

Norfolk Records Committee

Item No 7

Report title:	Finance and Risk
Date of meeting:	12 January 2018
Responsible Chief Officer:	Tom McCabe – Executive Director, Community and Environmental Services
Strategic impact This report provides an update on the forecast financial year end position and for the Norfolk Records Committee for 2017/18	

Executive summary

This report forecast financial out-turn for the Norfolk Record Office (NRO) for 2017/18. Section 1 covers the NRO revenue budget for 2017/18, reserves and provisions. Section 2 provides the Committee with an update on the service risk register.

The main issues for consideration by this Committee are:

- Progress with NRO Revenue budgets and Reserves and Provisions indicates that the service is forecasting a small underspend at the year-end
- Progress with risk management for NRO.

Recommendations:

The Norfolk Records Committee is asked to consider and comment on:

- **Forecast position of the revenue budget, reserves and provisions for 2017/18**
- **Management of risk for 2017/18**

1. Revenue Budget

1.1 Financial Performance 2017/18

- 1.1.1 At the end of period 8 2017/18 we are forecasting that the NRO will deliver a small underspend. This is summarised in the table below.

Service	Approved budget £m	Forecast 2016/17 Outturn £m	Forecast +Over/- Underspend £m
Salary	0.922	0.815	(0.107)
Premises	0.004	0.023	0.019
Travel	0.003	0.004	0.001
Supplies & Services	0.063	0.072	0.009
Support Services	0.001	0.002	0.001
Capital*	0.205	0.205	0.000

Income	(0.401)	(0.324)	0.077
Total	0.797	0.797	(0.000)

* Local authority capital accounting adjustments that relate to historic capital expenditure- this budget has changed from that previously reported to Committee, due to the allocation of depreciation charges, and re-valuation gains and losses. However, these are purely accounting adjustments and have had no impact on the underlying ability of services to apply and manage their budgets.

- 1.1.4 The additional premises and supplies and services costs relate to building works at the Archive Centre. Savings on salaries resulting from staff absences mean that the NRO has still been able to manage a balanced budget.
- 1.1.5 Norfolk County Council continues to face significant financial pressures and funding reduction and the Norfolk Record office continues to look for ways to support the authority in meeting those financial challenges.

1.2 Capital programme

- 1.2.1 There is no capital programme for 2017/18.

1.3 Reserves and Provisions

- 1.3.1 The table summarising the 2017/18 position appears below.
- The Residual Insurance reserve is planned to be used in the year to support project development. This includes administrative support to the Norfolk Archives and Heritage Development Foundation and service development projects looking at archive discovery and local working.

Reserves and Provisions 2016/17	Balances at 01Apr 17	Forecast Balance at 31Mar 18	Planned Change
	£m	£m	£m
Norfolk Record Office			
Residual Insurance and Lottery Bids	0.205	0.208	0.003
Unspent Grants & Contributions Reserve	0.017	0.007	(0.010)
Service Total	0.222	0.215	(0.007)

2. Risk Management

- 2.1 The service continues to manage the risks to its objectives both internal and external. The risk register is reviewed and updated on a quarterly basis and was last reported to this Committee at the last meeting. A summary of the risk register based on the most recent review of November 2017 appears at Appendix A.
- 2.2 The register contains five key risks, four of which are currently assessed as a 'medium' level risk, while one is assessed as 'low'.

- 2.3 All risks are being well managed. Two of the risks are showing 'Green – on schedule' progress towards achieving their target risk scores, and the other three are showing 'Amber' and with further planning should be met.
- 2.4 The impact of the unmet risks on the budget has been assessed as follows:
- 2.4.1 For RM13959 'Loss of or reduction in funding', if this external funding was lost then the service would need to reduce spending in line with the reduction of funding. This risk is classed as 'Amber' however additional income streams have been identified in 2017/18. The risk is mitigated by continuing to apply for external funding and explore income generating opportunities.
- 2.4.3 For RM13963 'Inability to continue collecting archives', an increased level of accessions would reduce the available space more quickly than planned. Records are kept of the amount of additions and available space and bespoke packaging is used to reduce the amount of space needed. There is also work which can be carried out to further increase the capacity of the King's Lynn strong room. This risk is classed as 'green' and is not expected to occur in 2017/18, and so will have no impact on the revenue position.
- 2.4.4 For RM14164 'Failure to meet growing public expectations on access', is the risk that the public can't access collections as easily as they expect to. This could mean demand for our services would reduce. This is mitigated through entering into commercial partnerships to improve access and planning for access to digital images in search room. Plans are in place to increase the amount of digital images available through commercial partnerships. This risk is classed as 'green' and is not expected to occur in 2017/18, and so will have no impact on the revenue position.
- 2.4.5 For RM14165 'Failure to collect, preserve and make accessible new formats of archive', NRO is not in a position to fully manage the preservation and continued accessibility of born digital records. This is mitigated through developing procedures, staff skills and exploring collaborative approaches. This risk is classed as 'Amber' however the NRO is now leading a collaborative regional project to address these issues.
- 2.4.6 For RM14167 'Collection at risk through unexpected events', due to the special nature of the NRO collection the usual NCC continuity planning has to be reviewed and adapted. This is mitigated through the roll out of specific Emergency Plan, in which all staff, including recent recruits, have been trained. This risk is classed as 'green' and is not expected to occur in 2017/18, and so will have no impact on the revenue position.
- 2.4.7 For RM14291. 'Long-term sustainability of metadata'. The NRO relies on a large set of metadata, which is used as a gateway to the Collection (the catalogue of over 700,000 records) and for managing the collection (accession records and location data). Some of this data is irreplaceable. Where it could be recreated, the cost would be millions of pounds. The NRO needs to ensure that this data is sustainable in the long-term and, when necessary, can be migrated to other systems.

3. Financial Implications

The implications for resources including, financial, staff, property and IT, where relevant, are set out in Section 1 of this report.

4. Issues, risks and innovation

Officers have considered all the implications which members should be aware of. Apart from those listed in the report (above), there are no other implications to take into account.

5. Background

There are no other documents to refer to.

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, eg equality impact assessment, please get in touch with:

If you have any questions about matters contained in this paper please get in touch with:

Officer Name:	Tel No:	Email address:
Andrew Skiggs Accountant	01603 223144	andrew.skiggs@norfolk.gov.uk

Gary Tuson County Archivist	01603 222003	gary.tuson@norfolk.gov.uk
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