

# Joint Archives Board

8 November 2023

## Joint Archives Service: Budget Monitoring and Budget 2024/25 Report

### For Decision

**Portfolio Holder:** Cllr L Beddow, Culture and Communities  
Cllr Andy Martin, Customer, Communications and Culture,  
BCP Council

**Local Councillor(s):** All

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

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**Report Status:** Public

### Brief Summary:

The context for the budget setting process 2024/25 is extremely challenging with all councils facing significant financial pressures. At the last business meeting of the Joint Archives Board (16 March 2023), a 7.7% increase was approved for the JAS's budget for 2023/24. This followed a period of 8 years in which 7 had required budget 'standstill' to fund the costs of pay, energy and business rates increase. The JAS budget is £613,107. It is funded by the BCP and Dorset Council pro rata to their respective populations.

To support both Dorset and Bournemouth, Christchurch and Poole Councils financial position it is proposed that the Joint Archives Service makes savings in order to absorb its pay and overhead increases for 2024/25. Therefore, the Joint Archives Service will be required to make savings of £50,000. This would result in:

- (i) The removal of the role of Office Manager upon the retirement of the current incumbent in May 2024.
- (ii) A range of reductions across other areas of the service meaning that controllable spending would be reduced to a bare minimum.
- (iii) The adoption of vacancy management where feasible.

## Recommendation:

The recommendation is that the Joint Archives Board approve proposed DRAFT budget for 2024/25 and savings proposals as detailed.

## Reason for Recommendation:

Effective oversight of Joint Archives Service budget via the Joint Archives Board is required under the terms of the Inter-Authority Agreement on Archives, 2022. The recommendation will be placed before the executives of both funding councils.

### 1. Background

- 1.1 At the last business meeting of the Joint Archives Board (16 March 2023), a 7.7% increase was approved for the JAS's budget for 2023/24. This followed a period of **eight** years in which **seven** had been cash standstills. The increase funded the local government pay increase and the increased cost of energy and business rates. The current JAS budget is **£613,107**. The budget apportionments for the two councils are as detailed below:

Bournemouth, Christchurch and Poole Council	£313,298
Dorset Council	£299,809
<b>Total</b>	<b>£613,107</b>

- 1.2 The proposed budget for 2024/25 is a cash standstill. This will mean that the Joint Archives Service will have had standstill budgets for **eight of ten** most recent financial years. In real terms using RPI, this represents a reduction of budget of circa 26% since 2012 during that period (Goods and services costing £613,107 in 2013 would cost £821,435 today, a cost increase of £208,328). 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 wherever possible on the other (e.g. room hire, car parking, leasing space, added value public services).

### 2. Value for Money and Service Capacity

- 2.1 It is difficult to say with precision where the Joint Archives Service currently stands in terms of value for money relative to other archive services. Many variables operate in terms of above and below the line costs and a reliable set of comparable statistics does not exist. However, in previous years, the service has consistently demonstrated value for money across the South-West and Hampshire in terms of net expenditure per 1000 population.
- 2.2 The Joint Archives Service has worked hard to manage its costs and has managed through a combination of electricity generation via solar PV panels and a shift to passive strongroom management to reduce its overall energy costs by

- around 65%. Additional solar arrays have been fitted to the roof of DHC in 2022 funded through government renewable energy grants.
- 2.2 The staff establishment stands at 12.07 full time equivalent posts. The National Archives described the 2011 structure proposal as “very close to the minimum for a viable service”. The National Archives’ November 2021 accreditation feedback noted that “*the Panel were also impressed by the considerable achievements of the service relative to budget and staffing capacity*”. The JAS has been operating at a relatively low 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. Since 2010 this has amounted to more than £1 million. In recent years, the service has received £200,000 investment to create a largely passive repository preservation environment. Further capital investment will be required moving forwards to maintain a viable service. The Joint Archives Service benefits from the leasing of space within the DHC building to two other services. This contributes £42,000 per annum to the archive service budget. The depreciation cost on the value of the DHC building is in excess of £100,000 per year.
- 2.4 The Joint Archives Service seeks to generate as much income as possible from providing ‘added value’ services to the public. Pricing for these services has been raised in line with inflation and/or Dorset Council expectations (see accompanying report). However, there is a limit to how much these services can yield.
- 2.5 Since 2010, the Joint Archives Service has acquired nearly £820,000 in external grant aid to fund cataloguing and public engagement projects. Other funding applications are under consideration.
- 2.6 The saving requirement of £50,000 on the JAS’s 2024/25 budget will mean that all non-salary related spend will have been reduced to the lowest level possible in order to run the service. Any future savings will necessarily result in a reduction in posts and therefore functions. In addition, should a capital project be approved, any reduction in staffing capacity would render the service’s ability to engage with such a scheme much more challenging.
- 3. Current year financial position**
- 3.1 The current forecast for 2023/24 is for the Joint Archives Service to have an overspend of circa £10k at year end. Any overspend will be funded by the Joint Archives Service reserve (subject to sufficient funds being held). The reasons for the overspend are detailed below.
- 3.2 Pay budgets are forecast to underspend by circa £11.5k due to vacancies.

- 3.3 Premises budgets are particularly under pressure. The hike in utility costs is well known, and the effect of that is estimated at circa £12k overspend in the current year. Separately, R&M spend at Dorset History Centre has incurred £25k at the time of writing against a budget of £13k (and £16k spend in previous year). It is anticipated that the balance of funds within the Repairs and Maintenance reserve will be used to partly offset this overspend.
- 3.4 Any underspend or overspend at year will be added to, or deducted from, the reserve, as appropriate.

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

- 4.1 **Bournemouth, Christchurch and Poole Council:** a verbal update will be provided at the meeting.
- 4.2 **Dorset Council: financial position for current year and outlook**
- At the end of Quarter 2, the Council is forecasting net budget pressures of £11.985m which represents 3.4% of the Council's budget requirement (£347.6m). Overall the quarter 2 position has worsened by £1.6m since quarter 1 of 2023/24, despite improvements within a number of directorates and service, and receipt of new grant funding such as the Market Sustainability funding. 2023/24 continues to be an extremely challenging time for local government, with inflationary and demand pressures impacting on income and expenditure. There remains a large degree of financial uncertainty and, having reviewed expenditure for the second quarter of the year, Dorset Council's prudent financial forecast is a £11.985m budget pressure.
- The Council has set aside contingency funding to manage some of this risk, but continued and sustained service demand may mean the current contingencies are insufficient without significant improvements in the latter part of the financial year. Without this, unearmarked reserves will be required to fund the 2023/24 general fund.
- 4.3 For that reason, the proposal presented here is a "standstill" budget which, given the pressure due to pay awards and general inflation, represents a required saving of £50k.

#### **5. Budget 2024/25 and JAS Reserves**

- 5.1 At the time of writing, there is much uncertainty which prevents setting a budget with complete understanding of costs:
- The 2023/24 pay award is not confirmed
  - For non-pay, general inflation is still very volatile
  - The picture for utility costs is adverse but generally improving.
- 5.2 Nonetheless, the JAB will need to consider the 2024/25 budget proposal in light of the assumptions that we are using at the time of writing. The effect is that the service needs to find savings of circa £50k in order to "stand still".

The proposal to reduce expenditure by £50k is as follows:

- (i) The removal of the role of Office Manager upon the retirement of the current incumbent in May 2024.
- (ii) A range of efficiencies across other areas of the service
- (iii) The adoption of vacancy management processes where feasible to do so.

## **6. Reserves**

- 6.1 The attached Appendix shows recent movements in the reserve and the current balance.
- 6.2 The general reserve stands at £67.7k. Despite the return of funds to both partner councils as previously agreed, the reserve is higher than the £50k that both councils previously agreed on, due to transactions late in the 2022/23 closedown process.
- 6.2 The reserve is held by DC but is jointly owned by both DC and BCP, with ownership being in accordance with the population percentages set out earlier. The JAB previously agreed to retain £50,000 within its reserve with any additional funds being apportioned and returned to the two funding councils. That opportunity arises again now, if the JAB wish to apportion funds held in the reserve over and above the £50k previously suggested.
- 6.4 The repairs and maintenance budget stands at £7,397 and will be needed in full to offset the overspend in repairs and maintenance this year.
- 6.5 The Donations reserve and Projects are ringfenced for specific purposes.

## **7. Conclusion**

- 7.1 The JAS works to provide excellent value for money, generates significant income and delivers high quality work and projects. Along with all other council services, the JAS faces another period of retrenchment and cost savings which will mean that it is operating as cheaply as is possible without needing to implement a staffing restructure.
- 7.2 A definitive decision on whether a capital project is to take place will determine the service's direction of travel over the next few years. There are clear opportunities to improve the JAS and DHC through external funding but these are contingent upon having a stable core of professional staff to manage and lead the service. The JAS will continue to strive to provide excellent value for money combined with high quality service for the funding councils, the public and the collections it manages.

**John Sellgren**  
Executive Director for Place

**Aidan Dunn**  
Executive Director for Corporate Development

**JAS Reserves at 31 March  
2023**

	<b>GENERAL</b>	<b>REPAIRS &amp; MTCE</b>	<b>DONATIONS</b>	<b>PROJECTS</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>B/fwd as at 31/3/2022</u></b>					
Uncommitted	188,047				188,047
Committed		10,802	43,280	22,090	76,172
<b><u>Movement in Year</u></b>					
Revenue Surplus 2022/23					
Revenue Deficits 2022/23	-7,300	-3,404		-144	
BCP Share Returned	-47,547				
DC Share Returned	-45,500				
Donations Received			30		
Capital Projects	-45,000				
Capital Project Returned	25,000				
<b>Reserve Balance</b>	<b>67,700</b>	<b>7,397</b>	<b>43,310</b>	<b>21,946</b>	<b>140,353</b>
<b><u>Less Commitments</u></b>					
Donations (ring-fenced)			-43,310		
Projects				-21,946	
Repairs & Maintenance		-7,397			
Capital Projects					
<b>UNCOMMITTED RESERVES</b>	<b>67,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>67,700</b>