

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

**THE GLAMORGAN ARCHIVES
JOINT COMMITTEE
13th September 2019**

REPORT OF:

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

	AGENDA ITEM NO.
2019-2020 BUDGET MONITORING	

PURPOSE OF REPORT

1. This report provides members with the actual expenditure and income up to July 31st 2019 and projected full year revenue outturn for the current financial year 2019/2020.

PROJECTED OUTTURN POSITION FOR FINANCIAL YEAR 2019/2020

2. **Appendix 1** details the position for the financial year 2019/2020, as forecast at 31st July 2019. This is summarised in the table below.

Table 1: Projected Outturn 2019/2020 (at Month 4)

	Budget £	Actual to date £	Projection £	Variance £
Expenditure				
Employees	559,255	191,018	530,939	(28,316)
Premises	275,115	210,009	269,949	(5,166)
Transport	1,000	621	874	(126)
Supplies & Services	25,640	15,058	47,490	21,850
Support Services	26,090	0	26,090	0
GROSS EXPENDITURE	887,100	416,706	875,342	(11,758)
Income	(183,100)	(43,218)	(140,036)	43,064
Contribution from reserves	(50,000)	0	(50,000)	0
NET EXPENDITURE	654,000	373,488	685,306	31,306

3. The full year spend is projected to be £685,306 representing an overspend of £31,306 against the approved budget of £654,000. Reasons for the main variances are given below:

Employees -£28,316

4. Employee costs are projected to be lower than the £559,225 that was initially budgeted. This is predominantly due to the phased retirement of the Glamorgan Archivist. The full cost of the role, including salary and all oncosts, were included as part of the Employee Budget when it was set in December 2018. Since then, this role has reduced by 25% as part of the phased retirement and the employee costs for the year have been projected to reflect this, giving an overall underspend of £31,208. This is only a short-term saving however as there will be another Glamorgan Archivist in post for next year and these costs will have to be built into the 2020/21 budget.

This underspend has been partly offset by the apprenticeship levy which has a projection of £1,645 for the year. This levy will be built into the budget moving forward however. There has also been unbudgeted spend of £279 on staff training with more projected throughout the year. This covers attendance at professional conferences but these costs are offset by grant funding including 'Glamorgan's Blood – Opening up Coal Collections at Glamorgan Archives' and the Sporting Heritage Summit grant, which will be claimed back after the event in October. There has also been spend on staff overtime but this too will be offset by a grant from the Archives and Records Council Wales (ARCW) as the additional time is used to work on the Motorway Trust Archive project.

Premises -£5,166

5. It is anticipated that there will be a net underspend on premises costs. This is mainly due to the £4,600 projected underspend for water rates. Water rates had been high in previous years but it is now thought that there may have been a fault with the water supply and this is being investigated. The budget was set to allow for this, however based on last year's outturn; the overall bill has been projected to be considerably lower.

Repairs, alterations and maintenance has a budgeted expenditure of £20,000 due to unforeseen repairs that have been required in previous years. To date there has been expenditure of £5,402 that has included work on the air-handling units for the repositories and repairs to the cold-water pump. This is a difficult area of expenditure to forecast this early on in the year and therefore the projection remains as the budgeted £20,000.

Electricity and gas expenditure have budgets of £22,000 and £5,000 respectively based on costs from previous years. However, based on the outturn from last year

and bills that have been received so far in 2019/20, the overall projections have decreased giving a further underspend of £4,812 in total.

There are also projected overspends which offset some of the decreased expenditure, most notably the cost of insurance which is projected to be £5,385 and have an overspend of £2,885. This internal recharge has been calculated earlier than in previous years and this will be the total cost for the year.

Finally, National Non-Domestic Rates have an overspend of £1,415 for 2019/20. These are budgeted as closely as possible but the multiplier rates are always published after the budget has been set and agreed.

Transport -£126

6. Transport expenditure is projected to have an overall underspend of £126. To date, the majority of the public transport budget has been utilised but this includes travel for one of the Archivists to attend the Axiell Conference, the cost of which (£127) will be covered by ARCW grant funding. Further travel and subsistence costs have been included to cover travel for staff attending courses and meetings but the overall expenditure for the year is expected to remain within budget.

Supplies & Services £21,850

7. There is an overall overspend projected on supplies and services for the year of £21,850.

There was no budget set for the purchase/repair of office equipment but there has been spend of £900 to date. This was needed to repair the box making machine that is a critical and specialist piece of equipment and essential for income generation to the Archives. It is not envisaged that there will be any further spend however.

Conservation spend has a projection of £10,288 meaning an overspend of £3,288 but the majority of this will be offset by grant funding. This will be used for replacement materials for general conservation of the Archive records and £3,000 of it will pay for a further boxboard order, which again is essential for income generation.

Consultant's fees were not budgeted for but have a projected spend of £1,986 for the year. This expenditure is for a specific project however and will be offset by the 'Out of the Box Art Shell' and 'Glamorgan's Blood: Opening up Coal Collections at Glamorgan Archives' grants.

There is projected to be an overspend of £10,060 for hardware as the Archives must replace and update desktop computers and laptops in line with Cardiff Council policy. This was an unexpected cost and was not budgeted for but it is expected that

all hardware will be updated this year; therefore, there will not be a need for it next year.

There is also a projected overspend of £2,364 for general printing and stationery, the majority of which will cover the cost of document request slips, and £339 for postage due to increased sales and enquiries but this additional expenditure will be offset by income received. It is the opinion of the Archivist that the new ability to pay online is encouraging more people to use the Archive services; hence, the increased costs, and this will be factored into the budget for next year.

Some of the above overspend is however offset by an underspend in telephone charges of £306 based on bills that have been received to date and insurance charges already posted for the year which have a combined underspend of £650.

Support Services £0

8. There is a balanced projection for support services. There have not been any charges posted to date but based on costs from previous years, the budget remains as the projected outturn.

Income £43,064

9. The projected income is £43,064 less than budgeted. Explanations for the most significant variances are given below.

A budget was set for £70,200 income from the Wellcome Trust as these grants have previously covered the costs of two Archivists. However, as projects are due to come to an end, this funding will not continue for the full year and therefore the projected outturn has been adjusted to reflect this, giving a difference of £35,147. This however could be offset by further grants that may be received in year and the position will be adjusted should further income arise.

Despite the popularity of specialist room bookings, there have not been as many to date as in previous years and therefore the projected outturn has a difference of £3,596 compared with the budgeted income. Although fewer bookings are being taken, the number of bookings requesting catering has increased resulting in a projected additional £320 for the sale of food.

Income from filming charges were not budgeted for but have a projection of £975 due to the Archives being used by Channel 4 for a documentary.

Finally, donations received have already exceeded the budget and are projected to generate an additional £387 throughout the year.

Local Authority Contributions

10. On the basis of the projected outturn for 2019/20 as detailed in this report, the Local Authority contributions to fund the Service will be in line with the budgeted contributions as previously notified to the Committee. Bills for the first half of 2019/20 have now been raised in line with budget.

Should there be an overall overspend at the end of the year, this will need to be covered through an additional drawdown from the General Reserve.

FINANCIAL IMPLICATIONS

11. An overspend of £31,306 is projected for 2019/2020 based on the position as at Month 4. This adverse variance is however primarily due to less income rather than increased expenditure. The income levels will be monitored and reviewed in the regular meetings between the Glamorgan Archivist and Accountancy Officers in order to see if an increase is likely, otherwise expenditure will have to be reduced to meet the shortfall.
12. The General Reserve as of 31st March 2019 stands at £175,966. The budget set for 2019/20 determined that £50,000 would be used from reserves to balance the budget. Should expenditure exceed the budget and remain with £31,306 overspend, then it will be necessary to draw upon the General Reserve further, leaving a balance of £94,660 moving forward.
13. If there is an overspend at the end of the financial year, there will be a need to consider the sustainability of the General Reserve level for future years, as well as the impact on the Local Authority contributions.

LEGAL IMPLICATIONS

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

RECOMMENDATIONS

It is recommended to Members that they:

- Note the projected full year outturn position for 2019/2020 as detailed in this report.

Christopher Lee

Treasurer to the Glamorgan Archives Joint Committee