

# Norfolk Records Committee

<b>Report title:</b>	<b>Finance and Risk</b>
<b>Date of meeting:</b>	<b>5 April 2019</b>
<b>Responsible Officer:</b>	<b>Steve Miller – Assistant Director, Culture and Heritage</b>
<b>Strategic impact</b> This report provides an update on the forecast financial year end position for the Norfolk Records Committee for 2018/19.	

## Executive summary

As set out in this report, the forecast financial out-turn for the Norfolk Record Office (NRO) for 2018/19 Section 1 covers the NRO revenue budget for 2018/19, reserves and provisions. Section 2 provides the Committee with an update on the service risk register. Section 3 provides Committee with an update on the future budget challenges for Norfolk County Council and the specific proposals relating to the Committee to help manage this challenge.

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 balanced position.
- 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 2018/19**
- **Management of risk for 2018/19**

## 1. Revenue Budget

### 1.1. Financial Performance 2018/19

- 1.1.1 At the end of period 11, February, 2018/19 we are forecasting that the NRO will deliver a balanced budget. This is summarised in the table below.

Service	Current budget £	Forecast 2018/19 Outturn £	Forecast +Over/- Underspend £
Salary	965,480	896,715	(68,765)
Premises	3,810	4,084	274
Travel	7,020	2,447	(4,573)
Supplies & Services	78,190	17,335	(60,855)

Support Services	1,070	3,417	2,347
Capital*	272,090	272,090	0
Income	(472,500)	(340,931)	131,569
<b>Total</b>	<b>855,160</b>	<b>855,159</b>	<b>(1)</b>

\* 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

1.1.2 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.

1.1.3 The proposed budget for 2019/20 is £799,520. This is after allowing for inflation increases and the planned £75,000 savings.

## 1.2 Capital programme

1.2.1 There is no capital programme for 2018/19.

## 1.3 Reserves and Provisions

1.3.1 The table summarising the 2018/19 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.

<b>Reserves and Provisions 2018/19</b>	<b>Balances at 01Apr 18</b>	<b>Forecast Balance at 31Mar 19</b>	<b>Planned Change</b>
	£	£	£
<b>Norfolk Record Office</b>			
Residual Insurance and Lottery Bids	182,947	175,804	7,143
Unspent Grants & Contributions Reserve	7,327	7,327	0
Service Total	190,274	183,131	7,143

## 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 reviews appears at Appendix A.

2.2. The register contains six key risks, three 'high' level, two of which are currently assessed as a 'medium' level risk, while one is assessed as 'low'.

2.3. All risks are being well managed. One of the risks is assessed as being met and is shown as green whilst another is shown as 'Green – on schedule' progress towards

achieving target risk score, 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 2019/20 aimed at maintaining levels of income. The risk is mitigated by continuing to apply for external funding and explore income generating opportunities. Financial pressures relating to the 2019-20 budget are dealt with in Section 3 of this report
- 2.4.2 For RM13963 'Inability to continue collecting archives', an increased level of accessions would reduce the available space more quickly than planned. Additional space is being created to reduce this risk but this work will not provide a long-term solution to the space issue. The 2019-20 Service Plan includes provision for carrying out an options appraisal on storage needs. The risk is classified as Green as it will not have an impact on the financial position in the coming year.. , and so will have no impact on the revenue position.
- 2.4.3 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 and the benefits of using archives not be realised. This is mitigated through entering into commercial partnerships to improve access and planning for access to digital images in search room.. This risk is classed as 'green' and is not expected to occur in 2019-20, and so will have no impact on the revenue position.
- 2.4.4 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 taking action to ensure the infrastructure and skills are in place.
- 2.4.5 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, are trained. New staff are included in training plans for 2019-20. This risk is classed as 'met' but will continue to be reviewed.
- 2.4.6 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. The metadata is in the process of being migrated to meet this risk.

### 3. Financial Implications

- 3.1. The implications for resources including, financial, staff, property and IT, where relevant, are set out in Section 1 of this report.
- 3.2. As discussed at the 2<sup>nd</sup> November meeting, to support the overall budget position for Norfolk County Council, the following saving was proposed:

Ref	Proposal Note: Savings are shown as a negative figure	Information about the proposal	Saving 2019-20 £m
CMM19201	Norfolk Record	This proposal would see the opening hours	-0.075

	Office – reduction in search room opening hours	of the search room reduce from 41.5 hours a week to between 28 and 30 hours a week. There will also be reductions in the amount of documents the NRO is able to receive and process, educational and outreach work, support for the NRO's charitable partner and preservation work. This is not expected to impact on the income that the service generates from copy certificates and digitization.	
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- 3.3. This proposal formed part of the County Councils public consultation on budget proposals, the results of which were presented to the Norfolk Records and the Communities Committee at their January meetings. These savings were agreed and are being implemented from 1 April 2019.

## 4. Issues, risks and innovation

- 4.1. 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

- 5.1. There are no other documents to refer to.

### Officer Contact

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

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