

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

**AGENDA ITEM NO:
2019/2020 OUTTURN
2019/2020 DRAFT WAO RETURN**

THE GLAMORGAN ARCHIVES JOINT COMMITTEE 22nd MAY 2020

REPORT OF THE TREASURER TO THE GLAMORGAN ARCHIVES JOINT COMMITTEE

FINAL OUTTURN POSITION & DRAFT WALES AUDIT OFFICE RETURN FOR 2019/2020

PURPOSE OF REPORT

1. This report presents a brief overview of the financial position for the year, together with the unaudited draft Wales Audit Office (WAO) return for the year ended 31st March 2020. 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 2019/20

2. The Glamorgan Archives Joint Committee approved a proposed budget of £654,000 for the financial year 2019/2020, 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 2019/2020:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
	£	£	£
Expenditure	887,100	907,062	19,962
Income	(233,100)	(253,062)	(19,962)
Net Expenditure	654,000	654,000	0

5. **Appendix 1** provides a detailed analysis of the 2019/20 outturn.

6. Employee related costs had an overall underspend of £14,337 against a budget of £559,255. The majority of this underspend is due to the Archivist beginning a phased retirement in April 2019 and therefore reducing working hours by 25% throughout the year. There was also a reduction in employer and public liability insurance as well as income from the purchase of annual leave by employees. These savings offset additional costs such as redundancy payments and the apprenticeship levy, which has been built into the budget for next year.
7. Premises incurred an overall underspend of £1,066. Despite overspends in electricity (£4,559), insurance (£2,885) and NNDR (£1,415); savings in other areas offset these. There was underspend on water (£4,912) due to the charging issue being resolved and underspend on fire management (£3,483) due to the current contract for cylinders in the strong room not being renewed despite being budgeted for. This contract is currently being reviewed for 2020/21.
8. The planned overall expenditure for transport was £1,000 but the actual spend was £1,215, resulting in an overspend of £215 due to the need for employee travel for events and meetings. Car allowances were underspent by £120 but this was offset by overspends in all other areas.
9. The actual expenditure for supplies and services was £59,561 representing overspend of £35,921 in comparison to the budget of £23,640. A significant element of this was for conservation, which included spend on supplies for external work for Pontypridd Registrars, Cardiff University's NMCT grant for conservation of the Barbier collection and work for the West Glamorgan Archive Services. This however is offset by conservation income received in year. Similarly, £5,186 was spent on repairing the box maker, which is integral for income generation.

There was also overspend on IT consumables of £7,479 largely due to the purchase of new laptops and PCs, which were required throughout the year. Finally, the overspend of audit fees (£1,564) is the result of a late bill from Wales Audit Office for work undertaken in 2018/19 as there were no costs for this during that year.

10. Budgeted expenditure for support services was £28,090 although actual spend was £27,320, meaning an underspend of £770. This is predominantly because there were no internal charges from Legal or Procurement in year.
11. Finally, income received in year was greater than budgeted as the Glamorgan Archives received £253,062 in comparison to a budgeted figure of £233,100. Despite the decrease in Wellcome Trust income (£34,627) due to funded members of staff leaving employment, the overall additional variance of £19,962 was most notably due to an increase in sundry charges and income (£104,296). This large variance includes a late award of a New Burdens Grant from the National Archives of £87,343 based on the number of accessions received into the Archives as well as an £18,998 payment from the Pilgrim's Trust as part of a grant-funded project.

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 2019/20, we expected to draw down £50,000 to balance the budget and cover unexpected costs throughout the year. Due to greater income received towards the end of the year, there is only a need to draw down £1,584, leaving a balance of £174,385 in the Reserve for future years.

<u>Movements on Glamorgan Archives General Reserve</u>	£
Balance brought forward at 1 st April 2019	175,969
Less Drawdown from General Reserve	(1,584)
Transfer to General Reserve	0
Balance as at 31st March 2020	174,385

The £1,584 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 2020/21 remains at £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. Despite the late award notification of the New Burdens Grant in 2019/20, this is not something that can be assumed each year and depends on the number of accessions being received.

WALES AUDIT OFFICE ANNUAL RETURN FOR 2019/2020

13. The draft Annual Return (attached) for the year ended 31st March 2020 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 June (dates will be in line with Cardiff Council's display, which at present is planned to start on 16th June).
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 31st May 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.

COVID-19 Impacts

15. During March, the Glamorgan Archives, like most organisations, was impacted upon by the outbreak of the COVID-19 virus. As a result, the doors of the building were

closed to the public on 19th March 2020 for the safety of staff and visitors and remain closed whilst circumstances and working practices are continually monitored. As a result of the closure, meeting room bookings had to be cancelled resulting in lost income from room hire and refreshments for the last two weeks in March and for the months April to June. Further lost income is not yet known but work has been undertaken on identifying potential losses over the coming months.

As the lead body, Cardiff Council is recording all additional expenditure and potential lost income for the Glamorgan Archives as a result of COVID-19. This information is being collated as part of an overall exercise to establish whether any losses can be covered by Welsh Government. The result of this is not yet known however and it is important to note that recovery of such losses cannot be assumed at present.

The issue will continue to be assessed as part of the 2020/21 monitoring process and updates will be provided at future Committee meetings.

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 was better than initially anticipated. There was a budget to drawdown £50,000 from the Reserves in 2019/20 however at outturn; the final drawdown figure was £1,584.

RECOMMENDATIONS

1. That the outturn position for 2019/20 be noted.
2. That the attached draft Wales Audit Office Annual Return for 2019/20 be noted and signed.

Christopher Lee
Treasurer to the Glamorgan Archives Joint Committee

Appendices

1. Appendix 1 – Outturn Position 2019/20
2. Appendix 2 – Draft Wales Audit Office Annual Return for 2019/20
3. Appendix 3 – Glamorgan Archives Statement of Accounts 2019/20