

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

**AGENDA ITEM NO:
2021/2022 OUTTURN
2021/2022 DRAFT AW RETURN**

THE GLAMORGAN ARCHIVES JOINT COMMITTEE 23rd JUNE 2022

REPORT OF THE TREASURER TO THE GLAMORGAN ARCHIVES JOINT COMMITTEE

FINAL OUTTURN POSITION & DRAFT AUDIT WALES RETURN FOR 2021/2022

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 2022. 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 2021/22

2. The Glamorgan Archives Joint Committee approved a proposed budget of £758,640 for the financial year 2021/22, 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 2021/22:

	<u>Budget</u> £	<u>Actual</u> £	<u>Variance</u> £
Expenditure	877,990	885,229	7,239
Income	(79,350)	(121,347)	(41,997)
Reserve (Drawdown)	(40,000)	(5,242)	34,758
Net Expenditure	758,640	758,640	0

4. Appendix 1 provides a detailed analysis of the 2021/22 outturn.

Employee (£517,356 Budgeted, £3,333 underspent)

5. The 2021/22 pay award was agreed at 1.75% in March 2022, below the 2.00% budgeted, which brought savings to Gross Pay, Pension Contributions and National Insurance.
6. Employment of a new member of staff through Cardiff Works brought unbudgeted spend to agency staff. However, this cost was matched by grant funding from the Department of Work and Pensions (DWP), therefore had no impact to the net budget.
7. Staff completed a variety of training in 2021/22, including first aid (£635), manual handling (£475) and the attendance of an Archives and Records Association (ARA) virtual conference (£340) which was grant funded from the Archives and Records Council Wales (ARCW).

Premises (£294,516 Budgeted, £11,880 Overspent)

8. Overspends on utilities, including gas (£11,134), electricity (£4,364) and water (£3,025), largely contributed to the premises outturn. This was due to unforeseen global events bringing high inflation rates that has had a nationwide impact.
9. Additionally, due to the building's age there is an ongoing requirement to incur maintenance costs. These repairs, which included a new heating coil Air Handling Unit (£4k), updating the hardware and software of the Building Management System (£4.5k) and the replacement of emergency lights throughout the building (£3.6k), exceeded the budget by £1,418.
10. The National Non-Domestic Rates (NNDR) charge for the year was frozen at the 2020/21 rate (£188,588), allowing for a saving (£5,658) towards this budget line which partially offset the overspend.

Transport (£240 Budgeted, £240 Underspent)

11. A continued shift in the Archives operating behaviour throughout 2021/22 brought a total switch to virtual appointments/meetings. Consequently, the Archives did not incur any transport costs in the financial year.

Supplies and Services (£29,279 Budgeted, £4,417 Overspent)

12. There was an overspend on Consultancy fees (£4,812), however this was all grant funded, from both National Manuscript Conservation Trust (NMCT) and ARCW, with no impact to the overall budget position. The ARCW grant funding enabled the Library Surveys Ltd. Preservation Assessment Survey (£980) and NMCT's funding facilitated conservation work on the Plymouth Estate Maps (£3,832).
13. Moreover, an overspend in box making supplies (£4,291) contributed to the outturn, though this was partially offset by box making income. This spend facilitated a bulk purchase of card which can be used for income generation in the next financial year.

14. Some areas had underspends, including protective clothing (£3,000), conservation (£2,618) and catering (£994), which helped minimise the overall budget impact.

Support Services (£36,600 Budgeted, £5,485 Underspent)

15. This saving was mostly attributed to ICT Services (£3,200 saving) and Human Resources (£960 saving) whose recharges fell below budget.

16. The Archives also underwent an Internal Audit by Cardiff Council, this was completed in November 2021 (£3,250 cost). Nine recommendations came from this report, five of which were complete in 2021/22.

Income (£79,350 Budgeted, £41,997 Overachieved)

17. Grants Income - £23,031

The Archives secured a variety of grant funding, including the Welsh Government Cultural Recovery Fund to purchase IT equipment (£1,283), ARCW funding to attend the ARA virtual conference (£340) and for the Library Surveys Ltd. project (£810), NMCT funding for Hellen Pedder's work on the Plymouth Estate (£3,832) and finally a New Burdens grant for to accessions taken in 2020 (£11,513).

Additionally, grant funding from the DWP (£4,995) was received as an employment contribution for a staff support worker under the Access to Work scheme.

18. Internal Income – £26,430

Funding was received from Cardiff Council for a Corporate Trainee, whose placement concluded in 2021.

19. External Income - £71,886

Whilst the building was closed for the first part of 2021/22 the Archives explored opportunities, including one-to-one video consultations, which minimised loss of earnings. Once the Archives reopened to the public it experienced increased income generation in other areas such as Search Fees and Publication Sales.

Hire of Specialist Rooms (£29,906) was the largest income stream in 2021/22, predominantly due to continued records storage by Carmarthenshire County Council's (£21,831) and Cardiff Museum (£6,950). As of May 2022, Carmarthenshire County Council have retrieved most of their records so this income stream will conclude in 2022/23.

A payment for services supplied to Cardiff Castle (£10,000) was secured in relation to cataloguing, conservation and digitisation. This was managed using existing resource, with no other associated costs, providing pure income to the Archives.

Reserve Drawdown (£40,000 Budgeted, £34,758 Underdrawn)

20. The Medium Term Financial Plan (MTFP) published in 2021/22 illustrated the proposed reserve drawdown over the next four years; with £40,000 to be used in 2021/22, £10,000 to be used in 2022/23 and completely phasing out any reserve drawdown from 2023/24 onwards.
21. The improved outturn position for 2021/22 allowed for a reduced reserve drawdown compared to the MTFP.

<u>Movements on Glamorgan Archives General Reserve</u>	£
Balance brought forward at 1 st April 2021	118,202
Less Drawdown from General Reserve	(5,242)
Transfer to General Reserve	0
Balance as at 31st March 2022	112,960

22. The £5,242 in the table above represents the drawdown of funding from Reserves to pay for the balance of in year spend not covered by Local Authority member contributions.

Covid-19 Impacts

23. The building reopened to the public as of 8th June 2021 which was a positive milestone in this financial year. 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.

AUDIT WALES ANNUAL RETURN FOR 2021/22

24. The draft Annual Return (appendix 2) for the year ended 31st March 2022 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.
25. 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

26. 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

27. The financial performance for 2021/22 remained affected by Covid-19, with increased expenditure and impacted income generation, consequently the outturn position was difficult to project throughout the year. The overall outturn position as at 31st March 2022 was more positive than predicted and whilst there is still a need to drawdown £5,242 from the General Reserve this is less than originally budgeted. The overall Reserve balance as at 31st March 2022 is £112,960.

RECOMMENDATIONS

1. That the outturn position for 2021/22 be noted.
2. That the attached draft Audit Wales Annual Return for 2021/22 be noted and signed.

Christopher Lee

Treasurer to the Glamorgan Archives Joint Committee

Appendices

1. Appendix 1 – Outturn Position 2021/22
2. Appendix 2 – Draft Audit Wales Annual Return for 2021/22
3. Appendix 3 – Glamorgan Archives Statement of Accounts 2021/22