

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

20th August 2021

2021/22 MONTH 3 MONITORING REPORT

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

Reason for this Report

1. To provide the Glamorgan Archives Joint Committee with details of actual expenditure and income as at the 30th June 2021 (Month 3), against the approved 2021/22 Budget and projections for the full year outturn position.

Background

2. Members approved the 2021/22 budget in January 2021.
3. The budget is funded from local authority revenue contributions, apportioned on the relative populations.
4. The current General Reserve balance is £118,202.

Table 1: Projected Outturn 2021/22 (at Month 3)

	Budget £	Actual to date £	Projection £	Variance £
<u>Expenditure</u>				
Employee Related	517,356	126,365	519,123	1,767
Premises Related	294,516	16,894	295,136	621
Transport Related	240	0	180	(60)
Supplies & Services	29,279	2,555	41,861	12,583
Support Services	33,100	525	36,655	3,555
GROSS EXPENDITURE	874,490	146,338	892,956	18,466
<u>Income</u>				
Income	(75,850)	(423)	(113,903)	(38,053)
Contribution from Reserves	(40,000)	0	(20,412)	19,588
NET EXPENDITURE	758,640	145,915	758,640	0

Glamorgan Archives: Balanced Budget Position

The position at month 3 indicates projected gross expenditure of £892,956 for the year. Whilst this is £18,466 more than forecast, this has been more than offset by higher than anticipated income. This position has allowed a balanced position to be reported by drawing down a lower than anticipated amount from reserves.

Employee Budget: (£517,356 budget, £1,767 overspent)

5. The employee budget is based upon 14 FTE staff and 1 staff member funded through contributions from the Department for Work and Pensions (DWP). The 2021/22 pay award has been drafted at 1.75% but is still in consultation with the relevant trade unions. The projected overspend is largely attributed to a two month extension of a corporate trainee due to Covid-19. This extension was not anticipated at the time of drafting the 2021/22 budget, however funding will be received to offset these costs.
6. The table below provides detail on how much employee expenditure is funded by contributions from DWP:

	Budget	Actual	Projected	Variance
	£	£	£	£
<u>Employees</u>				
Internally Funded	507,353	126,365	509,521	2,168
DWP Contributions	10,003	0	9,602	(401)
Employees Total	517,356	126,365	519,123	1,767

7. To date, staff have received first aid training in year (£195) and a second member of staff is due to complete the training in the upcoming months. Additionally, grant funding was secured for 3 staff members to attend an Archives and Records Association (ARA) virtual conference (£340) in September. Overall, training expenses are expected to be overspent (£500) based on the current activity.

Premises Related Budget: (£294,516 budget, £621 overspend)

8. Projections include an overspend on water (£1,000) although bills are received on a biannual basis and therefore a confirmed figure will not be available until the end of the year – estimates are based on the actual bills to date (£1,365).
9. An underspend in the Fire Management annual charge (£379) has provided a saving towards the budget.
10. Additionally, the National Non-Domestic Rates (NNDR) charge for the year has not yet been received although this is typically paid in quarter one. This will be monitored as NNDR utilises a large proportion of the budget and any variation from the budgeted figure could have a significant impact on the outturn position. Successions

Transport Budget: (£240 budget, £60 underspend)

11. Due to the Covid-19 pandemic and associated disruption to working practice, it is projected that there will be less need for travel throughout the year. Whilst the building has re-opened, the benefits of virtual meetings suggests that less travel will be required.

Supplies & Services Budget: (£29,279 budget, £12,583 overspend)

12. There is a projected overspend on IT Consumables/ Hardware (£1,283) due to the purchase of a new laptop. This is funded by Welsh Government Cultural Recovery Fund and is therefore offset by grant income received in year.
13. Additional conservation work (£10,000) will also be completed in the upcoming months for the Wales wide 1921 Census project, led by the Glamorgan Archives and funded by the Archives and Records Council Wales (ARCW). Whilst this accounts for the majority of the overspend, this is fully grant funded and has no impact to the overall budget position.
14. Box making supplies also have a projected overspend (£991), however these items purchased will provide supplies for the remainder of the year. Furthermore, any further costs will be coupled with additional box making income, so this will not impact the outturn position.
15. Currently a small overspend is projected for software licences and maintenance (£250). This includes a charge for the box maker software (£750) and an anticipated charge for the new archive catalogue supplier software (£4,500). Both charges are annual fees, and no further costs are expected at this stage.
16. To date, there have been several packages sent out which have incurred large postage fees. However, these are uncommon and as such the overall postage projection is in line with the budget.

Support Services Budget: (£33,100 budget, £3,555 overspend)

17. Most support service charges will be posted later in the year, however there has been a £525 charge to date for Cardiff Council's Internal Audit fee for the 2020/21 financial accounts.
18. There will also be a routine Cardiff Council Internal Audit completed on all operational activities in 2021/22, which will incur a maximum fee of £3,500. A budget amendment will be put in place to ensure that the internal audit costs are offset by additional sundry income, therefore there will be a net nil impact to the budget. These audits are planned every 2-3 years and will be factored in as necessary to future budgets.

Income Budget: (£75,850 budget, £38,053 overachieved)

19. Due to the building's continuous closure to the public until 8th June 2021, the ability to generate income was reduced. However, as the building has now reopened, the Glamorgan Archives are confident in working towards achieving the budgeted income targets. Therefore, at month 3, projections assume achievement of income targets but and will be monitored and reviewed throughout the year and as more information becomes available.
20. There was a budget set for sundry income of £10,000 in year and as at month 3 the projected outturn is currently £36,430. This includes £10,000 employee funding from the DWP and £3,500 for the internal audit charge. Sundry income also includes funding from Cardiff Council with regards to services provided, including 2 months cost for a corporate trainee due to a contract extension into 2021/22 as a result of Covid-19.
21. Since reopening to the public, there has been interest in recommencing specialist room hire. Internal Cardiff Council departments are enquiring about the use of a meeting room for 3 days per week, starting from the second week of September which could generate possible income of circa £6,000. Additionally, Carmarthenshire County Council will continue to store their records for the first half of the financial year (£13,000) and Cardiff Museum have continued to hire storage space throughout the pandemic.
22. As mentioned above, Welsh Government have provided a grant as part of the Cultural Recovery Fund to purchase IT equipment (£1,283).
23. For the attendance of an Archives and Records Association (ARA) virtual conference, a grant of £340 was secured from the Archives and Records Council Wales (ARCW) and will be paid upon completion of the conference. Additionally, £10,000 of grant funding has been secured from ARCW for the 1921 census project which is a Wales wide collaboration led by Glamorgan Archives. Though no further grants have been confirmed to date, a review over the available funding and projects will continue throughout the remainder of the year.

Local Authority Contributions

24. Based on the projected outturn for 2021/22 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. Invoices for the first half of 2021/22 will be raised in September.

Covid-19

25. As mentioned, the building has now reopened to the public as of 8th June 2021 which was a positive milestone in this financial year.
26. In all other areas the situation has remained unchanged and echoes what has been previously reported over the past year. Monitoring and horizon scanning will continue, any issues or changes identified will be assessed and reported at the earliest opportunity.

Month 3 Summary

27. The projected income and expenditure for 2021/22 is broadly in line with the budget, although there is currently a decreased reserve drawdown forecast compared to the amount budgeted (£40,000 budget, £20,412 projected).
28. Month 6 will provide an updated indication of the projected outturn including updates of the confirmed pay award and more certainty regarding trends in income. This will be looked at in parallel with the development of the 2022/23 budget.

Financial Implications

29. Current trends project a balanced position at year end accompanied with a reduced reserve drawdown compared to the 2021/22 budget.
30. The General Reserve as at 31st March 2021 stands at £118,202. The budget for 2021/22 determined that £40,000 would be used from reserves to balance the budget. Based on the Month 3 position, there may only be a need to draw down £20,412, therefore reducing the General Reserve balance to £97,790 if the current projection is achieved.

Legal Implications

31. 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) of the agreement dated the 11th of April 2006; the Committee shall only have the power to spend within the agreed budget within any given year.

RECOMMENDATION

32. It is recommended that Members:

- a) Note the projected full year outturn position for 2021/22 as detailed in this report.
- b) Note the budget amendment as detailed in the report.

Christopher Lee
Treasurer to the Glamorgan Archives Joint Committee
20 August 2021

Appendices

Appendix 1 - Month 3 Monitoring Position 2021/22