

**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**

30th September 2022

2022/23 MONTH 4 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 31st July 2022 (Month 4), against the approved 2022/23 Budget and projections for the full year outturn position.

Background

2. Members approved the 2022/23 budget in November 2021.
3. The budget is funded from local authority revenue contributions, apportioned on the relative populations.
4. The current General Reserve balance is £112,960 as at 1st April 2022.

Table 1: Projected Outturn 2022/23 (at Month 4)

	Budget	Actual to Date	Projection	Variance
	£	£	£	£
<u>Expenditure</u>				
Employee	539,267	177,087	554,983	15,716
Premises	296,522	25,619	314,231	17,709
Transport	240	0	625	385
Supplies & Services	39,844	(2,182)	35,198	(4,647)
Support Services	34,325	1,500	34,257	(67)
GROSS EXPENDITURE	910,198	202,024	939,294	29,096
<u>Income</u>				
Income	(73,280)	(13,461)	(80,151)	(6,871)
Contribution from Reserves	(10,000)	0	(32,225)	(22,225)
NET EXPENDITURE	826,918	188,563	826,918	0

Glamorgan Archives: Balanced Budget Position

The position at month 4 indicates projected gross expenditure of £939,294 for the year. This is £29,096 more than budget and is partially offset by higher than anticipated income. The overall position will be balanced through a drawdown of additional reserve funding.

Employee Budget: (£539,267 budget, £15,716 overspent)

5. The employee budget is based upon 14 full time equivalent (FTE) staff and one staff member funded through contributions from the Department for Work and Pensions (DWP). The 2022/23 pay award offer is still in consultation with the relevant trade unions but the proposal underpins projection calculations currently. The flexible retirement of an employee has partially offset the cost of the projected pay offer (£8,420 saving).

Table 2: Employee Financing Structure (Internal Funding or External Grants)

	Budget £	Actual £	Projected £	Variance £
<u>Employees</u>				
Internally Funded	528,423	177,087	540,178	11,755
DWP Contributions	10,844	0	14,805	3,961
Employees Total	539,267	177,087	554,983	15,716

6. To date, four staff member have received their manual handling training (£475) and two more are due to complete in the coming months. Training expenditure has a projected outturn of £750.

Premises Related Budget: (£296,522 budget, £17,709 overspend)

7. At month 4 most outturns positions are set to their budget projections until further information becomes available. However, projected 24%, 7% and 4% inflation rates have been included for gas, electricity and water respectively in line with Cardiff Council's estimates.
8. An underspend on fire management (£266) is included as the total contract fee is less than was budgeted for the year.
9. Additionally, the National Non-Domestic Rates (NNDR) charge for the year has been confirmed at £188,588, offering a saving against the budget (£3,782).

Transport Budget: (£240 budget, £385 overspend)

10. A minibus expense (£385) which provided transport for the Vale People First Takeover Day is responsible for this budget overspend. However, the cost is offset by an Archives and Records Council Wales (ARCW) grant and therefore there is an overall net nil impact.

Supplies & Services Budget: (£39,844 budget, £4,647 underspend)

11. At month 4, few costs have been incurred and consequently most accounts are projected as per the budget.
12. An underspend is projected for vending machines (£421), protective clothing (£3,060) and general printing (£480).
13. There are currently no projections for consultancy fees in 2022/23, although these costs are directly linked to project work and are typically grant funded. Should there be a project awarded in the upcoming months this will be reported at month 7.
14. Catering sundries are projected to be underspent (£849) with all forecasted expenditure (£151) relating to the Vale People First Takeover Day grant funded by ARCW.
15. Though to date no costs have been incurred for software licences and maintenance, £15,200 is forecast including a £10,000 charge for digital repository.

Support Services Budget: (£34,325 budget, £67 underspend)

16. Most support service charges will be posted later in the year. Charges to date include a £420 Internal Audit fee for the 2021/22 financial accounts and £1,080 relating to Bilingual Cardiff.

Income Budget: (£73,280 budget, £6,871 overachieved)

17. Carmarthenshire County Council finalised their record retrieval during the first quarter of 2022/23; however, the storage of these items during April and May will result in income of circa £5,000. Cardiff Museum continue to utilise storage space for their records resulting in income of £7,000.
18. Due to high demand, Box making income to date has exceeded the budget by £2,150, consequently current projections suggest an outturn which is twice the budgeted revenue (£5,000 budget, £10,000 projected).
19. Grant income from the DWP, as a contribution towards employment cost of a staff member, will bring in an estimated £14,805 this year as shown in table 2 above.
20. Additionally, an ARCW grant has been confirmed for the transport and catering for the Takeover Day by Vale People First (£536).
21. 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.

22. Other aspects of income generation have assumed achievement of the budgeted income targets and will be monitored and reviewed closely throughout the remainder of the year and as more information becomes available.

Local Authority Contributions

23. Based on the projected outturn for 2022/23 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 2022/23 will be raised in October. Please see Appendix 1 for details.

Covid-19

24. From 28 March 2022 the Welsh Government eased restrictions, including the legal requirement to wear face coverings within the Archives, however social distancing and ventilation requirements set by the Council are still in place. The situation will be continually monitored throughout 2022/23 for any changes.

Month 4 Summary

25. The projected income and expenditure for 2022/23 has indicated an increased reserve drawdown forecast compared to the amount budgeted (£10,000 budget, £32,225 projected).
26. Month 7 will provide an updated indication of the projected outturn, including updates on the pay award and more certainty regarding trends in income. This will be looked at in parallel with the development of the 2023/24 budget and sustainability of reserve levels.

Financial Implications

27. Current trends project a balanced position at year end as a result of increased reserve drawdown compared to the 2022/23 budget.
28. The General Reserve as at 31st March 2022 stands at £112,960. The budget for 2022/23 determined that £10,000 would be used from reserves to balance the budget. Based on the Month 4 position however there may be a need to draw down £32,225, therefore reducing the General Reserve balance to £80,735.

Legal Implications

29. 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

30. It is recommended that Members:

- a) Note the projected full year outturn position for 2022/23 as detailed in this report.

Christopher Lee
Treasurer to the Glamorgan Archives Joint Committee
30th September 2022

Appendices

Appendix 1 - Month 4 Monitoring Position 2022/23