

Joint Archives Board

13 November 2024

Joint Archives Service: Budget Monitoring and Budget 2025/26 Report

For Decision

Cabinet Member and Portfolio:

Cllr R Hope, Customer, Culture and Community Engagement

Cllr Andy Martin, Customer, Communications and Culture, BCP Council

Local Councillor(s): All

Executive Director:

A Dunn, Executive Director, Corporate Development

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Report Status: Public

Brief Summary: The Joint Archives Service (JAS) has managed its budget prudently in 2024/25 after making an in-year reduction in spending as agreed at the February 2024 meeting of the Board. Property-related costs are now all managed via the Assets and Regeneration service meaning that staffing represents the principal cost of the service. In order to maintain the JAS at its current staffing level an uplift of c.3% from each council would be required. The 2025/26 budget proposal is detailed in Section 5.

Recommendation: The recommendation is that the Joint Archives Board request the budget uplift from each council as detailed in the draft budget proposals for 2025/26

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 (5 February 2024), the Joint Archives Board agreed a cash standstill budget for the financial year 2024/25. This means that of the past **ten** financial years, **eight** have been cash standstills. 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
Total	£613,107

- 1.2 In real terms using RPI, this represents a reduction of budget of circa 30% since 2012.

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 and reliable 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. 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).
- 2.2 The Joint Archives Service has worked hard to reduce 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 were fitted to the roof of DHC in 2022 funded through government renewable energy grants. Responsibility for all buildings-related costs and maintenance has now been transferred to Dorset Council's Assets and Regeneration department. The latter is operating a regime know as 'Effective Property Services'. All property-related budgets now sit with that team which means that in terms of the JAS there are two budget areas to manage for the accountancy team – the JAS's staffing and associated budgets (e.g. training, consumables) and Property (rates, insurance, contract management, repairs and maintenance).
- 2.2 The JAS's staff establishment stands at 11.17 full time equivalent posts. The National Archives' July 2024 Accreditation feedback noted that "*There are recognised challenges, with no slack in the staffing*". 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 current Hardy project has resourced an 18-month archivist's post. Externally funded work on the archives of Yellow Buses and Wessex Water archives will provide a further 2-year post for the service with additional conservation and digitisation. There have been two recent pledges of £10,000 (£20k in total) from owners of Dorset estates. The service has so far 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 with a significant additional investment currently underway with the replacement soffits, fascias, guttering and repository roof. 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 currently 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 **£950,000** 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 current 2024/25 budget has meant that all non-salary related spend has 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, any reduction in staffing capacity would render the service's ability to engage in a capital project (see Service Development Plan update) involving a major application to the National Lottery Heritage Fund much more challenging.

3. Current year financial position

- 3.1 The current forecast for 2024/25 is for the Joint Archives Service to have an underspend of circa £7k at year end. Any underspend will be added to the Joint Archives Service reserve unless it is required by property to cover any overspends on utilities etc. The reasons for the underspend are detailed below.

- 3.2 Pay budgets are forecast to underspend by circa £16k due to vacancies and reduced hours. However, these are temporary measures due to staff retirement and the restructuring of posts and will not obtain in the new financial year.
- 3.3 Premises budgets are now managed via Assets and Regeneration and are not monitored or controlled by the JAS itself. In the event of an overspend a re-charge would be made to the JAS budget.
- 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:

BCP Council continues to face challenging financial circumstances and is currently planning the actions necessary to meet its 2025/26 budget gap, in order to set a balanced budget. A range of savings and efficiencies are being identified to support this process, which will be confirmed in due course in line with normal budget setting timescales.

4.2 Dorset Council: financial forecast for current year

At the end of July, the Council is forecasting an overspend of £10.1m, which represents 2.7% of the Council's budget requirement (£376.7m).

9.8 This forecast is of significant concern as it identifies unbudgeted service pressures of £9.7m, which are only partially mitigated by Central Finance funding improvements of £7.9m.

The current forecast will require use of reserves. In previous years where there has been improvement during the year, this has typically been due to 'central finance' mitigation, such as releasing the contingency or improvements to collection fund. For Period 4, these have already been deployed and are therefore not available to mitigate any future pressures

5. Budget 2025/26

- 5.1 The draft budget for 2025/26 has been compiled assuming a pay award of 2%; general inflation 2% and utilities inflation of 5%. The draft budget is outlined below:

Archives	Original Budget 2024-25	Draft Budget 2025-26	Movement	Notes
Internal Charges (Expenditure)	£61,600	£62,858	£1,258	Increase in internal charges
Pay Related Costs	£472,681	£481,216	£8,535	Increase in pay costs
Premises Related Costs	£161,838	£170,706	£8,868	Increase in premises costs
Transport Related Costs	£1,194	£1,194	£0	
Supplies and Services	£26,708	£26,708	£0	
Reimbursements and Contributions	(£313,298)	(£322,715)	(£9,417)	Increase in BCP contribution
Fees and Charges	(£57,719)	(£59,182)	(£1,463)	Increased income target
Internal Charges (Income)	(£53,195)	(£53,195)	£0	
Total Net Budget	£299,809	£307,590	£7,781	

5.2 In order to maintain the service at its current capacity and avoid a potential staffing review, the two councils would need to support an uplift of c.3%. The proposal to the JAB outlined below represents a modest increase in contribution for each council:

BCP Council	£9,417
Dorset Council	£7,781

6. Reserves

- 6.1 The reserve movements for the prior year and current balances are shown in Appendix 1.
- 6.2 The general reserve stands at £59k. 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 2023/24 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 wishes 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 the service's budget position for 2025/26 is required. A capital project with a bid to NLHF is likely to dominate the forthcoming 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.

Appendix 1

Joint Archives Service Reserves at 31 March 2024

	General	Repairs & Maintenance	Donations	Projects	Total
<u>Balance brought forward 31/03/2023</u>					
Uncommitted	£67,700				£67,700
Committed		£7,397	£43,310	£21,946	£72,653
<u>Movement in Year</u>					
Revenue Surplus 2023/24				£15,332	
Revenue Deficits 2023/24	-£8,441	-£7,397			
Donations Received			£188		
Reserve Balance	£59,259	£0	£43,498	£37,278	£140,035
<u>Less Commitments</u>					
Donations (ring-fenced)			-£43,498		
Projects				-£37,278	
Repairs & Maintenance					
Capital Projects					
Uncommitted Reserves	£59,259	£0	£0	£0	£59,259

1. Background Papers

None

2. Report Sign Off

This report has been through the internal report clearance process and has been signed off by the Director for Legal and Democratic (Monitoring Officer), the Executive Director for Corporate Development (Section 151 Officer) and the appropriate Portfolio Holder(s)