

# **Joint Archives Advisory Board**

## **5 February 2021**

### **Joint Archives Service: Budget Monitoring Report 2019/20 and Budget 2021/22**

## **For Recommendation to Cabinet**

**Portfolio Holder:** Cllr J Haynes, Customer and Community Services  
Cllr M. Iyengar, Tourism, Leisure and Culture, BCP Council

**Local Councillor(s):** All

**Executive Director:** J Sellgren, Executive Director of Place

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**Report Status:** Public

#### **Recommendation:**

- (i) Notes the JAS's current financial position.
- (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.
- (iii) Approves a budget for the financial year 2021/22.

**Reason for Recommendation:** To meet the reporting and decision-making requirements of the Joint Archives Agreement, 1997

#### **1. Executive Summary**

At the last meeting of the Joint Archives Advisory Board (JAAB) on 6 December 2019, it was agreed that the Joint Archives Service (JAS) would maintain a cash standstill budget for 2020/21. The service's current revenue budget is £550,800, apportioned pro rata to population.

This report will provide details of the JAS's financial position including the impact of Covid-19, its reserves, its relative value for money and a suggested budget based on a further standstill settlement for 2021/22.

## **2. Financial Implications**

Covered within the scope of the report.

## **3. Well-being and Health Implications**

None

## **4. Climate implications**

None

## **5. Other Implications**

None

## **6. Risk Assessment**

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: **MEDIUM**  
Residual Risk **MEDIUM**

The JAS has always operated within its budgetary means and will continue to do so. However, the longer-term challenge for the service will be how to fund external storage for archives in the event that additional on-site accommodation cannot be provided via a capital scheme.

## **7. Equalities Impact Assessment**

The JAS has completed a full EQIA. Areas for further consideration include working with younger people and with black and ethnic minority groups and religious minorities. Improved digital provision will also assist in providing greater access to collections for people living at some distance from Dorchester.

## **8. Appendices**

Appendix 1: Joint Archives Service Budget Estimate 2021/22  
Appendix 2: JAS reserves March 2020

## **9. Background Papers**

None

## 1. Background

- 1.1 At its meeting in December 2019, the Board agreed the budget for the Joint Archives Service for 2020/21. The budget was a cash standstill based upon current contributions of the two councils. These are set out in the table below and reflect the updated populations of Dorset Council and Bournemouth, Christchurch and Poole Council areas relevant to local government reform in 2019.

	Budget 2020/21 - partner contributions to revenue budget	
Bournemouth, Christchurch and Poole Council	£284,400	51.63%
Dorset Council	£266,400	48.37%
<b>Total</b>	<b>£550,800</b>	<b>100%</b>

- 1.2 The JAS has had standstill budgets for **six** of the last **seven** financial years. In real terms using RPI, this represents a reduction of budget of 22.23% since 2012. 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.
- 1.3 If the Board agrees to maintain a standstill budget, then the contributions in the table above will remain the same for 2021/22.

## 2. Value for Money and Service Capacity

- 2.1 It is difficult to say with precision where the JAS currently stands in terms of value for money relative to other archive services. Dorset Council no longer subscribes to CIPFA's benchmarking services. However, in previous years, the service was consistently the cheapest service across the South-West and Hampshire in terms of net expenditure per 1000 population. There is no obvious reason why this situation should have changed.
- 2.2 The staff establishment stands at 11.67 full time equivalent posts. During 2020, additional capacity was provided through externally funded projects (Harrison Hospital and Frink). 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 as well as generate large quantities of volunteer capacity. 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 Council has to date met all capital and improvement costs associated with the Dorset History Centre. This has amounted to more than £747,000 over the course of the last ten complete financial years. Most recently, the service has received £200,000 investment to create a largely passive preservation environment within the DHC repositories,

so radically reducing the service's energy costs. Further capital investment will be required moving forwards to maintain a viable service and the principle for capital funding will need to be reviewed. 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. Prior to Local Government Reorganisation, Dorset County Council invested £77,500 in solar panel (photovoltaic - PV) installation. The power generated is consumed on-site at DHC, although the feed-in tariff reverts to the Council. The depreciation cost on the value of the DHC building is in excess of £100,000 per year.

- 2.4 Like all public services, the March 2020 coronavirus pandemic hugely impacted the JAS. In terms of income, the service experienced major reductions in its room hire, photographic permits and parking totalling around £11,000. Remote orders for digital copies remained strong as people worked from home, although the service's ability to deal with them was limited by staff absence from the building.
- 2.5 Since 2010, the JAS has acquired nearly £750,000 in external grant aid to fund cataloguing and public engagement projects. Other funding applications are under consideration.

### **3. Budget Outturn 2019/20 and 2020/21**

- 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 for 2020/21 although there is likely to be an overspend of up to £20,000 due to the fees payable to the consultants. undertaking the service review and the loss of income due to Covid. The budget outturn for 2019/20 resulted in an overspend of c. £30,000. This was due to the costs associated with the £200,000 strongroom environmental project and the £40,000 installation of new shelving to maximise the available strongroom storage space.

### **4. Budget Strategies of the Two Funding Councils**

- 4.1 **Bournemouth, Christchurch and Poole Council:** BCP Council's Medium Term Financial Planning and 2021/22 budget setting process is continuing to evolve against a background of large scale funding gaps and the additional financial loss arising as a consequence of COVID-19. There is also considerable uncertainty as to the effects of the local government fair funding reforms planned for 2021 and the impact of the Government's Green Paper on the costs of social care. Against this background the Council is working to identify the total funding gaps over the next three years and develop strategies to set a balanced budget over this term. The Council's strategies to do this include detailed base budget reviews as well as seeking to secure funding for the Council's ambitious programme of transformation which will unlock significant savings and improved services through a new operating model.
- 4.2 **Dorset Council:** In developing the Medium Term Financial Plan, focus remains on managing and reducing the forecast 2020/21 overspend as far as possible to minimise the impact on the base budget for 2021/22. The Council has received grants for Covid, but a number of savings plans have been delayed due to the

pandemic which has increased the overspend. The MTFP is currently being developed and will be taken to the January 2021 Cabinet meeting for consideration by Councillors, following ongoing work involving the Senior Leadership Team and Cabinet members during November and December. Alongside this, a transformation fund has been established in order to drive out benefits over the five-year MTFP period. The Capital Programme is also being scrutinised. A number of strategies are being developed to set a balanced budget for 2021/22, including Council Tax, Social Care Precept, business rates and demographic factors, as well as service specific budget pressures, and opportunities to make savings.

## **5. Budget 2021/22 and JAS Reserves**

- 5.1 The JAS revenue budget for 2021/22 will, if approved, be £550,800, a cash standstill.
- 5.2 Pressures on the service budget for 2021/22 include:
  - Increments for certain staff
  - Business rates; which are due to increase by £3k
- 5.3 The uncommitted General Reserves and Repair and Maintenance Reserves as at 31 March 2020 were £162,194 and £14,896 respectively. The consultancy report currently nearing its completion will cost approximately £20,000 which will need to be funded from the reserve.
- 5.4 The Board agreed at its July 2014 meeting to commit the JAS's reserves to any potential capital project, should an application be made to the Heritage Fund. Reserves are therefore being held for that exact purpose subject to a potential re-submission to the Lottery in the future.
- 5.5 The service will continue to examine all areas of spend, to minimise costs and to generate income wherever possible. A review of fees and charges accompanies this report with an expectation that the new tariff would apply from April 2021.

## **6. Conclusion**

- 6.1 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 it, particularly if it moves forward with a large capital project and gets more deeply involved in the management of corporate records.
- 6.2 The board's direction and guidance in ascertaining the future funding and governance of the JAS beyond March 2021 (linked to the forthcoming consultancy report) 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 and their corporate memory functions.

**John Sellgren**

Executive Director for Place

**Aidan Dunn**

Executive Director for Corporate Development

January 2021

## Appendix 1

### Joint Archives Service - Budgets 2019/20, 2020/21 and Draft 2021-22

	<b>Budget 2019/20</b>	<b>Budget 2020/21</b>	<b>Draft Budget 2021/22</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Internal Charges (Expenditure)	80,900	53,300	59,900
Pay Related Costs	378,300	435,100	418,300
Premises Related Costs	142,300	139,300	139,700
Transport Related Costs	2,700	2,500	2,000
Supplies & Services	23,100	15,200	20,000*
Fees & Charges	-31,800	-48,400	-42,200
Internal Charges (Income)	-44,700	-46,200	-46,900
<b>Net Budget</b>	<b>550,800</b>	<b>550,800</b>	<b>550,800</b>

\*£6,000 (not shown here) additional budget for Preservica software. Currently funded solely by Dorset Council.

## Appendix 2

### JAS Reserves at 31 March 2020

<b><u>2019/20 RESERVES</u></b>	<b>GENERAL</b>	<b>REPAIRS &amp; MTCE</b>	<b>DONATIONS</b>	<b>PROJECTS</b>	<b>Total</b>
	£	£	£	£	£
<b><u>B/fwd as at 31/03/2019</u></b>					
Uncommitted	190,419	19,084			209,503
Committed			42,199	53,274	95,473
<b><u>Movement in Year</u></b>					
Revenue Surplus 2019/20					
Revenue Deficits 2019/20	-28,225	-4,188		-33,732	-66,145
Donations Received			1,046		1,046
<b>Reserve Balance</b>	<b>162,194</b>	<b>14,896</b>	<b>43,245</b>	<b>19,542</b>	<b>239,877</b>
<b><u>Less Commitments</u></b>					
Donations (ring- fenced)			-43,245		-43,245
Projects				-19,542	-19,542
<b>UNCOMMITTED RESERVES</b>	<b>162,194</b>	<b>14,896</b>	<b>0</b>	<b>0</b>	<b>177,090</b>

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#### Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.