

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

**AGENDA ITEM NO:
2022/23 OUTTURN
2022/23 DRAFT AUDIT WALES RETURN**

THE GLAMORGAN ARCHIVES JOINT COMMITTEE 16th JUNE 2023

REPORT OF THE TREASURER TO THE GLAMORGAN ARCHIVES JOINT COMMITTEE

FINAL OUTTURN POSITION & DRAFT AUDIT WALES RETURN FOR 2022/23

PURPOSE OF REPORT

1. This report presents a brief overview of the financial position for the year, together with the unaudited draft Audit Wales (AW) return for the year ended 31st March 2023. Page three of the return, 'Committee Approval and Certification,' requires completion but the unaudited draft financial statements are presented to this Committee today for information only.

FINAL OUTTURN POSITION FOR 2022/23

2. The Glamorgan Archives Joint Committee approved a proposed budget of £826,918 for the financial year 2022/23, 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.
3. The table below summarises the final outturn position for financial year 2022/23:

	<u>Budget</u> £	<u>Actual</u> £	<u>Variance</u> £
Expenditure	910,198	908,298	(1,901)
Income	(73,280)	(101,128)	(27,848)
Reserve (Drawdown)	(10,000)	19,748	29,748
Net Expenditure	826,918	826,918	0

4. Appendix 1 provides a detailed analysis of the 2022/23 outturn.

Employee (£539,267 Budgeted, £79 underspent)

5. The Archives employed 14 full time equivalent (FTE) staff during 2022/23, receiving contributions from the Department for Work and Pensions (DWP) for the employment of one member of the team (0.6 FTE). Details of the funding are found in table 2 below.
6. The 2022/23 pay award was agreed at £1,925 across all FTE pay scales. In percentage terms, this is a 10.50% increase at the bottom of the pay spine, 4.30% at the top, and between 1.02% and 3.97% for senior officers (equivalent to an average 5.60 % across all pay scales).
7. In the last quarter of 2022/23, a Corporate Trainee began their tenure with the Archives. Under the scheme, Cardiff Council will corporately fund six months of the employee costs, after which the Archives will fund a further two months. Therefore, there was no budget implication within 2022/23.
8. Table 2 below shows the funding streams for Employment costs in 2022/23:

	<u>Budget</u> £	<u>Actual</u> £	<u>Variance</u> £
<u>Employees</u>			
Internally Funded	529,017	517,291	(11,726)
Corporate Trainee Scheme	0	6,300	6,300
DWP Contributions	10,250	15,597	5,347
Employees Total	539,267	539,188	(79)

9. In 2022/23, eight members of staff completed manual handling training, and a further two staff members are scheduled for the training in 2023/24.

Premises (£296,522 Budgeted, £7,736 Overspent)

10. Overspends on utilities, including gas (£13,121), electricity (£8,930) and water (£2,166), largely contributed to the premises outturn. This was due to unforeseen global events bringing high inflation rates that have had a nationwide impact.
11. However, these overspends were mitigated by savings against other areas such as ground maintenance (£1,199) and maintenance contracts (£2,967). Additionally, insurance premiums were not realised in 2022/23 leading to a saving (£12,797).
12. Due to the building's age, there was an ongoing requirement for maintenance. These repairs, which included replacement for emergency lights, building management system remedial work, a glass panel replacement, and repairs for a ceiling leak, exceeded the budget (£2,547).
13. The National Non-Domestic Rates (NNDR) charge remained at £188,588 (£3,782 saving) for a third year.

Transport (£240 Budgeted, £90 Overspent)

14. The budget overspend was from hiring a minibus (£330), which provided transport for the Vale People First Takeover Day. However, the cost was fully grant funded by the Archives and Records Council Wales (ARCW) and therefore had no impact to the outturn position.

Supplies and Services (£39,844 Budgeted, £7,683 Underspent)

15. There was unbudgeted spend on consultancy fees (£10,908), including commissioned work for the Adoption Records project (£7,500) which was majority funded by Welsh Government (£7,000) and the refurbishment of Cardiff Castle artwork fully funded by a National Manuscript Conservation Trust (NMCT) grant.
16. Additional overspend in box making supplies (£5,928) included enabling work for Gloucestershire Archives and other organisations.
17. Some areas achieved underspends, including conservation (£1,262), protective clothing (£3,060) and external audit fees (£1,015).
18. Due to a prepayment for the Apexio digital categorisation system in 2021/22, software licences had a large underspend (£14,300).
19. IT consumables saw a budget overspend (£2,553) due to the purchase of three replacement laptops.
20. The first physical stock take was completed in 2022/23 since COVID-19 which identified additional stock not yet recorded and an adjustment was made in the system (£3,488).

Support Services (£34,325 Budgeted, £1,965 Underspent)

21. Most support service charges were in line with the budget. Variances against specific budgets reflect the difference in support levels provided by these areas compared to 2021/22, e.g. underspends against ICT (£3,688), Human Resources (£1,223) and Bilingual Cardiff (£1,253), and an overspend against Accountancy (£1,478).

Income (£73,280 Budgeted, £27,848 Over target)

Grant Income - £21,341

22. New Burdens grant funding was allocated (£8,220), relating to the 2021 accessions.
23. NMCT provided grant income was received (£5,783) to fund project work, including repair work on drawings at Cardiff Castle.
24. Welsh Government funding (£7,000) was secured for the Adoption Records project, enabling the Archives to seek professional expertise through a consultant.

25. Grant income from the DWP (£15,597) was obtained, contributing towards the employment of a staff member. Details can be found in table 2 above.

Operating Income - £79,787

26. Due to high demand, box making income exceeded income targets (£22,380) due to numerous commissions, including a large order from Gloucestershire Archives. Though the additional income was met with additional expenditure on box making materials (£5,928 overspent), significant revenue was achieved.

27. Conservation work exceeded income targets due to projects with the Royal Welsh College of Music and the Rhondda Cynon Taf Council (£13,727).

Reserve Drawdown (£10,000 Drawdown Budgeted, £19,748 Contributed)

28. The improved outturn position for 2022/23 allowed for a reserve contribution instead of a reserve drawdown to balance the net expenditure.

<u>Movements on Glamorgan Archives General Reserve</u>	<u>£</u>
Balance brought forward at 1st April 2022	112,960
Less Drawdown from General Reserve	0
Transfer to General Reserve	19,748
Balance as at 31st March 2023	132,708

29. The £19,748 in the table above represents the contribution to Reserve, facilitated by the increased income generation in year.

AUDIT WALES ANNUAL RETURN FOR 2022/23

30. The draft Annual Return (appendix 2) for the year ended 31st March 2023 is unaudited at this stage, though it has undergone an internal audit by Cardiff Council. Audit Wales 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 July. Dates will be in line with Cardiff Council's display, which at present is still to be confirmed. Members will be informed when the accounts go on display.

31. 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 Audit Wales then it will be presented to the Committee for members to approve along with any certificate, opinion or report issued, given or made by Audit Wales.

LEGAL IMPLICATIONS

32. 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.

FINANCIAL IMPLICATIONS

33. The financial performance for 2022/23 signifies the operation returning to pre 2020/21 levels, with the overall outturn position being better than forecast throughout the year. This performance enabled a contribution to reserve of £19,748, bringing the Reserve balance as at 31st March 2023 to £132,708.

RECOMMENDATIONS

- 1.** That the outturn position for 2022/23 be noted.
- 2.** That the attached draft Audit Wales Annual Return for 2022/23 be noted and signed.

Christopher Lee
Treasurer to the Glamorgan Archives Joint Committee

Appendices

- 1.** Appendix 1 – Outturn Position 2022/23
- 2.** Appendix 2 – Draft Audit Wales Annual Return for 2022/23
- 3.** Appendix 3 – Glamorgan Archives Statement of Accounts 2022/23