been budgeted for in 2019/20.
- 8.** The planned overall expenditure for transport was £1,400 but the actual spend was only £1,072, representing an underspend of £328. Car allowances were the only overspend but these were offset by a large underspend in the hire of CTS transport as well as the use of public transport which would explain the additional car allowances.
- 9.** The actual expenditure for supplies and services was £115,934 which was an overspend of £83,889 in comparison to the planned expenditure of £32,045. Similar to last year, this was due to an overspend on conservation materials of £73,480 which included a large order for equipment such as multifunction tables, a humidification table, electronic height adjustments as well as carbon filters and replacement cartridges. These costs however were all funded from a Museums, Archives and Libraries Division (MALD) grant and Wellcome Trust funding offset much of the other conservation expenditure. There was also an unplanned hardware purchase of £5,314 during the year for computers and laptops as these had to be replaced under corporate policy and the overspend of £2,841 on maintenance and development was largely due to additional training required for the setup of the new e-payments system. Finally, there was a large overspend of £3,810 on consultants fees but this work was funded as part of an ARCW grant claim to fund the study of the history of LGBT communities in Glamorgan.
- 10.** Planned expenditure for support services was £27,900 against actual spend of £25,060, meaning an underspend of £2,840. This is as a result of reduced Accountancy and Internal Audit costs as well as underspends for Payments, Commissioning and Procurement, Human Resources and Legal, all of which have resulted in a joint saving of just over £1,000.
- 11.** Finally, income received was greater than budgeted. The Glamorgan Archives received £333,959 in comparison to a planned figure of £198,750. This variance of

£135,209 was due to a number of factors, most notably increases in sundry charges and income (£70,702) in relation to several small grants, Access to Work payments and other miscellaneous income. There was also an increase in income for the hire of specialist rooms (£7,318) due to their popularity. Finally, the receipt of grants from Wellcome Trust, which will be continuing into future years, accounted for £81,530. This was £11,530 greater than the budgeted £70,000 to offset Wellcome Trust related expenditure such as conservation.

12. It was agreed in 2015/16 that there would be a drawdown from Reserves of £100,000 and that this would be reduced by £25,000 each year moving forward. In 2018/19, there was not due to be a drawdown from Reserves, however when the budget was set for this year, it was agreed to continue a drawdown of £25,000 to ease pressures of increasing expenditure and decreasing income. Therefore, the overall position represents a net overspend of £32,977 against budget, representing the need for an overall drawdown from Reserves of £57,977.

<u>Movements on Glamorgan Archives General Reserve</u>	<u>£</u>
Balance brought forward at 1 st April 2018	233,945
Less Drawdown from General Reserve	(57,977)
Transfer to General Reserve	0
Balance as at 31st March 2019	175,968

The £57,977 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 2019/20 has been increased to £50,000 drawdown from Reserve. Despite the attempts to phase out the need for drawdown, the increasing funding gaps each year mean that this will be more difficult moving forward and it will need to be monitored in the future.

WALES AUDIT OFFICE ANNUAL RETURN FOR 2018/2019

13. The draft Annual Return (attached) for the year ended 31st March 2019 is unaudited at this stage. The Wales Audit Office has yet to begin the audit of the accounts but 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).
14. 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

15. 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

16. The financial performance for the year resulted in an overspend against the agreed budget of £32,977 therefore there was the need to draw down more than the planned £25,000. The final Reserve drawdown figure was £57,977.

RECOMMENDATIONS

1. That the outturn position for 2018/19 be noted.
2. That the attached draft Wales Audit Office Annual Return for 2018/19 be noted and signed.

Christopher Lee
Treasurer to the Glamorgan Archives Joint Committee

Appendices

1. Appendix 1 – Outturn Position 2018/19
2. Appendix 2 – Draft Wales Audit Office Annual Return for 2018/19
3. Appendix 3 – Glamorgan Archives Statement of Accounts 2018/19