

# Joint Archives Advisory Board

**Dorset County Council**



Date of Meeting	24 January 2019
Officers	Transformation Programme Lead for the Adult and Community Forward Together Programme and the Chief Financial Officer
Subject of Report	<b>Joint Archives Service: Budget Monitoring Report 2018/19 and Budget 2019/20</b>
Executive Summary	<p>At the meeting of the Board on 25 January 2018, it was recommended that the Joint Archives Service (JAS) would receive a 1.74% increase on its base budget. The budget for 2019/20 is based upon a cash standstill position.</p> <p>This report will therefore;</p> <ul style="list-style-type: none"><li>(i) Update the Board on the expenditure of the Joint Archives Service (JAS)</li><li>(ii) Report the current JAS budget position including reserves;</li><li>(iii) Offer a suggested provisional budget for 2019/20.</li></ul> <p>The contributions from the three councils to support the revenue budget of the JAS currently amount to £550,800. From 2019/20 this cost will be apportioned between the two new unitary councils.</p> <p>In terms of value for money the JAS is the cheapest services of its type in the South West and Hampshire as confirmed by the most recent CIPFA statistics (2017/18). In cash terms, the service costs each person in Bournemouth, Dorset and Poole 72 pence per annum. The service has almost half the staff it had in 2006 and in commenting on the 2011 restructured JAS, The National Archives described it as “very close to the minimum for a viable service”.</p> <p>The key issues for the service and its capital and revenue budgets which have previously been reported to the Board are, in summary;</p> <ul style="list-style-type: none"><li>(i) Deploying the JAS’s reserves to best effect in order to lever external grant aid to support the capital project.</li><li>(ii) The need to find a suitable, sustainable approach to ensure</li></ul>

## Budget Monitoring Report 2018/19 and Budget 2019/20

	<p>digital preservation of digital sources which embraces the councils' statutory duties and also the preservation of externally-generated resources.</p> <ul style="list-style-type: none"> <li>(iii) Adhering to the Board's agreed approach to align service and budget planning with a three year perspective</li> <li>(iv) Acknowledging that the National Archives advice provides little scope for further budget reduction.</li> <li>(v) The Board's strategy acknowledges that the agreed and required service in respect of cataloguing and social community development work relies on the capacity and success of external funding bids.</li> </ul> <p>Careful management of the preservation environment with future investment in new air handling equipment by Dorset County Council has allowed the JAS to reduce electricity and gas consumption and realise savings against these utility costs. Together with a review and uplift of rental income, this has allowed the service to offset the 2019 2% pay award and other inflationary increases and enabled the JAS to maintain a standstill budget for 2019/20.</p>
Impact Assessment:	<p>Equalities Impact Assessment (EIA): The JAS has recently completed a review of its 2011 Areas for further consideration include working with younger people and with black and ethnic minority groups and religious minorities. The aspirations of the JAS in its 'Collecting in the Conurbation' project (part of the wider capital project) was intended to meet the other. It remains to be seen if this work can be taken forward.</p> <p><u>Use of Evidence:</u> Joint Archives Service Plan 2018-21; The National Archives (TNA) Accreditation data; CIPFA statistics 2017/18.</p> <p><u>Budget Risk Assessment</u> The main risk to the service lies in the potential for budget reductions in future years given the financial pressures that are already known.</p>
Recommendation	<p>It is recommended that the Board:</p> <ul style="list-style-type: none"> <li>(i) Notes the JAS's current financial position.</li> <li>(ii) Notes the efforts made by the JAS to reduce costs and to manage its finances to deliver the best outcomes for both funders and users of the service.</li> <li>(iii) Approves a budget for the financial year 2019/20.</li> </ul>
Reason for Recommendation	<p>To meet the reporting and decision-making requirements of the Joint Archives Agreement, 1997</p>
Appendices	<p>Appendix 1: Joint Archives Service Budget Estimate 2019/20 Appendix 2: JAS reserves March 2018</p>

## Budget Monitoring Report 2018/19 and Budget 2019/20

Background Papers	None
Report Originator and Contact	<p>Name: Sam Johnston, County Archivist Tel: 01305-228929 Email: <a href="mailto:s.johnston@dorsetcc.gov.uk">s.johnston@dorsetcc.gov.uk</a></p> <p>Name: Rachel Vincent, Accountant Tel: 01305-225126 Email: <a href="mailto:rachel.vincent@dorsetcc.gov.uk">rachel.vincent@dorsetcc.gov.uk</a></p>

## 1. Background

- 1.1 At its meeting in January 2018, the Board agreed the budget for the Joint Archives Service for 2018/19. This included an inflationary rise, the first for five years, of 1.74%. The current contributions of the three councils are:

	<b>Budget 2018/19 - partner contributions</b>
Bournemouth Borough Council	135,800
Dorset County Council	305,800
Borough of Poole	109,200
<b>TOTAL</b>	<b>550,800</b>

For some years, the JAS had received a standstill budget settlement which, along with real terms reductions had seen the service budget reduce significantly. In addition, a full audit of the service's activities and costs undertaken in 2015 by South West Audit Partnership acknowledged that the service had worked hard to examine and reduce every area of spend on the one hand and to increase income generation on the other.

- 1.2 With Local Government Reorganisation (LGR) and the consequent disaggregation in costs, the funding formula for the JAS will change from April 2019. With Christchurch becoming part of the urban Bournemouth, Christchurch and Poole (BCP) council, a transfer of 6.41% based on the relative populations of the two new unitary councils will take place. This means that the JAS budget will be made up in the following way:

<b>Authority</b>	<b>Percentage contribution</b>
Dorset Council	48.37%
Bournemouth, Christchurch and Poole Council	51.63%
<b>Total</b>	<b>100%</b>

## 2. Value for Money and Service Capacity

- 2.1 In terms of value for money, the JAS is the cheapest service across the South West and Hampshire as confirmed by the most recent CIPFA statistics (2017/18):

<b>LA Archive Service</b>	<b>Net expenditure per 1000 population (£)</b>
<b>Dorset JAS</b>	<b>656</b>
Devon	708
Somerset	710
Bristol	754
Cornwall	862
Bath & NE Somerset	880
Plymouth	1080
Gloucestershire	1190
Wiltshire	3360
Hampshire	No return

## Budget Monitoring Report 2018/19 and Budget 2019/20

The JAS is, as evidenced by this table, cheaper than all other services of its type in the region. This continues to demonstrate the value for money provided for the partner authorities and the benefits of the shared service approach.

- 2.2 The staff establishment stands at 10.67 full time equivalent posts. During 2019/20 an additional 1.4 fte posts will be externally funded by a grant from the Wellcome Trust. The National Archives described the 2011 structure proposal as “very close to the minimum for a viable service”. As acknowledged by the Board on previous occasions, the JAS has been operating at a reduced staffing capacity for some years but has been able to appoint staff to externally funded project posts. The service has demonstrated its ability to innovate, generate (external) income and maintain customer satisfaction and quality of service.
- 2.3 In addition to its revenue contribution, Dorset County Council meets all capital and improvement costs associated with the Dorset History Centre. This has amounted to more than £547,000 over the course of the last eight complete financial years with further improvements of over £200,000 scheduled in 2018/19. Furthermore, the JAS benefits from the leasing of space within the DHC building to three other services. This contributes £26,000 per annum to the archive service budget. The County Council has invested £77,500 in solar panel (photovoltaic - PV) installation. When the planned work to the repositories is complete, the building will during the lighter, warmer months of the year be able to meet much of its own energy requirements through the PV system. The depreciation cost on the DHC value is nearly £100,000 per year. This cost is borne solely by DCC.
- 2.4 In February 2016 DCC committed £882,000 capital budget towards the DHC proposed capital project (see separate Board paper).
- 2.5 Since 2010, the JAS has acquired nearly £645,000 in external grant aid to fund cataloguing and public engagement projects. Other funding applications are under consideration.

### **3. Budget Outturn 2018/19**

- 3.1 Due to the scheduling of the Board meeting, it is not possible to say what the service's exact budget outturn will be. However, we are currently forecasting a balanced budget outturn due to careful vacancy management combined with a new calibration of the preservation environment. This, together with future investment in new air handling equipment by Dorset County Council has allowed the service to reduce electricity and gas consumption and realise savings against these utility costs. Together with a review and uplift of rental income, this has allowed the JAS to offset the 2019 2% pay award and other inflationary increases and enabled the JAS to maintain a standstill budget for 2019/20.

### **4. Budget 2019/20 and JAS Reserves**

- 4.1 The JAS revenue budget for 2019/20 will be £550,800, a cash standstill.
- 4.2 There may be some costs, as yet unknown, associated with the re-branding of the service to incorporate and reflect the approved new logos of the two new councils.
- 4.3 The uncommitted General Reserves and Repair and Maintenance Reserves as at 31 March 2018 were £137,885 and £25,897 respectively.

## Budget Monitoring Report 2018/19 and Budget 2019/20

- 4.4 The Board agreed at its July 2014 meeting to commit the service's reserves to any potential capital project, should an application be made to HLF. Reserves are therefore being held for that exact purpose subject to a potential re-submission to the HLF.

### 5. Budget 2019/20

- 5.1 Pressures on the service budget for 2019/20 include:

- The national pay award of 2% plus increments for certain staff.
- Business rates; which are due to increase by £3k

- 5.2 The contributions to the JAS budget from the two new unitary councils will be:

Bournemouth, Christchurch and Poole Council	£284,400
Dorset Council	£266,400
<b>Total</b>	<b>£550,800</b>

- 5.3 The service will continue to examine all areas of spend, to minimise costs and to generate income wherever possible.

### 6. Conclusion

- 7.1 The JAS provides excellent value for money, generates significant income and delivers high quality work and projects. Understanding the future scenario for the service is critical to its ability to best plan its future and to assess and prioritise its functions. Any reduction in budget will necessarily have a direct and measurable negative impact on the JAS's ability to meet the demands placed upon, particularly as it moves forward with a large capital project.
- 7.2 The board's direction and guidance in ascertaining the future funding and governance of the JAS beyond March 2019 will be critical in how the service develops and changes. There are clear opportunities to improve the JAS and DHC through external funding and for the JAS to demonstrate its wider value to the two new funding authorities.

#### **Helen Coombes**

Transformation Programme Lead for the Adult and Community Forward Together Programme

#### **Richard Bates**

Chief Financial Officer

January 2019

**Joint Archives Service - Budgets 2018/19 and 2019/20**

	<b>Budget 2019/20</b>	<b>Budget 2018/19</b>
		<b>£</b>
Internal Charges (Expenditure)	68,800	68,800
Pay Related Costs	398,200	395,500
Premises Related Costs	142,300	142,500
Transport Related Costs	2,700	2,700
Supplies & Services	15,300	15,500
Fees & Charges	-31,800	-31,800
Internal Charges (Income)	-44,700	-42,400
<b>Net Budget</b>	<b>550,800</b>	<b>550,800</b>

**Current and Proposed Partner Contributions**

	<b>Budget 2019/20</b>	<b>Budget 2018/19</b>
Bournemouth		135,800
Poole		109,200
Dorset County Council		305,800
BCP	284,400	
Dorset Council	266,400	
<b>TOTAL</b>	<b>550,800</b>	<b>550,800</b>

## JAS Reserves at 31 March 2018

<b><u>2017/18</u></b> <b><u>RESERVES</u></b>	<b>GENERAL</b> £	<b>REPAIRS &amp; MTCE</b> £	<b>DONATIONS</b> £	<b>PROJECTS</b> £	<b>Total</b> £
<u>B/fwd as at 31/03/2017</u>					
Uncommitted	165,128	14,823			179,951
Committed			31,771	-27,534	4,237
<u>Movement in year</u>					
Revenue Surplus 2017/18	11,074			26,860	37,934
Revenue Deficits 2017/18		-27,243			-27,243
Donations received			7,242		7,242
 Reserve Balance	 <b>137,885</b>	 <b>25,897</b>	 <b>39,013</b>	 <b>-674</b>	 <b>202,121</b>
<u>Less Commitments:</u>					
Donations (ring-fenced)			-39,013		-39,013
Projects				674	674
<b>UNCOMMITTED RESERVES</b>	<b>137,885</b>	<b>25,897</b>	<b>0</b>	<b>0</b>	<b>163,782</b>