

**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
16th September 2016**

REPORT OF:

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

AGENDA ITEM NO.
2016-2017 BUDGET MONITORING

PURPOSE OF REPORT

1. This report provides members with the actual expenditure and income up to July 31st 2016 and projected full year revenue outturn for the current financial year 2016/2017.

PROJECTED OUTTURN POSITION FOR FINANCIAL YEAR 2016/2017

2. **Appendix 1** details the position for the financial year 2016/2017, as forecast at 31st July 2016. This is summarised in the Table below.

Table 1: Projected Outturn 2016/2017 (at Month 4)

	Budget	Actual to date	Projection	Variance
	£	£	£	£
Expenditure				
Employees	450,440	151,746	452,146	1,706
Premises	288,200	213,014	276,892	-11,308
Transport	2,550	253	1,433	-1,117
Supplies & Services	39,110	13,514	37,364	-1,746
Third party Payments	0	0	1,155	1,155
Support Services	42,700	525	36,988	-5,712
GROSS EXPENDITURE	823,000	379,051	805,978	-17,022
Income	-87,000	-41,502	-97,780	-10,780
Contribution from reserves	-75,000		-75,000	
NET EXPENDITURE	661,000	337,549	633,198	-27,802

3. The full year spend is projected to be £633,198 representing an underspend of £27,802 against the approved budget of £661,000. Reasons for the main variances are given below:

Employees (+ £1,706)

4. Employee costs are projected to be slightly higher than the £450,440 that was planned, this in part is due to the cost of Agency Staff and Holiday Pay used to cover maternity and sabbatical leave staff. This cost is expected to be offset through reduced employee costs in permanent staff budgets.

Premises (- £11,308)

5. It is anticipated that there will be a net underspend on premises costs. The significant variances are detailed below.
 - Repairs, alterations and maintenance are predicted to overspend by £5,000 this year with ongoing work including repairs to lights, water leaks and lift repairs.
 - The electricity expense has been projected at £20,600 which is an underspend of £20,000. This is due to the introduction of solar panels. Budgets will be realigned to reflect this for 2017/18.
 - Water Rates have been projected in line with last year's outturn position. Due to the timing of bills the costs budgeted were too low and this will continue to be monitored and adjusted for 2017/18 projections.
 - Specialist waste disposal was budgeted at £1,500 based on last year but this was due to a specific collection and therefore this year the projection has been set at £520 which covers the annual charge as billed in 6 instalments throughout the year.

Transport (- £1,117)

6. There is a projected underspend against transport costs of £1,117. Variances on line items are due to income from the ongoing repayment of a staff travel expenses loan and a predicted underspend on travelling expenses.

Supplies & Services (- £1,746)

7. Overall an underspend is projected on supplies and services. Several of the budget lines were adjusted in the 2016/17 Budget. The main variances are explained below.

- Conservation has an overspend of £5,000 with a projection for the year of £10,000. This overspend will be offset by a grant that is to be received during the year, and transferred to a separately monitored report for transparency.
- Catering Sundries are projected as £6,000 for 2016/17 which is an underspend of £4,000. This is due to the fact that as of Month 5 a frequent customer will no longer be ordering catering for their meetings and will instead only require refreshments.
- Photocopiers are projected at £2,113 which is an overspend of £1,113 for the leases, supplies and charges.
- External Audit fees have reduced again this year to £2,373 due to the new financial reporting process which replaces a full statement of accounts with a smaller return, along with assurances gained from the new annual internal audit.
- Internet Charges and Software Purchase were historic areas of spend and these were prudently assumed to continue. For 2016/17 it is anticipated that no responsive spend will be necessary.

Support Services (- £5,712)

8. The projected outturn for the majority of central support costs are in line with the actual charges for 2015/16. Significant variances are outlined below.
- Service Accountancy is projecting an overspend of £100 with Technical Accountancy an underspend of £900. Moving forward, these will be amalgamated under Accountancy and there will be an overall underspend of £800 due to a change of staff time committed to the Glamorgan Archives Service and cost centre restructure within Cardiff Council.
 - Internal Audit fees were budgeted at £1,500 based on last year as there was an internal audit carried out but this year there will likely be an underspend of £975 due to reduced services.
 - An underspend is also expected for ICT Services and HRPS recharges, based on last year's outturn position.

Income (- £10,780)

9. The projected income is £10,780 higher than budgeted. Explanations for the most significant variances are given below.
- There is additional projected income of £6,500 from ARCW grants and £3,353 from NMCT which were not budgeted for at the beginning of the year.
 - Conservation income is currently projected at £5,000 under budget. This shortfall is likely to reflect the better than expected position from 2015/16 which has not been repeated this year.
 - Income from Food is expected to come in under budget by £2,800. This is as a result of service users opting for refreshments over buffet lunches.
 - Royalties are estimated to make a shortfall on income of £9,000. This was due to an error in estimates during the year end.

- There is additional projected income of £17,152 against sundry charges but this partly relates to an additional grant that was received from the National Archives Council.
- Other Interest is slightly lower than previous years but this is calculated on the balance on the General Reserve at year end, which continues to be drawn down.

Local Authority contributions

10. On the basis of the projected outturn for 2016/17 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 Committee. Bills for the first half of 2016/17 have now been raised in line with budget.

FINANCIAL IMPLICATIONS

11. An underspend of £27,802 is projected for 2016/2017 based on the position as at Month 4. This will continue to be reviewed in the regular monitoring meetings between the Glamorgan Archivist and Finance Officers. Should expenditure exceed that budgeted then it will be necessary to draw upon the General Reserve, which currently stands at £310,518 and will be £235,518 if the full amount of £75,000 budgeted is drawdown this year.
12. Should an overspend occur, it will not impact upon the level of Local Authority contributions provided that the overspend can be funded from the General Reserve. Any underspend will be contributed to the General Reserve in order to maintain the reserve level.

LEGAL IMPLICATIONS

13. 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 2016/2017 as detailed in this report.

Christine Salter
Treasurer to the Glamorgan Archives Joint Committee