

**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**

15th December 2023

2024/25 BUDGET PROPOSALS

**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 the proposed revenue budget for 2023/24.

Background

2. Members approved the 2023/24 budget in December 2022.
3. The budget is funded from local authority revenue contributions, apportioned on the relative populations.
4. The current General Reserve balance is £132,708 with a projected drawdown of £52,122 in 2023/24.

PROPOSED BUDGET FOR FINANCIAL YEAR 2024/25

5. The proposed budget for the 2024/25 financial year reflects a net budget totalling £910,000, which is a 1.1% increase on the net budget for 2023/24
6. As per the revised Medium Term Financial Plan, there is a projected reserve drawdown of £1,000 in 2024/25.
7. The table below summarises the proposed budget for 2024/25. A more detailed analysis can be found in Appendix 2.

Table 1: 2024/25 Proposed Budget

	2023/2024 Budget £	2024/2025 Budget £	Increase / (Decrease) £
<u>Expenditure</u>			
Employees	545,886	555,918	10,032
Premises	440,474	380,006	(60,468)
Transport	240	240	0
Supplies & Services	33,339	41,005	7,666
Support Services	32,192	39,836	7,644
GROSS EXPENDITURE	1,052,130	1,017,004	141,932
Income	(87,858)	(106,004)	(18,146)
Contribution from Reserve	(65,000)	(1,000)	(64,000)
NET EXPENDITURE	899,273	910,000	72,355

8. In preparing the figures above, consideration has been given to the budgetary pressures on the service alongside potential, and achievable efficiencies and income growth.

Employee Budget: Increase of £10,032

9. A pay award has been factored in at 3% in line with Cardiff Council. This inflation, as well as several staff members moving up a pay scale, contributes to the increase in budget.

Premises Budget: Decrease of £60,468

10. Utility costs, such as electricity and gas, have become increasingly difficult to project due to the volatility of the market. A decrease of 25.0% for gas and 25.0% for electricity is included, matching the Council's budget.
11. As the building ages, the premises budget will need to increase to £30,000 to allow for general maintenance and repairs, though the nature of this spend makes it difficult to project.
12. National Non-Domestic Rates increased in 2023/24 due to a change in the rateable value. This budget has increased by 1.0% in 2024/25 to £191,811.
13. Inflationary increases of 4.0% have been added where applicable to the 2023/24 outturn for expenditure items involving third-party contracts, such as grounds maintenance, fire management, pest control and office cleaning.

Transport Budget: No Change

14. The transport budget has remained the same since 2021/22, when it was reduced to reflect the increased popularity for digital meetings and a reduced necessity to travel for work.

Supplies & Services Budget: Increase of £7,666

15. The contracted items within supplies and services are expected to increase by 4.0% matching the inflation in other budget areas.
16. The Archives have factored in a budget of £3,000 to allow for the gradual replacement of obsolete laptops and other computer hardware.

Support Services Budget: Increase of £7,644

17. Most support services have increased by 3.0% in line with the employee on-cost uplifts, factoring in the CPI forecast within the UK Government Budget.
18. An internal audit is scheduled for 2024/25 and a budget of £x has been included to capture this additional expense.

Income Budget: Increase of £18,146

19. The income target of £106,004 reflects the efficiencies proposed by the Archives. This budget inflates all relevant income targets by 4.0% to match the approach taken within the expenditure and realigns other income targets to achievable levels guided by the month 7 budget monitoring report.
20. Hire of Special Rooms (£55,000) also includes the additional storage of accessions from the Cardiff Magistrates Court and a full year's income from the relocation of Cardiff Registrars (£43,783).
21. Royalties has seen an increase to the budget (£250) to realign with the 2022/23 project outturn. Items that fall into this category are income from Find my Past, Ancestry and Genealogist.

General Reserve: Drawdown of £1,000

22. Despite attempts in the past to phase out the use of Reserves to balance the budget, the unforeseen increase to Gas and Electricity costs has made this impossible.
23. The Reserve balance is projected to be £80,586 as at 31st March 2024 after funding the projected deficit position at year end. It is proposed that a drawdown

of £1,000 be used in 2024/25 to support increased Local Authority contributions and recognised savings, leaving a prudent balance of £79,586 within the reserve.

Local Authority Contributions

24. Table 2 below indicates the effect the budget proposals will have upon the contributions with the current year shown for comparative purposes.

Table 2: Local Authority Contributions 2024/25

Authority	%	2023/24	2024/25	Change
		£	£	£
Bridgend	14	125,898	127,400	1,502
Caerphilly	11	98,920	100,100	1,180
Cardiff	32	287,767	291,200	3,433
Merthyr Tydfil	6	53,956	54,600	644
Rhondda Cynon Taf	25	224,818	227,500	2,682
Vale of Glamorgan	12	107,913	109,200	1,287
Total	100	899,273	910,000	10,727

25. A 1.1% increase has been proposed to address the budget gap and to ensure that Reserves are not depleted in full. Savings have been identified where possible, but energy costs have increased temporarily to a level that cannot be managed without an increase in contribution.
26. Contributions for 2024/25 will be invoiced in one instalment in April 2024, as per the current arrangement.

Summary

27. At the end of 2023/24, the reserve balance is projected to be greater than £80,000 providing a mechanism to fund some inflationary pressures in 2024/25. For the Archives to maintain the current level of service and remain financially sustainable, an increase of 1.1% is proposed. It is also proposed that £1,000 be drawn down from the General Reserve to supplement the increased contributions and fund the budget gap.

Financial Implications

28. The General Reserve as at 31st March 2023 stands at £132,708. The budget for 2023/24 determined that £65,000 would be used from reserves to balance the budget. Based on the month 7 position, the General Reserve balance will decrease to £80,586 after a £52,122 drawdown without further mitigations.

29. The General Reserve balance will decrease further to £79,586 in 2024/25 after allowing for a budgeted drawdown of £1,000. Any additional spend required will need to be funded from a further drawdown.

Legal Implications

30. Each of the parties shall inform the committee not later than the 12th day of March 2023 that its contribution to the budget is approved, or otherwise. The Committee shall only have power to spend within the agreed budget within any given financial year.

RECOMMENDATION

31. It is recommended that Members:

- a) Recommend the draft budget proposals for 2024/25 be agreed, as presented in paragraphs 5 to 27 of this report.

Christopher Lee

Treasurer to the Glamorgan Archives Joint Committee

15 December 2023

Appendices

Appendix 2 – Proposed Budget 2023/24