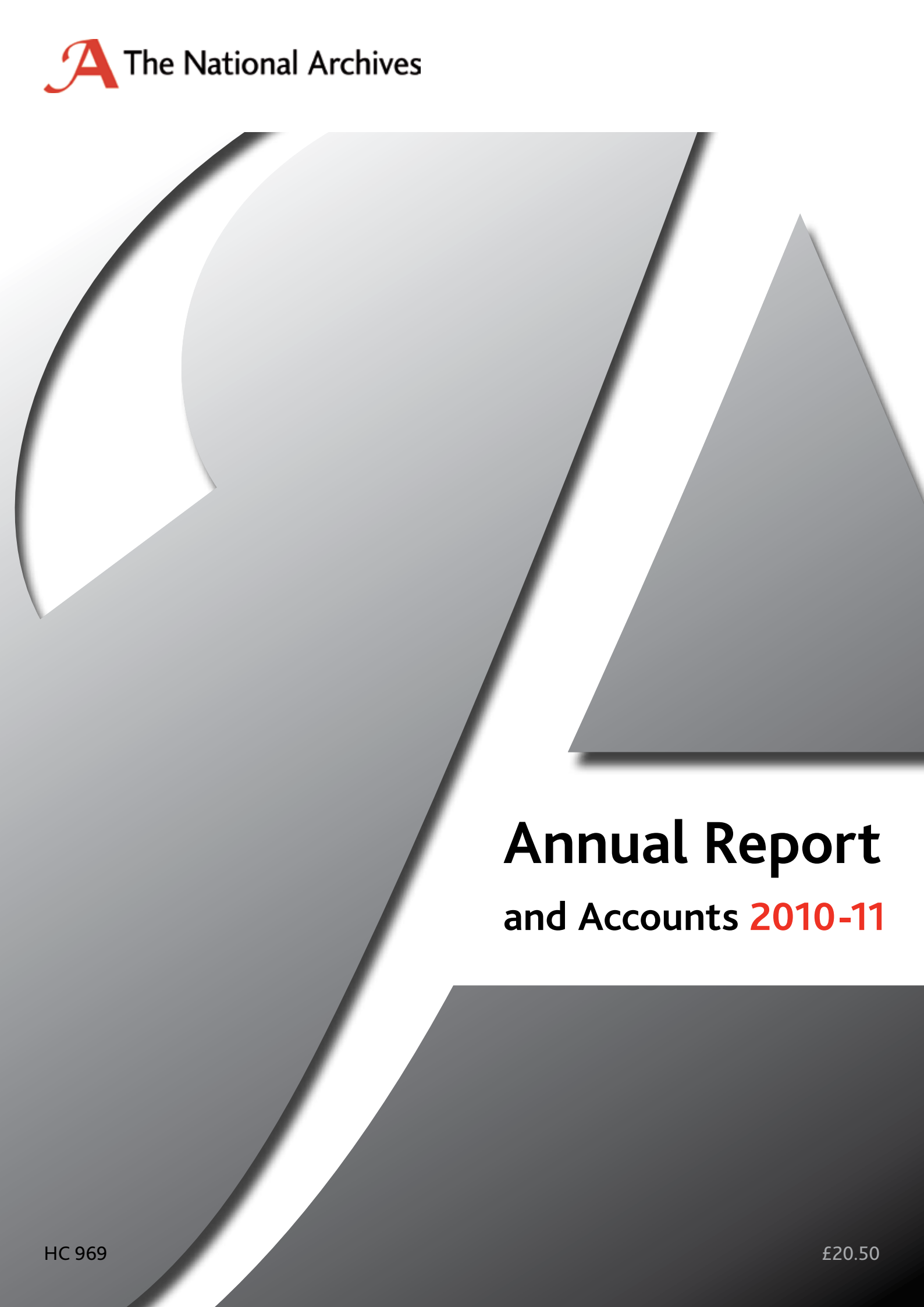




Annual Report and Accounts **2010-11**

Annual Report and Accounts of The National Archives 2010-11

including the Annual Report of the Advisory Council on National Records and Archives 2010-11
Annual Reports presented to Parliament pursuant to Section 1 (3) of the Public Records Act 1958

Accounts presented to the House of Commons pursuant to
Section 6 (4) of the Government Resources and Accounts Act 2000

Accounts presented to the House of Lords by Command of Her Majesty

Ordered by the House of Commons to be printed on 23 June 2011

This is part of a series of Annual Reports and Accounts which, along with the Main Estimates 2011-12, the document *Public Expenditure: Statistical Analyses 2011*, present the Government's outturn and planned expenditure for 2011-12.

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Introduction from the Chief Executive and Keeper



To the Right Honourable Kenneth Clarke QC MP,
Lord Chancellor, Secretary of State for Justice

I am pleased to present the Annual Report and
Accounts for The National Archives for 2010-11.

In 2010-11 we faced significant financial constraints but we were absolutely clear that these would not force us to compromise on the quality of our work. We achieved a lot in the last year; each achievement says much about the kind of organisation we are and together they demonstrate that we are an organisation that delivers.

We are committed to our public services, both on site at Kew and online, and our surveys tell us that the people who use our services continue to rate us highly. We have delivered more information to the public and improved their access to it. We are particularly proud of the improvements we have made to our reading rooms at Kew and to the experience of those visiting Kew for the first time. Our public services have again been recognised as meeting the government's standard for Customer Service Excellence.

We are a supportive partner across government and for the wider public sector. In 2010-11 we advised other government departments on their selection and preservation of records, including their digital records, and continued to build the UK Government Web Archive. We promoted the re-use of public sector information, launching the Open Government Licence and delivering legislation.gov.uk – a world-first online service giving people clearer, faster and simpler access to the laws made in their name.

We are innovative, finding new ways to fulfil our historical role as guardian of the nation's public records. Our collaboration with University College London's Centre for Sustainable Heritage has delivered a computer model that simulates environmental conditions in our document repositories, helping us to enhance the physical preservation of our collection. Our work with a private partner, Tessella, developing a system for preserving digital information, was recognised with a Queen's Award for Enterprise in the category of Innovation.

We are collaborative, actively seeking feedback from our users to help develop and refine our services. In June 2010 we launched Labs, our new online service dedicated to building an engaged community to help us test prototypes for new tools and services. Our users are also testing Discovery, our new online tool for searching our collection.

We are resourceful in identifying opportunities to make our collection more widely known and accessible. We launched our groundbreaking 'Africa through a lens' project using an established social media channel and targeted outreach work to make images from our collection available to new audiences. The success of this project has given us a new model for promoting our collection that is both flexible and cost-effective.



Through our Licensed Internet Associateships programme, at no cost to the taxpayer, we continued to deliver large-scale online releases of digitised documents. This included the completed digitisation of the British Army records of Chelsea Pensioners, a release comprising 8 million images.

We work hard to ensure that our work is sustainable and that our environmental impact is minimised. Over the last year we improved significantly our energy efficiency at Kew and substantially reduced the amount of waste we send to landfill. We were awarded Carbon Trust Standard accreditation in summer 2010 and we are committed to making further substantial reductions in our carbon emissions.

We are open in our work. We present information on our activities at the regular meetings of The National Archives' user forum, and we regularly publish online detailed information on our spending and performance. We aim to provide a model of best practice and to assist other government departments and the wider public sector in their efforts to be more transparent.

We know that our staff are highly committed to the work they do individually and in teams, and to the broader work of The National Archives. Our high ranking in the civil service staff engagement survey reflects this commitment. The National Archives is likewise committed to its staff: we retained our Investors in People status and we will continue to support the development of our people throughout the organisation.

Without the professionalism and dedication of our staff throughout the last year we couldn't have done anywhere near as much or so well. I'd like to take this opportunity to thank them once again for their remarkable efforts in what have been very tough times.

But from a period of significant challenge we have gained a sharper appreciation of our capabilities. We have now published our business plan for the next four years: *For the record. For good*, and we have been realistic yet ambitious in setting our new goals and priorities.

Our 21st-century role is to collect and secure the future of the record, both digital and physical, to preserve it for generations to come, and to make it as accessible and available as possible. In the coming year we will continue to fulfil this role enthusiastically.



Oliver Morley
Chief Executive and Keeper

2 June 2011

Who we are

Our remit

The National Archives is a government department and an executive agency of the Ministry of Justice. We are the official archive of the UK government and for England and Wales. We manage Crown copyright, and we publish vital information that underpins government's core day-to-day business, including all UK legislation.

We maintain one of the world's oldest and most significant historical archival collections, holding records dating back to 974. We look after 11 million public records, from Domesday Book to government emails, preserving them, protecting them and making them accessible.

We support government, the wider archive sector and the public by providing expert advice on all aspects of creating, storing, using and managing information.

We provide support for the creation, management and use of official information by government, facilitating informed policy development and effective delivery of public services.

We help government to keep its business-critical information identifiable and useable, and to keep its digital information manageable and accessible.

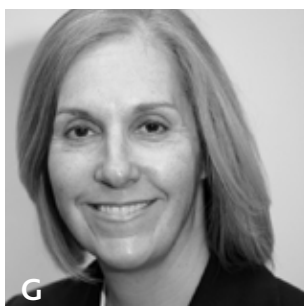
We set standards for public sector information, and we promote and assist the re-use of public sector information by all, including individuals, community groups and businesses.

We assist and advise members of the public, including historical researchers and scholars, in accessing the information we hold, online and at our site in Kew.

We provide leadership and guidance to the wider archive sector, developing and promoting standards and best practice in all aspects of archive management. Our support and advice helps archives nationwide to develop and enhance their services, facilities and collections.

Information is one of government's most precious assets and one of the public's most important resources. Our work means that this vital information is kept safe and available for anyone who needs to make use of it, now and in the years to come.

Management Board



- A Oliver Morley**
Chief Executive and
Keeper
- B Clem Brohier** Director,
Finance and Performance
- C Jeff James** Director,
Operations and Services

- D Chris Mumby** Acting
Director, Customer and
Business Development
- E Caroline Ottaway-
Searle** Director,
Human Resources
and Organisational
Development

- F David Thomas** Director,
Technology and Chief
Information Officer
- G Carol Tullo** Director,
Information Policy and
Services

- H Mark Addison**
Non-executive Director
- I Bronwen Curtis CBE**
Non-executive Director
- J Trevor Spires CBE**
Non-executive Director

What we do

As our remit shows, we have a wide range of responsibilities. Our work is diverse, often complex, and frequently challenging. We deliver this work with a clear view of the needs and expectations of those we serve and support, and a recognition of the vital contribution made by skilled and committed people.

How we serve the public

We are a public organisation. We work with researchers and users of our services every day. Thousands of people each year look to us for information and advice. In 2010-11 alone, 50,000 people called us, 26,000 people wrote to us, and visitors to Kew ordered more than 600,000 records. Through online services, both our own and those we've licensed, people downloaded more than 131 million of our documents.

Improving and expanding our services

In response to feedback, we made further improvements to our services during 2010-11. We made things easier for visitors new to Kew by creating a 'Start Here' zone and introducing animated videos on site to guide them. We moved the reader registration area, making the research and enquiry room less congested, and we introduced dedicated enquiry desks for specific topics. In the Map and Large Document Reading Room we improved the lighting and installed height-adjustable tables to assist readers using wheelchairs and to aid the viewing and photographing of documents. We installed a new collection desk to improve the delivery and storage of documents.

We worked to improve people's online experience too. Our Catalogue is the online service that provides detailed descriptions of the documents we hold. In 2010-11 we added 1.3 million new descriptions to the Catalogue and simplified the layout of the service on the screen. Our DocumentsOnline service provides direct online access to digital versions of some of our records. In 2010-11 we added a further 11 collections to DocumentsOnline, including more than 200,000 records and 400,000 images, ranging from medieval seals to 20th-century photographs. Visitors to DocumentsOnline during 2010-11 downloaded 2,304,824 files for free and paid for a further 122,715 downloads.

'This was my first visit to The National Archives. I have been extremely impressed with every aspect of my experience.'

Written customer feedback, 4 March 2011

Expanding our Catalogue and adding to our online services are important parts of our public role. In 2010, we completed the 'Surgeons at Sea' project, cataloguing more than 1,200 journals kept by Royal Navy medical officers between 1793 and 1880. The project, funded by the Wellcome Trust, has been of huge assistance to medical historians and family history researchers. We also concluded our project to make available online thousands of pages of Victorian workhouse and Poor Law records, comprising letters, reports and memos passed between national and local Poor Law authorities. The project involved more than 200 volunteers across the country, including local and family historians, researching and cataloguing the records. Visitors to DocumentsOnline can now access more than 115,000 scanned images of original records from 108 volumes of Poor Law Union records.

'Spent Saturday at The National Archives and had an absolute ball – the staff were just brilliant and couldn't do enough to help.'

Written customer feedback, 22 April 2010

All of our public records can be viewed free of charge at Kew, and there are no plans to change this, but we know that there is a strong public appetite for online access to our records. To meet this, we license commercial organisations to digitise and provide access to key collections. Because of the investment made by these companies, this work can be carried out at no cost to the taxpayer, and it enables documents to be provided to a worldwide audience on a scale that would never have been possible otherwise. The release of the British Army service records of Chelsea Pensioners is a recent example. This project, completed in November 2010, involved the release online of 8 million images. Also through licensing we completed the State Papers digitisation programme, making available online to subscribing academic institutions more than 3 million pages of government papers from 1509 to 1714.

'All the staff that we came into contact with were so helpful and as a result we all came away with a great deal of information. It is so nice to visit a place where the staff are so willing to help visitors. Long may you be able to provide such a valuable service.'

Written customer feedback, 24 August 2010

Supporting academic research and the wider archive sector

We are recognised by the Arts and Humanities Research Council as an Independent Research Organisation and we value our relationship with the academic community. Throughout 2010-11 we continued to improve our communications, held collaborative events, and were represented on external academic bodies. We received positive feedback on our research newsletter and on our events, in particular the 2010 Gerald Aylmer seminar 'Diverse Histories – One Archive', held in association with the Royal Historical Society. We supported a wide range of academic research bids, and are currently partnering five collaborative doctorates.

During 2010-11 we secured more than £1 million in funding for research and initiatives to support the wider archive and information sector, including funding from the Heritage Lottery Fund for the 'Opening Up Archives' programme, which provided 13 traineeships to bring new people from diverse personal, professional or academic backgrounds into the archive sector. With the Museums, Libraries and Archives Council we held regional events and gathered feedback relating to government policy on archives and to inform future plans.

With funding from the Pilgrim Trust, and in association with the Archives and Records Association and the Religious Archives Group, we carried out the Religious Archives Survey. This was the first national multi-faith survey of religious archives, providing valuable information on the state of the nation's religious archives, and information to help these archives improve their practice. We also administered the National Cataloguing Grants Programme for Archives, which provided new funding for 15 projects in 2010. This programme helps local archives to make more information available to the public by tackling backlogs in the cataloguing of their records, and over a five-year period it will distribute more than £1.5 million.

Increasing awareness

We worked hard to meet the expectations of the many people, groups and communities interested in our collection and our work. But we were also keen to spark interest and awareness among new audiences. In 2010-11, at no charge to the schools involved, we taught around 5,000 students on site at Kew, and another 5,000 through our online services and award-winning videoconferencing services. We've done more in 2010-11 to reach history teachers and to support their professional development, aiming to increase their effectiveness in using archival material in the classroom and in turn develop their students' understanding and use of primary sources. Since its launch in July 2010, 5,000 teachers have accessed 'Making History: using archives in the classroom', our online course hosted by the Historical Association. During 2010-11 there were 2.5 million visits to our online education resources.

'Thank you to all your staff for maintaining such wonderful and precious documents.
I always look forward to my visit...
Thank you for another wonderful day'

Written customer feedback, 29 March 2011

In May 2010 we appointed a diverse histories record specialist to help broaden the reach and knowledge of our collection among a wider, increasingly diverse community. The specialist has since carried out in-depth research into the records of the Royal African Company of England, culminating in a detailed archive report and training session for staff, a literature review of current trends in slavery studies, and a slavery research guide.

In February 2011, we broke new ground with 'Africa through a lens', reaching new audiences and increasing the diversity of the material we offer online. We digitised thousands of photographs from a government collection created by government officials posted

'I have recently used the map room for the first time since its refurbishment. It's brilliant (literally)! Before, it was like working in a cave and now I can see properly. Indeed, all the changes that have occurred since the amalgamation with the family history centre have been very good and have made my visits to The National Archives much more productive and enjoyable. Thank you'

Written Customer Feedback, 23 December 2010

around the world and spanning 100 years. We made a selection of them available on flickr.com – an online service for users to share photographs with other users who can then comment on them. These images quickly engaged an enthusiastic audience from a range of backgrounds. There were almost 10,000 visitors and 250,000 downloads on the first day alone, and the comments we've received since then have added much to our understanding of the images. We learned a lot about using social media as a cost-effective way of bringing new audiences into contact with our work and we backed up the online release with targeted, and ongoing, outreach work with African communities living in the UK. Building on this model, we now hope to use many of the remaining images in the collection to attract and engage other new audiences.

'I had not visited for over a year and did have to ask a few questions – all the staff, including those on security duties, were courteous and helpful, despite the fact that they must be inundated with questions every day.'

Written customer feedback, 24 November 2010

Because making information available to the public is at the heart of our work, we use every available means to get more people interested in our records. People often know about records from our collection, even if they don't necessarily know about The National Archives as an institution. For example, television programmes such as the BBC's 'Story of England' and 'This is Britain' helped to bring our collection to a wider audience. Throughout 2010-11, the news media ran a wide range of stories based on declassified files released by MI5 and GCHQ and on other newly released government files including UFO records from the Ministry of Defence. Some of the more colourful highlights of naval life uncovered by the 'Surgeons at Sea' project also gained a lot of media and public attention, as did the launch of legislation.gov.uk – our

innovative service providing online access to all UK legislation.

While increasing the public's awareness of our collection is a worthwhile end in itself, naturally we hope that many of the people who hear about our work will be interested enough to access our records directly. If and when they do, we will welcome them with reliable and high-quality services. In 2010-11 our survey of visitors to Kew reported a satisfaction score of 92% and our survey of online customers a score of 81%. Once again, we were assessed for and met the government's standard for Customer Service Excellence. We were pleased to get this validation for our approach, and will continue to put the public at the centre of our work in the years to come.

'This is the most complete and wonderful reply that I have ever received for an inquiry with a national archive. I shall do as you say. I would like to compliment you and your organisation on its wonderful site. Of all the archival resources on the web, its interface is the most intuitive and easy to use.'

Written customer feedback, 13 September 2010

How we support government

We not only serve the public directly, we also play a key role across government. We are the government's information experts, and our support improves the way that government departments and the wider public sector manage their information. Through this support we help to increase the efficiency and effectiveness of government and to ensure that important public records, whether created on paper or in digital formats, are kept for future generations.

Throughout 2010-11 we provided expert advice to government on publishing, copyright and licensing. We helped government departments to decide which of their paper and digital records to preserve and transfer to us. By the end of 2010-11, 12 departments and five agencies had agreed schedules on what to keep, and action plans against which we could track their progress.

In 2010-11 we completed the delivery of our digital continuity project, designed to help the public sector keep its digital information usable over the longer term. We trained more than 200 civil servants to manage digital continuity issues and raised the profile of digital continuity across government. We created a standard for digitising paper records, to ensure the long-term preservation of all of our digitised records, and for use by other government departments as a basis for their own standards.

We continued to archive government websites and datasets, but on a much greater scale than before. We have now collected snapshots of more than 2,000 sites and our UK Government Web Archive regularly receives up to 100 million hits a month. More departments adopted our redirection solution, which sends users to our archive when linked pages have been removed from live websites. Before the General Election in May 2010 we ensured that up-to-date versions of websites were captured in the archive, and following the Election we saw a huge spike in redirections, as departmental websites were updated and much of their previous content removed.

We aided collaboration across government, and wider sharing of good practice, through our management of Civil Pages, an online service providing secure collaboration and professional networking services across central government. The number of registered users of Civil Pages has grown by 70% in the last year, highlighting that the service is increasingly seen as valuable and effective.

We supported the Cabinet Office in delivering the government's drive for greater transparency and established a public data practitioners' group to help the publication of government datasets. We contributed to the advice and guidance available to government departments on transparency, and also contributed to data.gov.uk, which has made more than 6,000 datasets available for development and re-use.

Government information is valuable to more people than just those working in government, and the re-use of this information adds to its value. We continued to develop creative, technical solutions to promote access to, and re-use of, public sector information, and in September we launched the UK Government Licensing Framework and the Open Government Licence. The licence makes it faster and easier than ever before for the public, companies, charities and other groups to re-use public sector information. By the end of March 2011 it had been adopted across central government and by nearly 200 other public bodies.

'The Open Government Licence is one element of the UK's position at the forefront of the worldwide open data revolution. It's great to see a simple and straightforward licence for people to re-use government data in any way they want. It will enable inventive people to build innovative new applications and websites which help people in their everyday lives.'

Sir Tim Berners-Lee, inventor of the World Wide Web and a member of the Public Sector Transparency Board, 30 September 2010

Our innovation

Throughout 2010-11 we continued to research, develop and introduce new technologies and ways of working that will deliver better management of public information, long-term preservation of the record and enhanced public access to it.

In June 2010 we introduced Labs, an online service to get our customers involved early on in our development work, helping us to decide which services and tools to prioritise for further work. Through Labs we began testing several prototypes including a tool that lets people browse for Domesday entries using maps and a historical photo finder. All of the prototypes were produced at low cost, using new technology, new ideas and new ways of processing data.

**'I think the Labs site will be a great success.
Good luck with this project and
look forward to seeing it progress.'**

Written customer feedback, 21 October 2010

In July, we launched legislation.gov.uk, a new integrated online service providing free access to all UK legislation, the first service of its kind in the world. Users can see the original version of any piece of UK legislation and can track how these laws have evolved through subsequent amendments. The creation of legislation.gov.uk required a major government procurement exercise and brought together two distinct and very different sets of data from the previous statutelaw.gov.uk and opsi.gov.uk services. This was a large-scale exercise, involving the migration of thousands of documents, while ensuring that their accuracy and integrity was preserved. [Legislation.gov.uk](http://legislation.gov.uk) was also one of the first government websites to be underpinned by an API, giving people access to the underlying data and promoting its re-use.

In September we completed our two-year collaboration with the Centre for Sustainable Heritage at University College London on the 'Building

Environment Simulation' project. This delivered a model that simulates the environmental conditions in the repositories in the older section of our site at Kew. The project has already transformed our approach to environmental management and has resulted in significant savings. The model will help us to keep the relative humidity and temperature at the right levels for our collection, while also reducing our energy use.

In December we published a prototype for a linked open format version of PRONOM, our online technical registry. In addition to our use of it, the prototype is available free of charge to other users to help them find out in which formats they hold information, and therefore to decide how best to preserve it. We collaborated on this, notably with the USA's National Archives and Records Administration and Georgia Tech Research Institute, with the result that we were able to expand substantially the information held in the registry.

In March we made publicly available the test version of Discovery; our new online search tool, designed to provide users with a quicker and easier way of finding the documents they need. With Discovery, users can search our catalogue and filter the results using a list of more than 100 categories. Users can also search using maps and place names, clicking from a location to a record. We have asked users to test Discovery and give us their feedback, and as we add new features this collaboration will continue.

We never stop innovating, because we understand just how vital this is to the future of the public record. Our innovation works, and not just for the benefit of our collection – a fact recognised this year with the prestigious Queen's Award for Enterprise. An Innovation Award was made jointly to The National Archives and our private partner Tessella for developing a system for preserving digital information which is now being used by libraries and archives around the world. We are the first government department to win since the awards were expanded in 2000.

Our people

All of our achievements over the last year depended on the skills, expertise and dedication of our people. The year involved periods of uncertainty for our staff and some big challenges, including those resulting from the government-wide recruitment freeze. It reflects well on our staff that throughout the year, the quality of our services remained high.

In 2010-11, we took part for the first time in the civil service staff engagement survey (our full results are on our website.¹) Overall we ranked 12th out of 103 participating organisations. The survey highlighted the strong commitment of our staff: 91% said they were interested in their work; 86% said they understood how their work contributed to meeting our objectives; and 80% said that people in their team worked together to improve services. These results were encouraging but we are not complacent, and so we are looking at the results in detail, department by department. This will help us to make sure that we improve in all areas of our work.

We were particularly pleased that 82% of staff said that their line manager was open to their ideas, and 81% said that their manager recognised when they had done their job well. In 2010-11 we continued our programme to improve the skills of our managers. The programme is accredited by the Institute of Leadership and Management (ILM) and many of our managers have achieved ILM certification. Our managers have also developed principles of good people management, which are now being implemented across the organisation.

To support staff in tackling problems that can affect both their ability to contribute as they would wish and our ability to deliver, we ensure that up-to-date information on health and wellbeing is available throughout the organisation. In 2010-11 our average for sickness absence was 6.3 days per person, compared with 9.5 days in 2009-10.

Alongside the hard work of our staff we benefited this year from the efforts and expertise of more than 300 volunteers, including those who volunteered through the Friends of The National Archives. Our volunteers work variously on cataloguing projects and with our Collection Care team, and make a vital contribution to our work.

We were also pleased to offer 22 people work experience placements in 2010-11. The placements were provided in partnership with Prospects (the National Autistic Society), the Leaders Employment Service in Hounslow and, for placements from schools, the Richmond Education Business Partnership. The placements, in our Document Services department, offered people a chance to find out about working in an archive, to get practical, hands-on experience of working as part of a team and to acquire skills in customer service.

'This is not a complaint but compliment to everybody at The National Archives. The person from the telephone to person in canteen... We are so grateful for everything everybody did.'

Written customer feedback, 26 July 2010

Finally, following an assessment in March and April 2011, we retained our Investors in People status. We were delighted with this news, and we remain committed to ensuring that this is an organisation with which our people are proud to be associated.

¹ <http://www.nationalarchives.gov.uk/documents/tna-staff-engagement-results-2010.pdf>

Our performance and core financial tables

Our performance in 2010-11

Table showing performance against our 2010-11 goals

Performance indicator	2010-11 Goal	2010-11 Outcome	Successfully achieved?	2009-10 Outcome
Documents supplied: on site and online ²	530,000 (on site) 90,000,000 (online)	603,079 (on site) 131,888,111 (online)	Achieved	New for 2010-11
Documents supplied: ratio of documents downloaded or accessed online to documents produced on site at Kew	Ratio of 170 online documents supplied for each on site document supplied to be achieved by year end	218:1	Achieved	221:1 (592,000 documents supplied on site and 131,027,000 documents supplied online)
Maintain on site customer satisfaction	90% or higher	92%	Achieved	93%
Maintain online customer satisfaction	80% or higher	81% ³	Achieved	81%
Achieve legislation customer satisfaction	70% or higher	71.5%	Achieved	New for 2010-11
Financial controls	At year end, no net overspend against the full year budget;	No net overspend	Achieved	Goal for 2009-10 was to deliver the vision programme for 2009-10 within budget and in accordance with HM Treasury rules on end year flexibility – this was achieved
	Any underspend to be 1.5% or less than budget	1.7% underspend	Not Achieved	
Carbon reduction	Achieve a 6% reduction in carbon emissions by year-end	16.1% reduction	Achieved	New for 2010-11
Delivery against the Business Plan for 2010-11	Achieve at least 15 of the 17 business objectives for 2010-11	15 business objectives achieved	Achieved	Goal for 2009-10 was for percentage delivery of total number of objectives. The outcome was 100%

² Online numbers include downloads from our licensed internet associates.

³ Includes the results of our online survey of education users

Performance indicator	2010-11 Goal	2010-11 Outcome	Successfully achieved?	2009-10 Outcome
Maximum days' sickness per member of staff (average)	7.5 days or less per full time equivalent (FTE)	6.3 days	Achieved	9.5 days
Achieve diversity for The National Archives' staff population as a whole	Women: at a minimum 45% Top management women: at a minimum 45% Black and minority ethnic: at a minimum 18% (as a percentage of those self-declaring) Disabled: at a minimum 4.5% (as a percentage of those self-declaring)	Women: 46.5% Top management women: 47.1% Black and minority ethnic: 21.0% Disabled: 6.8%	Achieved Achieved Achieved Achieved	Women: 45.9% Top management women: 46.3% Black and minority ethnic: 19.8% Disabled: 6.2%
Investment in Information Management: 'What to Keep'	Ten key departments to have statements and schedules about what information they keep for business purposes and processes in place to evidence that this occurs	Statements and schedules available in 12 departments	Achieved	New for 2010-11
Investment in Information Management: Digital Continuity	Complete Digital Continuity project and agree clear transition plan into business as usual	Project completed	Achieved	Six key project delivery milestones achieved

Core financial tables

Table 1: Public spending

£000

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn	Outturn	Projected outturn	Plans	Plans	Plans	Plans
Resource Departmental Expenditure Limits (DEL)									
Section A: The National Archives DEL	35,676	39,474	41,889	40,460	38,289	37,850	39,300	37,700	36,100
Total Resource DEL	35,676	39,474	41,889	40,460	38,289	37,850	39,300	37,700	36,100
of which:									
Pay	20,769	23,428	26,537	27,621	24,591	23,600	23,380	23,640	23,825
Net current procurement ⁴	9,987	11,483	10,842	7,559	7,955	8,590	9,960	8,200	6,615
Current grants and subsidies to the private sector and abroad	-	(146)	-	(87)	-	-	-	-	-
Depreciation ⁵	4,855	4,644	4,441	5,302	5,685	5,600	5,900	5,800	5,600
Other	65	65	69	65	58	60	60	60	60
Resource Annually Managed Expenditure (AME)									
Section B: The National Archives (AME)	374	(8)	200	(71)	(119)	(100)	(80)	(40)	(25)
Total Resource AME	374	(8)	200	(71)	(119)	(100)	(80)	(40)	(25)
of which:									
Take up of provisions	374	125	272	92	-	-	-	-	-
Release of provisions	-	(133)	(72)	(163)	(119)	(100)	(80)	(40)	(25)
Total Resource Budget	36,050	39,466	42,089	40,389	38,170	37,750	39,220	37,660	36,075
of which:									
Depreciation ⁵	4,855	4,644	4,441	5,302	5,685	5,600	5,900	5,800	5,600
Capital DEL									
Section A: The National Archives (DEL)	2,726	5,764	3,248	4,027	5,856	3,920	1,080	970	1,230

⁴ Net of income from sales of goods and services

⁵ Includes impairments

Total Capital DEL	2,726	5,764	3,248	4,027	5,856	3,920	1,080	970	1,230
Of which:									
Net capital procurement ⁶	2,726	5,764	3,248	4,027	5,856	3,920	1,080	970	1,230
Capital AME	-	-	-	-	-	-	-	-	-
Total Capital AME	-	-	-	-	-	-	-	-	-
Total Capital Budget	2,726	5,764	3,248	4,027	5,856	3,920	1,080	970	1,230
Total departmental spending ⁷	33,921	40,586	40,896	39,114	38,341	36,070	34,400	32,830	31,705
of which:									
Total DEL	33,547	40,594	40,696	39,185	38,460	36,170	34,480	32,870	31,730
Total AME	374	(8)	200	(71)	(119)	(100)	(80)	(40)	(25)

Table 2: Public spending control

	2010-11 Outturn	2010-11 Original Budgetary Control Limits	2010-11 Final Budgetary Control Limits
Spending in Departmental Expenditure Limits £000			
Gross Expenditure	47,566	51,255	51,255
Gross income	(9,277)	(11,195)	(11,195)
Net Resources	38,289	40,060	40,060
Gross Capital	5,856	6,197	6,042
Spending in Annually Managed Expenditure £000			
Gross Programme Resources	(119)	(140)	(140)
Total Resource Budget	38,170	39,920	39,920
Total Capital Budget	5,856	6,197	6,042
Less Depreciation	(5,685)	(6,985)	(6,985)
Total Departmental Spending	38,341	39,132	38,977

⁶ Expenditure on tangible and intangible non current assets net of sales

⁷ Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Table 3: Capital employed

The National Archives: The UK's official government archive, with a key role in raising information management capability across government. Makes historical records available to the public, leads the wider UK archive sector, leads on UK information management and re-use policy, and manages Crown copyright.

	£000								
	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Outturn	2010-11 Projected Outturn	2011-12 Plans	2012-13 Plans	2013-14 Plans	2014-15 Plans
Assets and liabilities on the statement of financial position at the end of year:									
Non-current assets									
Intangible	533	1,149	8,651	7,881	8,418	8,500	8,500	8,500	8,500
Property, plant and equipment	111,933	112,437	94,335	100,298	106,756	108,000	107,000	106,000	105,000
of which:									
Land	17,457	18,200	18,200	18,200	18,200	18,200	18,200	18,200	18,200
Buildings	85,844	84,548	65,223	69,479	73,901	76,600	75,600	74,600	73,600
Plant and machinery	1,345	771	1,502	2,009	3,826	3,500	3,500	3,500	3,500
Furniture and fittings	4,528	4,997	5,332	5,304	5,053	5,000	5,000	5,000	5,000
Transport equipment	-	148	133	114	98	200	200	200	200
Information technology	2,759	3,347	3,185	3,365	2,902	4,500	4,500	4,500	4,500
Assets under construction	-	426	760	1,827	2,776	-	-	-	-
	111,933	112,437	94,335	100,298	106,756	108,000	107,000	106,000	105,000
Trading receivables falling due after more than 1 year	73	19	13	111	349	-	-	-	-
Current assets	5,540	4,153	4,366	2,819	1,749	2,000	2,000	2,000	2,000
Creditors (<1 year)	6,995	10,036	10,644	9,164	7,555	7,000	7,000	7,000	7,000
Provisions	570	562	762	691	592	400	300	250	150
Capital employed within main department	110,514	107,160	95,959	101,254	109,125	111,100	110,200	109,250	108,350
Total capital employed	110,514	107,160	95,959	101,254	109,125	111,100	110,200	109,250	108,350

Table 4: Administration budgets

For the reporting year, all spending is classified as programme spending by HM Treasury. The majority of the resources are consumed in providing direct services of, for example, public access to national records, family records and archives at Kew; the publishing, conservation and preservation of records; and UK information management advice and policy including standards, compliance, and copyright. All costs are recorded against 'Other Current' within Estimates.

Following the comprehensive spending review, from 1 April 2011, The National Archives will report administrative expenditure separately.

Table 5: Staff in post

Staff numbers (average)[†]

	2008-09 Outturn	2009-10 Outturn	2010-11 Projected Outturn	2011-12 Plans	2012-13 Plans	2013-14 Plans	2014-15 Plans
Civil service full-time equivalents	608	614	581	596	594	585	581
Overtime ^{††}	5	3	5	1	-	-	-
Casual ^{†††}	85	62	17	6	-	-	-
Total	698	679	603	603	594	585	581

[†] Average numbers are based on end of month numbers recorded over the 12-month period

^{††} Overtime numbers are calculated on an equivalent cost basis

^{†††} Casual staff numbers represent contractors and temporary staff which were calculated on an equivalent cost basis up to 2009-10. Actual full-time equivalent numbers have been used and projected from 2010-11

1 Management commentary

About The National Archives

The National Archives' remit is summarised on page 6 of this report.

Management and Structure

During the year under review, the functions and duties of The National Archives were carried out by six directorates.

Directorate	Role
Operations and Services	• Delivers and develops services for all our visitors, ensuring that our on site, online and remote services work together effectively, following best practice and complying with relevant standards • Manages and maintains our Kew site, providing a safe, secure and suitable environment for staff and visitors • Preserves, conserves and researches our collection to sustain access and maintain use • Provides expert advice, document production and other services using different channels – online; through letters, emails and by telephone; and face-to-face on site at Kew • Provides online and on site educational services to teachers and students and develops new audiences, particularly with those at risk of exclusion
Customer and Business Development	• Generates income for The National Archives through its commercial services and develops new business opportunities • Raises awareness of the records we hold and the services we provide, using a combination of traditional and new media • Digitises our records, often working with external partners, to improve availability and access • Protects our reputation and brand
Information Policy and Services	• Provides professional leadership across government in information management and policy • Guides government and public bodies on selecting records for preservation and transfer to The National Archives • Advises government, public bodies and local archives on information and archive policy • Investigates complaints under PSI Regulations and delivers standards through the Information Fair Trader Scheme • Promotes access to, and re-use of public information through the UK Government Licensing Framework and legislation.gov.uk, and supports the delivery of government's Transparency commitments through the use of open standards and linked data • Leads on strategic research for the organisation and supports key academic relationships

Directorate	Role
Technology	• Maintains and develops our ICT infrastructure for the safe storage and delivery of information • Provides expertise on ICT and Information Assurance matters across the organisation • Runs key projects to enhance our technological capability, and that of government, to manage and deliver government information more effectively • Develops tools and techniques to ensure the long-term survival of digital records • Develops tools and technology to make it easier to access our collection • Ensures the capture and preservation of government's websites, data and digital documents
Human Resources and Organisational Development	• Ensures that staff are recruited, retained and developed in a way that facilitates the needs of the business and lives up to our organisational values • Handles all aspects of recruitment and selection; pay; learning and development; employee relations, staff engagement and wellbeing • Develops HR policy; HR administration and HR advice for all those working at The National Archives
Finance and Performance	• Ensures that our resources are allocated and used efficiently and effectively • Ensures that our corporate systems comply with best practice and meet the needs of the business • Ensures that our statutory and legal responsibilities are discharged

Social, community, environmental and sustainability issues

In 2010-11 we were awarded the Carbon Trust Standard in recognition of continued reductions in our greenhouse gas emissions. We reduced our gas and electricity use, improving our Display Energy Certificate efficiency rating at Kew from G to E. For the period May 2010 – January 2011 we ranked first in the Ministry of Justice family for total carbon emissions reduction. Please refer to Annex A on page 70 for a full report of our 2010-11 performance on sustainability.

Employment and staff engagement

The National Archives is committed to equal opportunities for all. Policies are in place to guard against discrimination and to ensure that there are no unfair or illegal barriers to employment or advancement within our organisation. Suitability for employment is based on skills, qualification and experience irrespective of race, age, gender, marital status, disability, sexual orientation, religious or political beliefs or opinions. The National Archives follows the Civil Service Code of Practice on the Employment of Disabled People, which aims to ensure that there is no discrimination on the grounds of disability. The average full time equivalent staff numbers over the year, as per table 5 on page 19 was 581 (2009-10: 614). On 31 March 2011, there were 609 employees (577 full-time equivalents) on our payroll. These were made up of 584 permanent staff and 25 staff on limited period appointments. 282 were female and 41 staff (6.8%) declared themselves as disabled and were recognised as having a disability in the context of the Equality Act 2010. Also, 128 staff (21.0%) declared themselves to be from ethnic minorities. We actively manage sickness absence and the average absence rate decreased to 6.3 days (9.5 days in 2009-10). A Civil Service-wide recruitment freeze was announced in May 2010, which means that we have had to look at how best to use our talent across the organisation. We also have other people and skill resource requirements on a short-term, project specific basis. These are fulfilled by temporary staff and contractors (see Note 6 to the accounts) and this year were also subject to the recruitment freeze. During the

year this number was equivalent to an additional 35 people (62 people in 2009-10) providing services on an average equivalent cost basis.

The National Archives, through its senior managers, meets regularly with staff and Trade Union representatives in a number of ways, including Whitley Council, Health and Safety Committee and the Staff Forum.

Equality and diversity

Following the successful launch in 2009-10 of our three-year single equality scheme and action plan, our aim in 2010-11 was to embed good practice and the principles of equality and diversity. Our equality and diversity working group oversees a quarterly review of the action plan and provides updates to The National Archives' Management Board.

In July 2010 we launched the new legislation.gov.uk service, ensuring the service met accessibility requirements and that alongside this we would be able to meet the requirement for the ongoing availability of alternative, accessible versions of legislation on request, for instance in Braille.

From July 2010, as part of their induction, all new starters were introduced to our aims and objectives for equality and diversity. We have also developed further training and online resources for managers on disability and wellbeing to equip them to deal with the diverse needs of our staff.

In September 2010 we held our first diversity week with a variety of seminars, public talks, exhibitions and interactive activities. It created greater awareness and engagement, by involving staff and providing a platform for staff to showcase diverse work in their departments, and improved people's understanding by providing them with skills to tackle barriers. Following its success we are planning another session for November 2011.

We developed a new equality and diversity training course and piloted it with staff in February 2011. We invited staff from across the organisation to attend and give their feedback. In the light of their evaluation the training was redesigned and continues to evolve as we deliver it. The course will be rolled out to all staff in 2011-12.

Health and safety

The National Archives is committed to ensuring the health, safety and welfare of its employees, visitors, contractors and all others who may be affected by our activities. We take our responsibilities seriously, meeting all our legal obligations, and we acknowledge that positive, proportionate health and safety risk management prevents harm and enables efficient delivery of services across the organisation. We also recognise that good health and safety management has a significant positive impact on the wellbeing of staff, service delivery and achieving financial targets.

Our Health and Safety Policy sets out our commitment to health and safety. It describes how we ensure compliance with our obligations and sets out the actions we take to maintain a safe and healthy environment.

The National Archives has a full-time Health and Safety Advisor to ensure that we provide a safe environment for visiting members of the public and for staff. The Health and Safety Committee includes staff representatives from operational areas, technical areas, HR, Estates, Security, and the trade unions, as well as senior management. The committee meets regularly to review health and safety matters, accident statistics and to identify any corrective action which may be required to resolve any safety issues arising. Committee members are also involved in the investigation of any reported accidents or incidents and contribute to recommendations arising from such accidents or incidents. Our health and safety management systems provide a basis for the leadership and coordination that are essential for achieving a positive health and safety culture.

The Health and Safety Advisor prepares an annual report on activity relating to health and safety during the calendar year. The report provides statistics on accidents and on incidents reportable under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR.) We reported three incidents under RIDDOR during 2010. There were fewer accidents in 2010 than in 2009 and there were no serious accidents.

Our financial and performance management, and risk management approach

Preparation of the accounts

The accounts are prepared in accordance with the direction given by HM Treasury in pursuance of section 5(2) of the Government Resources and Accounts Act 2000.

Going concern basis

The National Archives is financed by amounts drawn from the UK Consolidated Fund, approved annually by Parliament to meet the Department's Net Cash Requirement for the year. As with other government departments, the ongoing financing of The National Archives' activities and related liabilities is met by future grants from the UK Consolidated Fund and the application of future income, both to be approved annually by Parliament. Such approval for amounts required for 2011-12 has already been given, and we anticipate that future approvals will be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Financial control

The National Archives is funded through Supply Estimates. These are the formal means by which government seeks authority from Parliament for its own spending each year. The National Archives' net total resources provision, for which authority was sought and approved during the year, was £39.9 million.

Cash requirements are forecast on a monthly basis and we liaise with HM Treasury to enable these funds to be made available through the Government Banking Service, GBS (which incorporates the Office of HM Paymaster General, OPG), which was The National Archives' banking facility during the reporting period.

Management information is reported to the Executive Team monthly and all budget holders go through regular reviews of all of their costs and revenue with their finance business partners and management

accountants. These reviews enable us to respond quickly to variances, identify where action is required and ensure that the best use is made of public money.

Financial position

In 2010-11, The National Archives' net resource outturn was £38.1 million compared to a budget allocation of £39.9 million. The near cash element, which is the controllable element of our expenditure, was managed to within £470,000 of our allocation. In a year which saw the introduction of spending restrictions mainly in the area of staffing, marketing and communications, we reviewed and reprioritised our projects in order to enhance maximum value from our available funding. This reflects the effective financial controls which we continue to exercise.

The non cash outturn was £5.7 million compared to the budget of £6.9 million. Non-cash expenditure includes depreciation and other notional costs and the £1.2 million surplus is predominantly due to the movement in property valuation indices since this ringfenced budget was originally set as part of the Comprehensive Spending Review in 2007. We had no scope or authority to use the remainder, given that it was non-cash resource.

A comprehensive capital program was undertaken during the year in order to further improve conditions at our Kew site for members of the public as well as staff. Total capital expenditure was £5.9 million compared to the budget allocation of £6.0 million.

The net cash outturn for the year was £39.2 million which matched our approved net cash allocation.

We face increasing financial pressures over the coming years, along with the wider public sector. We aim to meet these challenges by exploring opportunities to generate additional revenue as well as continuously reviewing all our expenditure to ensure resources are efficiently managed and used.

Statement of payment practice

In March 2010, the government made a commitment to speed up the payments process to pay 80% of prime contractors within five working days. Following this, The National Archives now operates a policy of paying all suppliers within five days of receipt of goods or services, or receipt of the invoice (whichever is later). During 2010-11, 98% were paid within agreed credit periods.

The proportion of the amount owed to suppliers at the end of the reporting period to the total amount invoiced by suppliers during the year, expressed in number of days, represents 14 days.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets⁸

	2010-11 Estimate £000	2010-11 Outturn £000	2009-10 Estimate £000	2009-10 Outturn £000
Net Resource Outturn (Estimates)	39,920	38,105	48,731	43,871
Removal of cost of capital	-	-	-	(3,482)
Prior period adjustment for intangible asset impairment	-	65	-	(65)
Reductions in planned spend unable to be include in Estimate	-	-	(2,136)	-
Net Operating Cost (Accounts)	39,920	38,170	46,595	40,324
Adjustments to additionally include:				
Loss on disposal of non-current assets	-	-	-	(182)
Resource Budget Outturn (Budget)	39,920	38,170	46,595	40,142
of which:				
Departmental Expenditure Limits (DEL)	40,060	38,289	46,595	40,142
Annually Managed Expenditure (AME)	(140)	(119)	-	-

⁸ As part of the Treasury led Clear Line of Sight (CLOs) project, profit/loss on disposal of non-current assets is no longer a reconciling item between Accounts and Budgets for 2010-11.

Audit

The financial statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General. The audit fee was £52,000 (see note 7 to the accounts). The National Audit Office did not provide any non-audit services during the year.

As far as the Accounting Officer is aware, there is no relevant audit information of which the National Audit Office is unaware. The Accounting Officer has taken all steps necessary to keep himself informed of any relevant audit information and to establish that the entity's auditors are notified of that information.

Risks and uncertainties

The National Archives' major strategic risks are set out in a Strategic Risk Register. These risks were well controlled during the year and their controls were subject to regular, formal scrutiny and challenge.

Additional controls implemented during the year meant that some risks were no longer considered of strategic significance by year end.

Some strategic risks this year related directly to economic uncertainties facing the public sector ahead of the government's Comprehensive Spending Review (CSR) settlement and the government's review of arm's length bodies, as well as to business areas where remedial action was necessary, and taken, to manage risks more effectively.

Our CSR settlement required us to refine existing risks to reflect our own funding position for the next four years and our ability to continue to provide high quality services. New risks emerged as a result of funding cuts across the public sector, specifically to our leadership role in information management, the risk of the loss of information management capability across government and the impact of funding cuts on the wider archives sector. Further details of our risk and control framework and capacity to handle risk are provided in the statement on internal control on page 34.

Information risk

We continue to improve our capability to monitor and assess risks to the information that we hold. All new and existing information systems are subject to a rigorous accreditation and penetration testing programme and staff with enhanced responsibilities, such as Information Asset Owners (IAOs), have received specialised training and support to help them carry out their duties.

Public sector information

The National Archives has complied with the cost allocation and charging requirements set out in HM Treasury and in Information Fair Trader Scheme guidance.

Reporting of personal data-related incidents

There were no personal data-related incidents in The National Archives in 2010-11. Details of our reporting of personal data-related incidents are shown in section 7 of the Statement on Internal Control on page 34.

Pension liabilities

Present and past employees are covered by the provisions of the civil service pension arrangements. These are explained in more detail in the Remuneration Report and notes 1.12 and 1.13 to the accounts. Benefit expenditure for civil service pensions is borne on the Civil Superannuation Vote. Where The National Archives bears the cost of pension provision for staff, it is by the payment of an annual accruing superannuation charge. The charge is shown under 'other pension costs' in note 6a to the accounts.

Performance indicators

Details of our performance against our performance indicators are shown in detail on pages 14-15.

Review of activities

A review of our activities during 2010-11 can be found on pages 8-13 of this report.

The National Archives' governance

The National Archives' Management Board consists of seven Executive Directors and up to four Non-executive Directors. At the end of 2010-11, the members of the Management Board were:

Oliver Morley

Chief Executive and Keeper

(Keeper of Public Records; Historical Manuscripts Commissioner; and Government Head of Profession – Knowledge and Information Management)

Clem Brohier

Director, Finance and Performance

Jeff James

Director, Operations and Services

Chris Mumby

Acting Director, Customer and Business Development

Caroline Ottaway-Searle

Director, Human Resources and Organisational Development

David Thomas

Director, Technology and Chief Information Officer

Carol Tullo

Director, Information Policy and Services

(Controller, Her Majesty's Stationery Office; Queen's Printer of Acts of Parliament; Queen's Printer for Scotland and Government Printer for Northern Ireland)

Mark Addison

Non-executive Director

Bronwen Curtis CBE

Non-executive Director

Trevor Spires CBE

Non-executive Director

Details of the remuneration for the Chief Executive, other Senior Civil Servants and Non-executive Directors are shown in the Remuneration Report. There were no company directorships or other significant interests held by Management Board members that conflicted with their management responsibilities.



Oliver Morley
Accounting Officer

2 June 2011

2 Remuneration report

Senior civil service grades

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- regional/local variations in labour markets and their effects on the recruitment and retention of staff
- government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services
- the funds available to departments as set out in the government's departmental expenditure limits
- government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.ome.uk.com.

Service contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The code requires appointments to be made on merit, on the basis of fair and open competition, but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. No such compensation payments were made during the year.

Oliver Morley was appointed Acting Chief Executive with effect from 15 March 2010. His appointment as Chief Executive and Keeper, The National Archives was

confirmed by the Ministry of Justice on 21 February 2011 and is on a fixed term basis until 20 February 2014 with the possibility of extension.

Mark Addison and Bronwen Curtis were first appointed as Non-executive Directors on 1 January 2007 for a period of three years to 31 December 2010. Their contracts were renewed on 1 January 2011 for a further three-year period to 31 December 2013.

Trevor Spires was appointed as a Non-executive Director on a three year contract from 8 February 2009 until 7 February 2012 with the possibility of extension.

Professor the Baroness Young of Hornsey OBE stepped down as a Non-executive Director of The National Archives on 22 September 2010.

Service contracts can also be terminated under the standard procedures of the Civil Service Management Code.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Salary, bonus and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials of the Department.

The Remuneration Committee consisted of four Non-executive Directors: Mark Addison, Bronwen Curtis CBE, Trevor Spires CBE, and Professor the Baroness Young of Hornsey OBE⁹. The policy on remuneration of senior civil servants, and the deliberations of the Remuneration Committee follow the guidance and recommendations of the Review Body on Senior Salaries. Senior staff have written objectives agreed with the Chief Executive. Performance against these objectives, and against The National Archives' values, forms the basis of their formal appraisal and subsequent pay and bonus recommendations. This information is used by the Remuneration Committee to determine pay awards according to the Review Body on Senior Salaries' annual recommendations.

⁹ Baroness Young was a Non-executive Director until 22 September 2010

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; and any other allowance to the extent that it is subject to UK taxation. Percentage salary increases, and performance bonuses, are agreed by the Remuneration Committee in accordance with strict guidance and parameters set each year by the Cabinet Office.

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses paid in a year relate to the performance in the preceding

year, as such, bonuses reported in 2010-11 relate to performance in 2009-10 and the comparative bonuses reported for 2009-10 relate to performance in 2008-09.

The salary, and pension entitlements and the value of any taxable benefits in kind of the Chief Executive, Directors and Non-executive Directors of The National Archives who are members of the Management Board, were as follows (audited):

Name	Salary 2010-11	Bonus 2010-11	Salary 2009-10	Bonus 2009-10	Accrued pension at pension age at 31/03/11 and related lump sum	Real increase in pension and related lump sum at pension age	CETV ¹⁰ at 31/03/11	CETV ¹¹ at 31/03/10
	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £2,500	Nearest £000	Nearest £000
Oliver Morley Chief Executive and Keeper (from 21/02/11) and Acting CEO (from 15/03/10 – 20/02/11) Director (to 14/03/10)	95 - 100	5 - 10	5 - 10 (full year equivalent 95 - 100) 80 - 85 (full year equivalent 85 - 90)	5 - 10	0 - 5	0 - 2.5	29	13
Jeff James Director	85 - 90	5 - 10	85 - 90	5 - 10	5 - 10	0 - 2.5	103	83
Caroline Ottaway-Searle Director	80 - 85	-	80 - 85	0 - 5	5 - 10	0 - 2.5	55	33

¹⁰ Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time

¹¹ The actuarial factors used to calculate CETVs were changed in 2010-11. The CETVs at 31/03/10 and 31/03/11 have both been calculated using the new factors, for consistency. The CETV for 31/03/10 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Name	Salary 2010-11	Bonus 2010-11	Salary 2009-10	Bonus 2009-10	Accrued pension at pension age at 31/03/11 and related lump sum	Real increase in pension and related lump sum at pension age	CETV ¹⁰ at 31/03/11	CETV ¹¹ at 31/03/10
	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £2,500	Nearest £000	Nearest £000
David Thomas Director	85 - 90	5 - 10	85 - 90	5 - 10	40 - 45 plus 90 - 95 lump sum	0 - 2.5 plus (2.5 - 5) lump sum	978	926
Carol Tullo Director	90 - 95	-	90 - 95	5 - 10	15 - 20 plus 45 - 50 lump sum	0 - 2.5 plus 2 - 2.5 lump sum	309	274
Clem Brohier Director	90 - 95	-	5 - 10 (full year equivalent 90 - 95)	-	10 - 15	0 - 2.5	150	109
Chris Mumby ¹² Acting Director	55 - 60	0 - 5	n/a	n/a	0 - 5	0 - 2.5	22	n/a
Mark Addison Non-executive Director	10 - 15	-	10 - 15	-	n/a	n/a	n/a	n/a
Bronwen Curtis CBE Non-executive Director	10 - 15	-	10 - 15	-	n/a	n/a	n/a	n/a
Trevor Spires CBE Non-executive Director	10 - 15	-	10 - 15	-	n/a	n/a	n/a	n/a
Professor the Baroness Young of Hornsey OBE Non-executive Director ¹³	5 - 10 (full year equivalent 10 - 15)	-	10 - 15	-	n/a	n/a	n/a	n/a

Oliver Morley, Jeff James, Caroline Ottaway-Searle, David Thomas, Carol Tullo, Clem Brohier, Chris Mumby, Mark Addison, Bronwen Curtis CBE, Trevor Spires CBE and Professor the Baroness Young of Hornsey OBE did not receive any benefits in kind. There were no employer contributions to partnership pension accounts in respect of any of the above.

¹²Chris Mumby was appointed Acting Director, Customer and Business Development with effect from 15 March 2010 and was appointed to the Management Board with effect from 1 April 2010.

¹³Baroness Young was a Non-executive Director until 22 September 2010

Civil service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007 civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (Classic, Premium or Classic Plus); or a 'whole career' scheme (Nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased annually in line with Pensions Increase legislation. Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic, and benefits for service from October 2002 calculated as in Premium. In Nuvos a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and, immediately after the scheme year end, the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) their pension for a lump sum up to the limits set by the Finance Act 2004.

The Partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of

pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pensionable age, or immediately on ceasing to be an active member of the scheme if they are already at, or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus and 65 for members of Nuvos.

Following the removal of a mandatory retirement age for civil servants, with effect from 1 April 2010, The National Archives has removed the compulsory retirement age for all of its employees.

Further details about the civil service pension arrangements can be found at the website civilservice-pensions.gov.uk.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement that the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market-valuation factors for the start and end of the period.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue & Customs as a taxable emolument.

Reporting of civil service and other compensation schemes – exit packages

Details of exit packages for civil service and other compensation schemes are shown in Note 6.1 of the accounts on page 54.



Oliver Morley
Accounting Officer
2 June 2011

3 Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed The National Archives to prepare, for each financial year, accounts detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The National Archives and of its net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the Government Financial Reporting Manual, have been followed, and disclose and explain any material departures in the accounts
- prepare the accounts on the going-concern basis.

HM Treasury has appointed Oliver Morley, Chief Executive as Accounting Officer of The National Archives with responsibility for preparing The National Archives' accounts and for transmitting them to the Comptroller and Auditor General.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum, issued by HM Treasury and published in *Managing Public Money*.

4 Statement on internal control

1. Scope of responsibility

As Chief Executive and Accounting Officer of The National Archives, I am responsible for maintaining a sound system of internal control that supports the achievement of The National Archives' policies, aims and objectives, while safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

The size and structure of The National Archives allows me as its Chief Executive a closeness to the day-to-day business of the organisation that gives me a unique overview of the risks to the organisation, the management of those risks and the delivery mechanisms that have allowed us to continue to deliver a high quality service to our users despite economic constraints, chief among which has been an ongoing recruitment freeze that has obliged us to carry a large number of staff vacancies for most of the year and other significant issues such as my role being Acting Chief Executive for the majority of the year. As an attendee at our Audit Committee meetings I am fully aware of audit findings, concerns and governance issues and I receive further assurance from an annual report from the Chair of the Audit Committee concerning risk management and internal control.

2. The purpose of the system of internal control

The system of internal control has been in place at The National Archives for the year ended 31 March 2011 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance. It is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of The National Archives' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impacts should they be realised, and to manage them efficiently, effectively and economically. We routinely refine and review our governance standards in order to vigorously reinforce a culture of responsibility and accountability.

3. Capacity to handle risk

I have personal statutory authority for investigations carried out by The National Archives, and as its Accounting Officer, have ultimate responsibility for managing risk, and responsibility for approving major decisions, taking into account our risk profile or exposure.

The management of risk remains an active process within The National Archives and takes account of:

- changes within The National Archives and within government
- regular monitoring at Executive Team, Management Board and Audit Committee meetings
- strengthening of governance structures that require Directors to be held accountable for their areas of responsibility.

Directors own all key strategic risks and standardised risk registers are used as a tool to manage and monitor risks across the organisation. This year the main focus of our internal audit work has moved from assessing the effectiveness of control of key strategic risks to assessing the effectiveness of key governance processes, an approach endorsed by our Audit Committee.

Innovation is core to The National Archives' remit, and this, coupled with our sound operating model, means that the organisation will accept higher levels of risk in areas where innovation is required. However, by continually reviewing and monitoring the status of its risks and its appetite for risk in key areas, The National Archives has proactively managed them this year. This has enabled us to continue to deliver excellent services despite recruitment and marketing constraints mandated across government.

4. The risk and control framework

I have established the following processes to maintain and review the effectiveness of the system of internal control and risk management across The National Archives:

an Executive Committee which meets weekly to discuss and consider current business issues and reviews our financial position monthly;

a Management Board composed of well informed directors and Non-executive Directors that promotes continuous improvement in governance practices. The Board meets monthly and provides me with specific advice and support on:

- purpose, vision and values
- plans and strategic direction of The National Archives and, each quarter, review of performance and key risks
- accountability to stakeholders, including stewardship of public funds
- internal control arrangements;

an Audit Committee on which all Non-executive Directors sit. The Committee supports me in ensuring the effective governance of The National Archives. This is the main governance oversight committee;

a Strategic Risk Register which acts as a tool for managing the organisation's key risks. This is reviewed regularly by the Executive Team, Management Board and Audit Committee;

and

in-year business targets, performance indicators and Public Service Standards. Achievement against these is regularly reviewed by the Executive Team, Management Board and Audit Committee.

All Board members meet formally and informally with other senior managers and are members of specific high-profile project and programme boards. We have a very active group of Non-executive Directors who also engage closely with the business, to give stronger assurance and governance.

We encourage and empower staff, and particularly heads of department and those who report to Directors, to support effective delivery, innovation and improvement within a framework of evaluation and review. I believe that this has been successful.

We strive to be an open and transparent organisation, so in addition to responding to government's requests for particular information to be published, we proactively share as much information as possible and make it available on our website. An example of this is that we have committed to publishing details of transactions over the value of £10k, although it is only a requirement to publish details of spend over £25k.

Risk registers are used to manage risk to within agreed appetite levels, and we use this approach at corporate, directorate and project/programme level. We formally reviewed our appetite for types of risk during the year, at a corporate level. Our internal auditors provided advice and guidance on the development and maintenance of risk registers as part of their audit activity.

The strategic risk register has been closely tied to our strategic priorities and Business Plan goals for the year. Recruitment and marketing spending constraints introduced across the public sector during the year influenced existing strategic risk descriptions and controls as well as refocusing risks to our leadership role in the information management across government. Strategic risks during the year covered the following areas:

- Economy/Money
- External changes to our strategy/positioning
- Business Continuity
- Lack of Long-Term Strategic Direction
- Staff, Leadership and Culture
- Capability in government
- Stakeholder engagement
- Information Assurance
- Response to National Civil Service-wide Industrial Action.

Operational level risks are managed by senior managers and are escalated to higher level risk registers as appropriate. I am pleased that the internal audit of risk management found that '...Risk management has been embraced at a strategic level with good levels of senior management engagement and considerable work has been undertaken in this area'. The audit found that while best practice was being applied in management of operational risk in some business areas, there was some inconsistency in evidencing this throughout the organisation. A number of recommendations emerged from this audit but rather than mandating compliance with a process that might not have remained fit for purpose, we took the opportunity to review the continuing viability of our risk management policy, processes and procedures. As a result we have redesigned, in principle, a new way of managing different levels of risk across the organisation. This develops what worked well under the previous arrangements but is a less bureaucratic process that uses assurance sources and accountability in a more structured way for 'business as usual' risks. As a result directors and senior managers are free to concentrate efforts on managing strategic and 'exceptional' risks. We will trial this approach during the first half of 2011-12.

An updated Anti-Fraud Policy was published during the year and was subsequently improved in the light of internal audit findings.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My continuing review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the Executive Team and senior managers within The National Archives who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Management Letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee, and a plan is in place to address any weaknesses and ensure continuous improvement of the system.

This year the Audit Committee continued to challenge the management of risk. Key projects and business initiatives were brought to Audit Committee for detailed discussion of associated governance and assurance on risk management.

This year was the first for which internal audit services were provided for us by RSM Tenon, and its team completed a programme of internal audit work around key governance processes. I am pleased that a procedure for formally responding to draft audit findings within set deadlines was embraced by all auditees and that the vast majority of internal audit recommendations made this year were implemented on time. The Audit Committee takes a particular interest in exploring the background to any overdue recommendations and the Committee's agreement is needed before any overdue recommendation can extend its implementation date beyond that originally set. Audit recommendation tracking and reporting continued to develop this year and is now a 'live' and value added process. An outstanding audit recommendations report is tabled at each Audit Committee meeting.

The overall opinion of the internal audit of our corporate governance was that taking account of the issues identified, the Board could take reasonable assurance that the controls upon which the organisation relies to manage this area are suitably designed, consistently applied and effective. Recommendations for additional controls have been accepted and are being implemented.

A key element of my overview of governance of The National Archives and, in particular, its overall effectiveness, is the half-year and year-end stewardship reporting that we require of our Directors. This year we maintained the requirement for those statements to be supported by statements from Executive Reports.

Year end stewardship reporting demonstrated that controls had proved effective in most areas and that associated assurance processes were well established. During the year controls were improved in a number of areas including: operational risk management reporting; purchase ordering commitment reporting; monitoring travelling expenditure for the purpose of reducing

our carbon footprint; accuracy of personnel-related information; user participation and user interaction and the physical security of original record and reference material. We will build on this work during 2011-12 and, in addition, further controls will be developed in specific areas relating to contract management, project delivery, energy consumption and carbon emissions and estates capital spend planning.

As an additional governance measure during the year I established two bodies to provide assurance in key areas:

(1) The Information Technology / Information Strategy Oversight Board. This Board reviews or recommends proposed strategic investment in The National Archives' infrastructure services and online technical solutions, in the context of the following:

- fitting within the context of the Technology department's Mission Statement and Strategy (being developed as part of the Technology Services Strategy)
- meeting the needs of the business
- ensuring the integrity of The National Archives' information architecture
- ensuring new and upgraded systems are fit for purpose and comply with the standards necessary to maintain a robust, consistent and integrated technical infrastructure.

(2) The Business Continuity Management Governance Board. The Board provides strategic direction and assurance for The National Archives' ongoing business continuity management and manages the technical and cultural challenges and associated risks. The Board also provides assurance to the Executive Team and Audit Committee that The National Archives is managing business continuity appropriately and effectively.

The internal audit of our business continuity management recommended the introduction of additional controls, which are in the process of being implemented. However, nothing tests our planning better than real life business continuity challenges and during the year The National Archives faced a number of these, including:

- main sewage pump failure
- unplanned power outages
- corrupted update from anti-virus software provider
- industrial action by London fire fighters and London Underground staff
- heavy snow and freezing weather conditions
- student protests (affecting our central London office)
- two incidents of water ingress.

I have been reassured by our responses to these challenges, which kept any adverse effects on the services we provide to an absolute minimum.

I obtain additional assurance from achievement of externally validated standards and awards. Naturally, these vary year-on-year but this year I am pleased that we achieved or were awarded:

- The Queen's Award for Enterprise for developing a system for preserving digital information which has since been adopted by libraries and archives around the world. An Innovation Award was made jointly to The National Archives and our private partner Tessella
- Customer Service Excellence (the government's customer service standard)
- Schools Videoconferencing User Award 2010 (in the category Best Content Provider – Schools VC User Group)
- Certification of achievement of the Carbon Trust Standard (for reducing our energy consumption consistently over the last three years, including a carbon reduction of 10% in 2009-10)
- reaccreditation to the Government Secure Intranet (GSI) – validation of the strength of our data handling and information management standards, authorising us to store, forward and process information which is protectively marked
- accreditation of our Civil Pages service to allow its users to share information up to Restricted level via the GSI.

In addition, assessment of The National Archives against the Investors in People standard commenced during the year. Confirmation of our reaccreditation against the standard was received in April 2011.

6. Information risk

The National Archives' business is information management, and we lead in this area across government. It is therefore essential that our own practice in information risk management is exemplary. Traditionally we have managed the risk of information loss through physical controls and we continue to use those controls for our historic record collection. In the digital age, as the number of ways that electronic information can be stored and transferred increases, so does the risk of information loss. We continue to take our information risk management responsibilities seriously. I am confident that information risk management is both well-understood, and well-managed within the organisation.

7. Reporting of personal data-related incidents

There were no personal data-related incidents at The National Archives in 2010-11. We were not required to report any personal data-related incidents at The National Archives this year or in the required reporting period from 2004 onwards. As information is our business we continually monitor and assess our information risks in order to identify and quickly address any weaknesses and ensure continuous improvements of our systems. This year we have been supported in this work by internal audits on data protection and information security and additional controls are being introduced as appropriate.

8. Overall

I gain assurance from my Directors, various committees and boards, feedback from stakeholders, Internal Audit reports, stewardship reports, reporting against performance and other indicators and external validation. I am content that we have understood any control issues that faced The National Archives this year and, where weaknesses were identified, that we have put in place action plans to mitigate the risks.



Oliver Morley
Accounting Officer

2 June 2011

5 Audit Certificate and Report

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of The National Archives ('the Department') for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, Statement of Comprehensive Net Expenditure and the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; and the overall presentation of the financial statements. In addition I read all the financial and non-financial

information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2011 and of its net cash requirement, net resource outturn and net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria,
London,
SW1W 9SP

10 June 2011

6 Accounts Summary

Statement of Parliamentary Supply

Summary of resource outturn 2010-11

				2010-11 Estimate				2010-11 Outturn	2009-10 Outturn
								Net total outturn compared with Estimate: saving/ (excess)	Net Total
Note		Gross Expenditure £000	A in A £000	Net Total £000	Gross Expenditure £000	A in A £000	Net Total £000	£000	£000
Request for Resources 1	2	51,115	(11,195)	39,920	47,382	(9,277)	38,105	1,815	43,871
Total resources		51,115	(11,195)	39,920	47,382	(9,277)	38,105	1,815	43,871
Non-operating cost A in A*		-	-	-	-	-	-	-	-

* A in A is Appropriations in Aid and represents the income received by departments which they are authorised to retain in order to finance related expenditure

				2010-11 Estimate	2010-11 Outturn	2010-11 Net total outturn compared with Estimate saving/ (excess)	2009-10 Outturn
Note				£000	£000	£000	£000
Net Cash Requirement	4			39,212	39,160	52	39,151

Summary of income payable to the Consolidated Fund

(In addition to the appropriations in aid, the following income relates to the department and is payable to the Consolidated Fund)	2010-11 Forecast		2010-11 Outturn	
	Income	Receipts	Income	Receipts
	£000	£000	£000	£000
Total	-	-	-	-

The notes on pages 46 to 69 form part of these accounts

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2011

				2010-11	2009-10 (Restated) ¹⁴		
	Note	Staff costs £000	Other costs £000	Income £000	Staff costs £000	Other costs £000	Income £000
Programme costs:							
Request for Resources 1							
Staff costs	6	24,591			27,621		
Programme costs	7		22,856			22,584	
Income	8			(9,277)			(9,881)
Totals		24,591	22,856	(9,277)	27,621	22,584	(9,881)
Net Operating Cost for the year ended 31 March 2011	3			38,170			40,324
Other Comprehensive Expenditure							
				£000	£000		
Net (gain)/loss on revaluation of property, plant and equipment				(8,218)	(9,231)		
Net (gain)/loss on revaluation of intangibles				(850)	(130)		
Total comprehensive expenditure for the year ended 31 March 2011				29,102	30,963		

The notes on pages 46 to 69 form part of these accounts

¹⁴Following HM Treasury direction, the cost of capital charge, a non-cash notional charge is no longer included in the accounts. The charge for 2009-10 (£3,482,000) has been removed from the comparator figures - reducing the net programme cost and the net operating cost.

Statement of Financial Position

for the year ended 31 March 2011

		31 March 2011		31 March 2010 (Restated)		31 March 2009 (Restated)	
	Note	£000	£000	£000	£000	£000	£000
Non-current assets:							
Property, plant and equipment	9	106,756		100,298		94,335	
Intangible assets	10	8,418		7,881		8,651	
Trade receivables falling due after more than one year	14	349		111		13	
Total non-current assets			115,523		108,290		102,999
Current assets:							
Inventories	13	114		152		200	
Trade and other receivables	14	270		307		430	
Other current assets	14	1,313		2,281		3,569	
Cash and cash equivalents	15	52		79		167	
Total current assets			1,749		2,819		4,366
Total assets			117,272		111,109		107,365
Current liabilities							
Trade and other payables	17	(1,073)		(1,409)		(2,953)	
Other liabilities	17	(6,482)		(7,755)		(7,691)	
Total current liabilities			(7,555)		(9,164)		(10,644)
Non-current assets less net current liabilities			109,717		101,945		96,721
Non-current liabilities:							
Provisions	18		(592)		(691)		(762)
Total non-current liabilities			(592)		(691)		(762)
Assets less liabilities			109,125		101,254		95,959
Taxpayers' equity:							
General fund			76,116		74,150		74,514
Revaluation reserve			33,009		27,104		21,445
Total taxpayers' equity			109,125		101,254		95,959



Oliver Morley
Accounting Officer
2 June 2011

The notes on pages 46 to 69 form part of these accounts

Statement of Cash Flows

for the year ended 31 March 2011

		2010-11	2009-10 (Restated)
	Note	£000	£000
Cash flows from operating activities			
Net operating cost	3	(38,170)	(40,324)
Adjustments for non-cash transactions	7	5,777	5,576
(Increase)/decrease in trade and other receivables	14	767	1,313
(Increase)/decrease in inventories	13	38	48
Increase/(decrease) in payables	17	(1,582)	(1,392)
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		18	(18)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure		484	(65)
Use of provisions	18	(152)	(145)
Net cash outflow from operating activities		(32,820)	(35,007)
Cash flows from investing activities			
Purchase of property, plant and equipment	9	(6,340)	(4,076)
Purchase of intangible assets	10	-	(68)
Proceeds of disposal of property, plant and equipment		-	-
Net cash outflow from investing activities		(6,340)	(4,144)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		39,133	39,063
Net cash flow from financing activities		39,133	39,063
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(27)	(88)
Payments of amounts due to the Consolidated Fund		-	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(27)	(88)
Cash and cash equivalents at the beginning of the period	15	79	167
Cash and cash equivalents at the end of the period	15	52	79

The notes on pages 46 to 69 form part of these accounts

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2011

		General Fund	Revaluation Reserve	Total Reserves
	Note	£000	£000	£000
Balance at 31 March 2009		75,442	21,445	96,887
Prior period adjustments:				
Valuation of databases - IAS 38	1.18	(158)	-	(158)
Valuation of licensed internet associateships - IAS 38	1.18	(770)	-	(770)
Restated balance at 1 April 2009		74,514	21,445	95,959
Changes in taxpayers' equity for 2009-10				
Net Parliamentary funding - drawn down		39,063	-	39,063
Net Parliamentary funding - deemed	15	167	-	167
Supply (payable)/receivable adjustment	15	(79)	-	(79)
CFERS payable to the Consolidated Fund		-	-	-
Release of reserves to the statement of comprehensive expenditure		-	(2,958)	(2,958)
Non-cash charges - auditors remuneration	7	65	-	65
Transfers between reserves		744	(744)	-
Comprehensive expenditure for the year		(40,324)	9,361	(30,963)
Balance at 31 March 2010		74,150	27,104	101,254
Changes in taxpayers' equity for 2010-11				
Net Parliamentary funding - drawn down		39,133	-	39,133
Net Parliamentary funding - deemed	15	79	-	79
Supply (payable)/receivable adjustment	15	(52)	-	(52)
CFERS payable to the Consolidated Fund		-	-	-
Release of reserves to the statement of comprehensive expenditure		-	(2,239)	(2,239)
Non-cash charges - auditors remuneration	7	52	-	52
Transfers between reserves		924	(924)	-
Comprehensive expenditure for the year		(38,170)	9,068	(29,102)
Balance at 31 March 2011		76,116	33,009	109,125

The notes on pages 46 to 69 form part of these accounts

7 Notes to the Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2010-11 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adopted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of The National Archives for the purpose of giving a true and fair view has been selected. The particular policies adopted by The National Archives are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the department to prepare the Statement of Parliamentary Supply and supporting notes to show outturn against Estimates in terms of the net resource requirement and the net cash requirement.

In line with HM Treasury advice, Prior Period Adjustments (PPAs) arising from the removal of the cost of capital charge were not included in Spring Supplementary Estimates for 2010-11, other than as a note, on the basis that the PPA numbers could have been misleading. The Statement of Parliamentary Supply and related notes have not been restated for this effect. Further details are provided in note 1.18 and note 3.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for any material revaluation of property, plant and equipment, intangible assets and inventories.

1.2 Property, plant and equipment

Property, plant and equipment other than land and buildings consist of plant and machinery, furniture and fittings, transport equipment and information technology. Expenditure on restoration and conservation work is part of the normal operating costs of The National Archives and is not capitalised. It is recorded as part of programme costs.

The National Archives is the beneficial owner of the freehold land and buildings at Kew. All non-current assets are implicitly owned by The National Archives. There are no leased assets.

Land and buildings are stated at fair value using professional valuations every five years and appropriate indices in intervening years. Professional valuation was last carried out in the financial year 2006-07. Other non-current assets have been stated at fair value using appropriate indices where material.

The minimum level for capitalisation of an individual tangible non-current asset is £1,000.

1.3 Heritage assets

The National Archives holds more than 11 million records and artefacts classed as non operational heritage assets which are held in order to fulfil our statutory function which includes ensuring that important information is preserved and that it can be accessed and used.

Records of our collection have been catalogued and contain descriptions of documents from central government, courts of law and other UK national bodies, including records of interest to family historians, medieval tax, criminal trials, UFO sightings, the history of many countries and many other subjects. Further details of our Catalogue can be found at nationalarchives.gov.uk/records.

In the opinion of the Management Board, reliable information on cost or valuation is not available for the department's collection of heritage assets. This is due to the diverse nature of the assets held, the lack of information on purchase cost (as the assets are not purchased); the lack of comparable market values; and the volume of items held. As well as the aforementioned, any market value placed on these assets would not be a true reflection of the value of the assets to the nation's heritage; the assets, if lost, could not be replaced or reconstructed. These assets are therefore not reported in the Statement of Financial Position.

Government records are currently selected for permanent preservation and are sent to The National Archives before they are 30 years old (for release under the 30-year rule), however many are transferred earlier

under the Freedom of Information Act. The records held by The National Archives span 1,000 years and fill 180 kilometres of shelving on site at Kew and at the Deepstore facility in Cheshire. They are held in many formats from medieval vellum and parchment to modern computer disks. They are made up of a variety of items ranging from traditional paper records to seals, maps, costumes, paintings, films, items of court evidence, etc. The heritage assets can be placed in the categories of:

- files and paper documents
- electronic records and websites
- photographs and posters
- maps, plans and architectural drawings
- artefacts and historical items.

The National Archives is the guardian of the nation’s public record. Its core role includes preserving and protecting, making available, and bringing alive the vast collection of historical records held. Most of the records are unique and irreplaceable and have been preserved for their historical, legal and administrative value. Increasingly, access to the most popular of these is provided to researchers in digital format, and The National Archives also takes the lead role dealing with the issues associated with the survival and preservation of today’s electronic public records – tomorrow’s permanent preserved record.

The conservation, preservation and care of this unique and irreplaceable collection is a challenging responsibility, given the age and original condition of some of the artefacts. Matched to the responsibilities of providing access, it means The National Archives has a constant challenge to improve catalogues and environmental repositories, and to respond to stakeholder interests. We have a dedicated team responsible for the long-term preservation of The National Archives’ collection to ensure continued access and future use and we improve the stability of our most vulnerable records through conservation work.

Certain items within the overall collection are of particular significance, including Domesday Book, one of our most prized national treasures, which has been safeguarded for over nine centuries and is now cared for and displayed at Kew; an official version of the

Magna Carta; unique records of official treaties; and a host of irreplaceable social records. Further details of the preservation and management of our heritage assets are provided in note 11 of the accounts.

1.4 Intangible assets

Intangible assets comprise information technology, development expenditure and software licences purchased from third parties, amortised over the life of the licence, and costs associated with systems in the course of construction as they are developed and implemented, amortised over their estimated useful life for up to five years.

In addition, The National Archives recognises licensed internet associateships with third parties and internal revenue generating databases (such as our DocumentsOnline service) as intangible assets with indefinite lives, reflecting the underlying nature of the supporting public records. The valuation adopted in each case relates to current forecasts of reasonably foreseeable future revenue generating capacity, discounted as appropriate. Each is subject to annual review to assess at each reporting date whether there is any indication that the asset is impaired, as required by *International Accounting Standard 36: Impairment of Assets*. Further details of the effects of changes in our forecast estimates are shown under market risk in note 12 of the accounts.

1.5 Depreciation

Freehold land is not depreciated.

Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other non-current assets by equal instalments over their estimated useful lives. Assets in the course of construction are not depreciated. Lives are normally in the following ranges:

Buildings	up to 50 years
Information technology	up to 5 years
Plant and machinery	up to 10 years
Furniture and fittings	up to 10 years
Conservation equipment	up to 25 years
Transport equipment	up to 10 years

Licensed internet associateships	indefinite
Revenue generating databases	indefinite

1.6 Inventories and work in progress

Current asset stocks and work in progress, as held for sale, are valued at the lower of cost and net realisable value.

1.7 Operating income

Operating income is income which relates directly to the operating activities of The National Archives. It principally comprises charges for services provided – such as for the sale of copies of documents, sale of publications and other items and services, reproduction fees and royalties for the publication of images, as well as income generated by the licensing of digital copies of historical records. Operating income also includes grants and contributions from other government departments to carry out specific projects.

All operating income is recorded when the service is provided. Elements that relate to work not yet completed are held at the end of the reporting period as deferred income and subsequently recognised as income upon completion of the service.

1.8 EU funding

The National Archives received funding from the EU to carry out a specific project on preservation and long-term access through networked services. This project ended in May 2010. Income and corresponding expenditure is recognised in accordance with the grantor's terms and are subject to an independent annual audit. At the end of the reporting period, £87,000 (2009-10: £128,000) was due to be received and has been recorded as accrued income.

1.9 Short-term staff benefits

The National Archives recognises the liability associated with the short-term staff benefit for untaken but earned annual leave entitlement at the end of the reporting period. It reviews this liability annually.

1.10 Administration expenditure

For the reporting year, all spending is classified as programme spending by HM Treasury. The majority of the resources are consumed in providing direct services of, for example, public access to national records, family records and archives at Kew; the publishing, conservation and preservation of records; and UK information management advice and policy including standards, compliance, and copyright. All costs are recorded against 'Other Current' within Estimates.

Following the comprehensive spending review, from 1 April 2011, The National Archives will report administrative expenditure separately.

1.11 Programme expenditure

For the reporting year, programme expenditure reflects the total costs of service delivery, including all administrative costs, of The National Archives, as per note 1.10.

1.12 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in the Remuneration Report. The defined benefit elements of the scheme are unfunded and are non contributory except in respect on dependents' benefits. The department recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from the employees' service by payments to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the department recognises the contributions payable for the year.

1.13 Early departure costs

The National Archives is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The National Archives provides in full for this cost when the early retirement programme has been announced and is binding on the department by establishing a provision for the estimated payments discounted by the HM Treasury discount rate (currently 2.9% in real terms).

1.14 Operating leases

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term. There are no financial leases.

1.15 Value Added Tax (VAT)

Most of the activities of the department are outside the scope of VAT and, in general output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase price of non-current assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.16 Contingent liabilities

In addition to any contingent liabilities disclosed in accordance with *International Accounting Standard 37: Provisions, contingent liabilities and contingent assets (IAS 37)*, the department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of *Managing Public Money*.

Where the time value of money is material, any contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amounts reported to Parliament are separately noted. Any contingent liabilities that are not required to be disclosed by IAS 37, but are reported to Parliament under the requirements of *Managing Public Money* are stated at the amounts reported to Parliament.

1.17 Third party assets

The National Archives holds monetary assets on a temporary basis on behalf of other government departments for disbursement to them. These balances are related to arrangements for the collection and allocation of income that is generated by the licensing of Crown copyright material originated by departments and agencies that do not have delegated authority to license this material themselves. The Director, Information Policy and Services at The National Archives is the Controller of Her Majesty's Stationery Office (HMSO) who has responsibility for the management and licensing of copyrights owned by the Crown in her capacity as Queen's Printer and Queen's Printer for Scotland. At the 31 March 2011 the value of those cash assets was £34,738. In accordance with the FReM, as government has a beneficial interest in these assets, the balances are included in the accounts within cash and trade payables.

1.18 Prior period adjustments

The valuation of revenue generating databases and licence internet associateships has been amended as a result of an incorrect application of the HM Treasury discount rate in prior years. In accordance with *International Accounting Standard 8: Accounting policies, changes in accounting estimates and errors*, this amendment has been treated as a prior year adjustment and the adjustments which have been made in the accounts are summarised below:

	Note	Statement of Comprehensive Net Expenditure £000	Statement of Financial Position £000
1 April 2009			
Reduced valuation of databases	10	-	(158)
Reduced valuation of licensed internet associateships	10	-	(770)
Reduction in General Fund		-	928
2009-10			
Impairment review - databases	7	37	-
Impairment review - licensed internet associateships	7	28	-
Increase in General Fund		-	65

1.19 Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

There is no anticipated material impact to The National Archives of International Financial Reporting Standards (IFRSs) that have been issued by the International Accounting Standards Board but are not yet effective at the end of the reporting period.

1.20 Recent changes to regulations affecting the preparation of future Accounts

The Financial Reporting Manual has introduced a number of changes for financial year 2011-12. The main one applicable to this department is that the format of the Statement of Parliamentary Supply and its supporting note will be aligned to the revised format introduced by HM Treasury's Clear Line of Sight (CLOs) initiative. Further details of the CLOs project can be found at: http://www.hm-treasury.gov.uk/psr_clear_line_of_sight_intro.htm

2. Analysis of net resource outturn by section

							2010-11	2009-10	
Outturn						Estimate			
Admin.	Other Current	Grants	Gross Resource Expenditure	A in A	Net Total	Net Total	Net Total outturn compared with Estimate	Prior year outturn	
£000	£000	£000	£000	£000	£000	£000	£000	£000	
Request for resources 1: Promoting the study of the past in order to inform the present and the future. Selecting, preserving and making publicly available public records of historical value. Encouraging high standards of care and public access for archives of historical value outside the public records. Leading on UK information management re-use policy, spreading best practice, setting standards and ensuring compliance across the public sector. Managing Crown copyright and delivering cost effective publishing services and advice across government.									
The National Archives	-	47,382	-	47,382	(9,277)	38,105	39,920	(1,815)	43,871
Resource Outturn	-	47,382	-	47,382	(9,277)	38,105	39,920	(1,815)	43,871

The variance between resource estimates and outturn relates mainly to significantly lower than planned non-cash resource consumption.

Detailed explanations of the variances are given in the Management Commentary.

3. Reconciliation of net resource outturn to net operating cost

	2010-11 Outturn £000	2009-10 Outturn (Restated) £000
Net Resource Outturn (see note below)	38,105	43,871
Prior period adjustments		
Valuation of databases - IAS 38	37	(37)
Valuation of licensed internet associateships - IAS 38	28	(28)
Cost of Capital removal	-	(3,482)
Net operating cost (see note below)	38,170	40,324

Note

Net operating cost is the total of expenditure and income appearing in the Statement of Comprehensive Net Expenditure (Page 42). Net resource outturn is the total of those elements of expenditure and income which are subject to Parliamentary approval and included in the department's Supply Estimate. The outturn against the Estimate is shown in the Summary of Resource Outturn (Page 41).

4. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate saving/ (excess) £000
Resource Outturn	2	39,920	38,105	1,815
Capital:				
Acquisition of property, plant and machinery and intangible assets	9, 10	6,197	5,856	341
Loss on asset disposals		-	(7)	7
Prior period adjustment for intangible assets			65	(65)
Accruals adjustments				
Non-cash items	7	(7,045)	(5,770)	(1,275)
Changes in working capital other than cash		-	759	(759)
Use of provision	18	140	152	(12)
Net Cash Requirement		39,212	39,160	52

5. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund

	Note	2010-11 £000	2009-10 £000
Operating income	8	9,277	9,881
Gross Income		9,277	9,881
Income authorised to be Appropriated in Aid	8	9,277	9,881
Total income payable to the Consolidated Fund		-	-

6. Staff costs

a) Staff costs consist of:

	£000	2010-11 £000	£000	2009-10 £000
	Total	Permanently Employed Staff ¹⁵	Others ¹⁶	Total
Wages and salaries	20,023	18,609	1,414	23,085
Social Security costs	1,456	1,456	-	1,493
Other pension costs	3,336	3,336	-	3,437
Sub total	24,815	23,401	1,414	28,015
Less recoveries in respect of outward secondments	(224)	(224)	-	(394)
Total net costs	24,591	23,177	1,414	27,621

No staff costs were capitalised during the year

¹⁵ Costs for permanently employed staff represent costs for the average number of full-time equivalent staff (581 in 2010-11) that are paid and employed by The National Archives

¹⁶ Costs for other staff represent costs for contractors and temporary staff who are paid through recruitment agencies or directly as self employed workers. The number of contractors and temporary staff used was equivalent to 35 people (calculated on an equivalent cost basis)

- b) The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. In common with other government departments, The National Archives cannot identify its share of the underlying assets and liabilities. A full actuarial valuation of the scheme was carried out as at 31 March 2007 by the scheme's actuary, Hewitt Associates Financial Services Ltd. Details can be found in the accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).
- c) For 2010-11, employers' contributions of £3,231,597 were payable to the PCSPS (2009-10: £3,371,651) at one of four rates in the range 16.7 to 24.3% of pensionable pay, based on salary bands. The scheme's actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners.
- d) Employees can opt to open a partnership account – a stakeholder pension with an employer contribution. During 2010-11, employers' contributions of £74,604 were paid to one or more of a panel of three appointed stakeholder pension providers (2009-10: £61,868). Employer contributions are age-related and range from 3 to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £4,735 (2009-10: £4,117), 0.8% (2009-10: 0.8%) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.
- e) The average number of full-time equivalent persons employed, including senior management, during the year was 581. Further details are shown in table 5 of the core financial tables on page 19.
- f) Contractors and temporary staff costs decreased from £2.5 million in 2009-10 to £1.4 million in 2010-11, reflecting the lower use of temporary staff to fill resource requirements on a short-term basis to fulfil the needs of specific projects during the year.
- g) Costs for consultants, acting in an advisory capacity, also decreased from £179,200 in 2009-10 to £14,390 in 2010-11. These costs are reflected in note 7 to the accounts.

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Contributions due to the partnership pension providers at the end of the reporting date were actually £8,463 (2009-10: £6,712). Contributions pre-paid at that date were nil.

6.1. Reporting of Civil Service and other compensation schemes – exit packages

(numbers in brackets are comparatives for 2009-10)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed ¹⁷	Total number of exit packages by cost band
< £10,000	- (-)	< 5 (6)	< 5 (6)
£10,000 - £24,999	- (-)	< 5 (8)	< 5 (8)
£25,000 - £49,999	- (-)	< 5 (9)	< 5 (9)
£50,000 - £99,999	- (-)	- (14)	- (14)
£100,000 - £149,999	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
Total number of exit packages by type	- (-)	6 (37)	6 (37)
Total resource cost - £	- (-)	93,844 (1,551,765)	93,844 (1,551,765)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

¹⁷ Where fewer than five people are within a cost band, the exact number is not stated to minimise the risk of individuals being identified which could breach their data protection rights. This is also in accordance with section 40(2) of the Freedom of Information Act.

7. Programme costs

	2010-11		2009-10 (Restated)	
	£000	£000	£000	£000
Rentals under operating leases:				
Hire of plant and machinery	275		542	
		275		542
Non-cash items:				
Depreciation and amortisation				
Civil Estate	2,877		2,602	
Other non current assets	2,371		2,384	
Downward revaluation of non current assets	437		-	
Reversal of downward revaluation previously recognised	-		(336)	
Impairments	-		587	
Loss on disposal of non current assets	7		182	
Auditor's remuneration - audit work	52		65	
Provisions:				
Provided in year - early retirement	53		74	
Provided/(released) in year - bad debt	(20)		18	
		5,777		5,576
Other expenditure				
Accommodation (including record storage space rental)	6,460		6,638	
Consultancy	14		179	
Government dataset preservation	385		647	
Travel, subsistence and hospitality	331		327	
Recruitment and training	481		736	
Digitisation & microfilming	508		185	
IT maintenance	2,372		1,091	
Shop stores	153		188	
Conferences	32		108	
Minor software and hardware	682		457	
Advertising	-		7	
Record copying materials	5		17	
Legal expenses	157		148	
Telecommunications	163		77	
Other expenditure	3,239		3,937	
Public access	1,758		1,654	
Internal audit	64		70	
		16,804		16,466
		22,856		22,584

Note - the total of non-cash items included in the Reconciliation of Resources to Net Cash Requirement comprises:

	2010-11	2009-10 (Restated)
	£000	£000
Total non-cash transactions as above	5,777	5,576
Adjustment for loss on disposal of property, plant and equipment	(7)	(182)
Non-cash items per reconciliation of resources to net cash requirement	5,770	5,394

8. Income

2010-11	Resource Outturn	Statement of comprehensive net expenditure	
	Appropriated in aid	Payable to Consolidated Fund	Income
	£000	£000	£000
Operating income analysed by classification and activity, is as follows:			
Income:			
Fees and charges to external customers	7,141	-	7,141
Fees and charges to other government departments	2,149	-	2,149
EU funding income ¹⁸	(13)	-	(13)
	9,277	-	9,277

2009-10	Resource Outturn	Statement of comprehensive net expenditure	
	Appropriated in aid	Payable to Consolidated Fund	Income
	£000	£000	£000
Operating income analysed by classification and activity, is as follows:			
Income:			
Fees and charges to external customers	8,596	-	8,596
Fees and charges to other government departments	1,198	-	1,198
EU funding income	87	-	87
	9,881	-	9,881

¹⁸The EU funding income figure of minus £13,000 is to reflect a reduction in income that was previously recognised in 2009-10.

a) An analysis of operating income from services provided is as follows:

	2010-11 Income £000	2010-11 Full cost £000	2010-11 (Deficit)/Surplus £000
Reprographic services	812	783	29
Information and publishing	5,058	3,831	1,227
Externally funded projects	2,126	2,237	(111)
Other	1,281	1,281	-
	9,277	8,132	1,145
	2009-10 (Restated) Income £000	2009-10 (Restated) Full cost £000	2009-10 (Restated) (Deficit)/Surplus £000
Reprographic services	963	876	87
Information and publishing	5,946	4,568	1,378
Externally funded projects	1,517	1,295	222
Other	1,455	1,455	-
	9,881	8,194	1,687

b) The National Archives is required, in accordance with HM Treasury's Fees and Charges Guide and recommendations relating to Public Sector Information Holders, to disclose performance results for its areas of activity. The segmental analysis is not intended to meet the requirements of International Financial reporting Standard 8: Operating segments.

9. Property, plant and equipment

	Land £000	Buildings £000	Plant and machinery £000	Furniture and fittings £000	Transport equipment £000	Information technology £000	Assets under construction £000	Total £000
Cost or valuation								
At 1 April 2010	18,200	99,176	3,028	7,750	184	11,257	1,827	141,422
Additions ¹⁹	-	984	1,253	-	-	843	2,776	5,856
Reclassification	-	392	810	-	-	625	(1,827)	-
Disposals	-	-	(2)	(20)	-	(153)	-	(175)
Revaluation	-	8,416	231	(100)	-	(648)	-	7,899
At 31 March 2011	18,200	108,968	5,320	7,630	184	11,924	2,776	155,002
Depreciation								
At 1 April 2010	-	29,697	1,019	2,446	70	7,892	-	41,124
Charged in year	-	2,654	423	175	16	1,607	-	4,875
Disposals	-	-	(2)	(17)	-	(148)	-	(167)
Revaluation	-	2,716	54	(27)	-	(329)	-	2,414
At 31 March 2011	-	35,067	1,494	2,577	86	9,022	-	48,246
Net Book Value at 31 March 2011	18,200	73,901	3,826	5,053	98	2,902	2,776	106,756
Net Book Value at 31 March 2010	18,200	69,479	2,009	5,304	114	3,365	1,827	100,298
	Land £000	Buildings £000	Plant and machinery £000	Furniture and fittings £000	Transport equipment £000	Information technology £000	Assets under construction £000	Total £000
Cost or valuation								
At 1 April 2009	18,200	90,035	2,239	7,540	234	9,941	760	128,949
Additions	-	347	786	-	-	1,181	1,827	4,141
Reclassification	-	472	-	-	-	288	(760)	-
Disposals	-	-	(65)	(9)	(48)	(777)	-	(899)
Revaluation	-	8,322	68	219	(2)	624	-	9,231
At 31 March 2010	18,200	99,176	3,028	7,750	184	11,257	1,827	141,422

¹⁹These additions include adjustments for opening and closing accruals which are not reflected in the Statement of Cash flows.

Depreciation								
At 1 April 2009	-	24,812	737	2,208	101	6,756	-	34,614
Charged in year	-	2,602	309	181	16	1,554	-	4,662
Disposals	-	-	(50)	(7)	(47)	(614)	-	(718)
Revaluation	-	2,283	23	64	-	196	-	2,566
At 31 March 2010		29,697	1,019	2,446	70	7,892	-	41,124
Net Book Value at 31 March 2010								
	18,200	69,479	2,009	5,304	114	3,365	1,827	100,298
Net Book Value at 31 March 2009								
	18,200	65,223	1,502	5,332	133	3,185	760	94,335

	Land	Buildings	Plant and machinery	Furniture and fittings	Transport equipment	Information technology	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
2011 owned	18,200	73,901	3,826	5,053	98	2,902	2,776	106,756
Net Book Value at 31 March 2011	18,200	73,901	3,826	5,053	98	2,902	2,776	106,756
2010 owned	18,200	69,479	2,009	5,304	114	3,365	1,827	100,298
Net Book Value at 31 March 2010	18,200	69,479	2,009	5,304	114	3,365	1,827	100,298

Notes

- a) Freehold land and buildings were valued on 31 March 2007 at £103.3 million on the basis of depreciated replacement cost by an external firm of Chartered Surveyors, Atis Real Weatheralls Limited. Their valuation was carried out in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. In years where there is no professional valuation exercise, revaluation is derived from the relevant indices as appropriate.
- b) All non-current assets are implicitly owned by The National Archives. There are no leased assets.

10. Intangible assets

	Software licences £000	Databases £000	Licensed internet associateships £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2010	2,012	1,808	5,488	-	9,308
Additions	-	-	-	-	-
Impairments	-	-	-	-	-
Revaluation	(117)	134	716	-	733
At 31 March 2011	1,895	1,942	6,204	-	10,041
Amortisation					
At 1 April 2010	1,427	-	-	-	1,427
Charged in year	279	-	-	-	279
Revaluation	(83)	-	-	-	(83)
At 31 March 2011	1,623	-	-	-	1,623
Net Book Value at 31 March 2011	272	1,942	6,204	-	8,418
Net Book Value at 31 March 2010	585	1,808	5,488	-	7,881

	Software licences £000	Databases £000	Licensed internet associateships £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2009	1,814	1,891	5,992	-	9,697
Additions	68	-	-	-	68
Impairments	-	(83)	(504)	-	(587)
Revaluation	130	-	-	-	130
At 31 March 2010	2,012	1,808	5,488	-	9,308
Amortisation					
At 1 April 2009	1,046	-	-	-	1,046
Charged in year	324	-	-	-	324
Impairments	57	-	-	-	57
At 31 March 2010	1,427	-	-	-	1,427

Net Book Value at 31 March 2010	585	1,808	5,488	-	7,881
Net Book Value at 31 March 2009	768	1,891	5,992	-	8,651

Note

The impairment of intangible assets of £Nil (2009-10: £587,000) has been charged in full to the Statement of Comprehensive Net Expenditure.

11. Further information on heritage assets

11a. Preservation and management

Acquisition of heritage assets is through government departments selecting records for permanent preservation and transferring these records to The National Archives before they are 30 years old (for release under the 30-year rule). Many records are however transferred earlier under the Freedom of Information Act.

In the year to March 2011, we received records covering 865 metres of shelving (573 metres in 2009-10). The vast majority of these records (we estimate around 85%) would fall into the category of 'files and paper documents', but we also received a large number of records we would categorise as 'maps, plans and architectural drawings', and a number we would place in the category 'photographs and posters.' During the year we took 3,934 snapshots of websites (4,445 in 2009-10).

The National Archives adopts a risk-based approach in preserving its records; both physical and digital. For physical records this consists of conducting a preservation risk assessment for whole collections which are subsequently reviewed periodically. Likewise, electronic records are assessed on a regular basis. Conservation at The National Archives aims to preserve the authenticity of the record while maintaining its informational, material and cultural values. The National Archives adopts a combined approach of preventive measures and conservation treatments.

Our digital preservation policy follows current best practice as recognised nationally and internationally.

It encompasses two levels of preservation: passive preservation, which provides for the secure storage and integrity of each record manifestation, and active preservation, which may require the migration of records to new technical manifestations over time. The National Archives will always maintain the original manifestation of the record as transferred and all subsequently generated manifestations.

Expenditure which is required to preserve or clearly prevent further deterioration of individual collection items is recognised in the Statement of Comprehensive Net Expenditure when it is incurred. In 2010-11 £1,642,787 was recognised (2009-10: £1,461,821).

We recognise that of all potential risks to the long-term preservation of our physical records, inappropriate storage is the most significant. We seek to ensure appropriate and secure accommodation for all our holdings, wherever they are stored, processed, transported or used. This includes providing suitable environmental conditions and appropriate housing. It also includes monitoring via an integrated pest management programme, and an environmental monitoring system.

As per section 2(4)(g) of the Public Records Act 1958, the Chief Executive of The National Archives (in his capacity as Keeper of Public Records) is empowered to lend documents for display at commemorative exhibitions and for other special purposes subject to the approval of the Lord Chancellor. All loans are conducted in accordance with The National Archives' exhibitions policy and applicants must agree to The National Archives policy by signing the loan conditions form.

Note 11b: Access

Details of the records we hold can be obtained through our online catalogue. All open records are available for viewing by members of the public and can be viewed free of charge on site at Kew or copies can be requested to be sent out for a small fee. Digital copies of some of our open documents are also available for download from our online services – some may be downloaded for free and some for a small fee. A brief registration process is required to consult original documents however this is not required to view surrogates or online copies of documents.

Access to the records is provided in a number of ways; both on site and online. Original documents on site are accessed by readers or staff under controlled conditions in accordance with nationally recognised and agreed standards. Our target is to retrieve documents held on site within 60 minutes of the request being made and we consistently perform favourably against this. For documents kept at our off-site storage facility in Cheshire, documents requested are made available for on site viewing within three working days if ordered by 11:00.

Readers use the Document Reading Room and the Map and Large Document Reading Room to consult original documents. In some cases valuable or fragile material may only be consulted under supervision either within the conservation studio or in the invigilation room. In instances where digital records are unsuitable for online presentation, they may only be viewed within the Digital Preservation Department.

There are ongoing projects to catalogue more of our heritage assets to further improve access to records and we have a dedicated catalogue team responsible for this.

12. Financial instruments

As the cash requirements of The National Archives are met through the Estimates process, financial instruments play a more limited role in managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with The National Archives' expected purchase and usage requirements and The National Archives is therefore exposed to little credit or liquidity risk.

Liquidity risk

The National Archives is primarily financed by resources and capital voted annually by Parliament. It is therefore not exposed to significant liquidity risk.

Interest rate risk

The National Archives is not exposed to any interest rate risk.

Foreign currency risk

The National Archives is exposed to currency risk on overseas income received from some of its Licensed Internet Associateships. The identifiable risk is both to the valuation of the associateships on the Statement of Financial Position and to the income recorded in the Statement of Comprehensive Net Expenditure.

There is a risk to the amount of income recognised due to currency fluctuations during the year however this risk is minimal. If the pound was to fall against the dollar significantly, impairment on the valuation would be taken through to the Statement of Comprehensive Net Expenditure.

These risks are managed by using a historical trend analysis on exchange rates to estimate appropriate amounts to use in valuations undertaken.

Market risk

The intangible asset valuations of revenue generating databases and licensed internet associateships are based on forecasts of future revenue generating capacity, discounted as appropriate. The forecast

cashflows estimated are subject to market conditions as they are dependent on customer use of the products offered. Below is a sensitivity analysis of the effects of changes in the forecast assumptions on the amounts disclosed in the accounts.

Market risk - assumptions tested	Increase/(decrease) in 2010-11 valuation £000	Increase/(decrease) in 2010-11 impairment £000
2011-12 income 10% less than forecast for revenue generating databases	(194)	60
2011-12 income 10% higher than forecast for revenue generating databases	194	-
2011-12 income 10% less than forecast for licensed internet associateships	(620)	-
2011-12 income 10% higher than forecast for licensed internet associateships	620	-

13. Inventories

	2010-11 £000	2009-10 £000	2008-09 £000
Publishing and shop stocks	97	130	172
Reprographic materials	17	22	28
	114	152	200

14. Trade receivables and other current assets

	2010-11 £000	2009-10 £000	2008-09 £000
Amounts falling due within one year:			
VAT	18	518	484
Trade receivables	270	307	430
Other receivables	50	128	332
Deposits and advances	58	54	51
Prepayments and accrued income	1,187	1,581	2,702
	1,583	2,588	3,999
Amounts falling due after one year:			
Prepayments and accrued income	349	111	13
	349	111	13
Total receivables	1,932	2,699	4,012

	2010-11 £000	2009-10 £000	2008-09 £000
Intra-Government Balances falling within one year			
Balances with other central government bodies	32	811	1,153
Balances with local authorities	-	-	180
Balances with NHS Trusts	-	-	27
Balances with public corporations and trading funds	-	4	2
Intra-government balances	32	815	1,362
Balances with bodies external to government	1,551	1,773	2,637
Total receivables and current assets at 31 March	1,583	2,588	3,999

	2010-11 £000	2009-10 £000	2008-09 £000
Intra-Government Balances falling due after year			
Balances with other central government bodies	-	-	-
Balances with local authorities	-	-	-
Balances with NHS Trusts	-	-	-
Balances with public corporations and trading funds	-	-	-
Intra-government balances	-	-	-
Balances with bodies external to government	349	111	13
Total non-current receivables at 31 March	349	111	13
Total receivables	1,932	2,699	4,012

15. Cash and cash equivalents

	2010-11 £000	2009-10 £000	2008-09 £000
Balance at 1 April	79	167	1,114
Net change in and cash equivalents	(27)	(88)	(947)
Balance at 31 March	52	79	167

The following balances at 31 March are held at:

Office of HM Paymaster General	38	65	159
Cash in hand	14	14	8
Balance at 31 March	52	79	167

The balance at 31 March comprises:

Cash due to be paid to the Consolidated Fund:	-	-	-
Amounts issued from the Consolidated Fund for supply but not spent at year end	52	79	167
Balance at 31 March	52	79	167

16. Reconciliation of net cash requirement to increase/(decrease) in cash

	2010-11 £000	2009-10 £000	2008-09 £000
Net Cash requirement	(39,160)	(39,151)	(40,886)
From the Consolidated Fund (Supply) - current year	39,133	39,063	40,136
From the Consolidated Fund (Supply) - prior year	-	-	-
Amounts due to the Consolidated Fund for Supply but not spent at year end	-	-	-
Increase/(decrease) in cash	(27)	(88)	(750)

17. Trade payables and other current liabilities

	2010-11	2009-10	2008-09
	£000	£000	£000
Amounts falling due within 1 year			
Other Taxation, Social Security and Pension	793	795	1,207
Trade payables	1,073	1,409	2,953
Accruals and deferred income	4,820	6,109	5,657
Short-term staff benefits (Earned leave liability)	817	772	660
Amounts issued from the Consolidated Fund for supply but not spent at year end	52	79	167
Consolidated Fund extra receipts and other amounts due to be paid to the Consolidated Fund	-	-	-
- received	-	-	-
- receivable	-	-	-
Total Payables	7,555	9,164	10,644

	2010-11	2009-10	2008-09
	£000	£000	£000
Intra-Government Balances falling within one year			
Balances with other central government bodies	2,402	3,186	4,446
Balances with local authorities	-	1	-
Balances with NHS Trusts	-	-	1
Balances with public corporations and trading funds	3	2	-
Intra-government balances	2,405	3,189	4,447
Balances with bodies external to government	5,150	5,975	6,197
Total Payables and other current liabilities	7,555	9,164	10,644

18. Provisions for liabilities and charges

	Early departure costs	Other	Total
	£000	£000	£000
At 1 April 2009	480	282	762
Provided in the year	74	-	74
Provisions utilised during the year	(145)	-	(145)
At 31 March 2010	409	282	691
Provided in the year	53	-	53
Provisions utilised during the year	(152)	-	(152)
At 31 March 2011	310	282	592

Analysis of expected timing of discounted flows

	Early departure costs	Other	Total
	£000	£000	£000
Not later than one year	118	282	400
Later than one year and not later than five years	183	-	183
Later than five years	9	-	9
At 31 March 2011	310	282	592

Early departure costs

The National Archives meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The National Archives provides for this in full when the early retirement programme becomes binding on the Department by establishing a provision for the estimated payments discounted by the HM Treasury discount rate for pension liabilities of 2.9% in real terms.

Other

The National Archives made specific provisions for dilapidations for the building formerly occupied by the Family Record Centre, vacated at the end of 2007-08.

19. Operating segments

International Financial Reporting Standard 8: Operating segments (IFRS 8) requires operating segmental information to be provided based on information that the Chief Operating Decision Maker (CODM) uses to make decisions about the organisation. This information reviewed by the CODM is currently presented based on our management structure as per pages 20-21. In order to aid readers' understanding, the segments below have been presented in line with our public task which can be summarised as: leading on policy and best practice in knowledge and information management for the public sector; preserving and protecting the record; providing public access.

In accordance with IFRS 8, below is a schedule of income and expenditure against each identified segment.

2010-11				
	Government information management	Preservation and protection	Public access	Total
	£000	£000	£000	£000
Income	(2,665)	(371)	(6,241)	(9,277)
Operating expenditure	9,320	11,201	21,234	41,755
Depreciation and amortisation ²⁰	1,270	1,527	2,895	5,692
Net operating cost	7,925	12,357	17,888	38,170

²⁰Costs for depreciation and amortisation include downward revaluation charges and loss on disposal of non current assets as per note 7 of the accounts

2009-10				
	Government information management £000	Preservation and protection £000	Public access £000	Total £000
Income	(2,015)	(572)	(7,294)	(9,881)
Operating expenditure	8,071	13,397	23,318	44,786
Depreciation and amortisation	977	1,621	2,821	5,419
Net operating cost	7,033	14,446	18,845	40,324

Overheads are allocated proportionally based on the direct income/costs identified.

Reconciling differences between the segmental analysis above and the net resource outturn are shown in note 3 on page 51.

20. Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	2010-11 £000	2009-10 £000
Property, plant and equipment	686	1,086

21. Commitments under leases

Operating leases

The future minimum lease payments under operating leases are given in the table below:

	2010-11 £000	2009-10 £000
Other		
Not later than one year	57	2
Later than one year and not later than five years	99	359
	156	361

22. Other financial commitments

The National Archives entered into non-cancellable contracts (which are not lease or PFI contracts) for the preservation of government datasets (which ended in October 2010) and a Facilities Management service. The payments to which The National Archives is committed, analysed by the period during which the commitment expires are as follows:

	2010-11 £000	2009-10 £000
Other		
Not later than one year	-	378
Later than one year and not later than five years	3,117	4,452
	3,117	4,830

23. Contingencies

There were no contingent assets or liabilities at 31 March 2011.

24. Related party transactions

The National Archives is a non-ministerial government department and an executive agency of the Ministry of Justice. The Chief Executive reports to the Lord Chancellor. None of the management board members, key managerial staff or other related parties has undertaken any material transactions with The National Archives during the year. The National Archives has had a number of transactions with other government departments and other central government bodies.

25. Third party assets

The National Archives held short-term monetary assets valued at £34,738 on behalf of other government departments at the end of the reporting period (£72,334 at 31 March 2010).

	31 March 2010 £000	Gross inflows £000	Gross outflows £000	31 March 2011 £000
Bank balance	72	92	(129)	35
	72	92	(129)	35

26. Accountability

No exceptional kinds of expenditure, such as losses and special payments that required separate disclosure because of their nature or amount, were incurred.

Sustainability accounting and reporting

Introduction to Government Financial Reporting Manual (FReM) sustainability reporting

This is the first year in which HM Treasury requires a sustainability report from all public sector organisations that produce annual reports and accounts. This requirement will make departments' work on sustainability more transparent by enabling interested parties to quickly and easily assess organisations' progress. This should ensure that sustainability remains a key area of focus. For more information on FReM public sector requirements please see the website hm-treasury.gov.uk/frem_sustainability.htm

Summary of performance

We have a strong record of improving our performance on the environment and sustainability. High-level leadership and commitment throughout our organisation have helped us to make significant progress. The nature of our work, ensuring the ongoing preservation of around 180km of records and providing a public facility for tens of thousands of visitors each year, means that compared with other government departments, we will always tend to be a relatively high user of energy and water. Our challenge therefore is to maximise our efficiency in using these resources and to ensure that we minimise our adverse impact on the environment.

The direct and indirect emissions of greenhouse gases that result from the operation of our Kew site are our main negative impact on the environment. In summer 2010 we were awarded the Carbon Trust Standard in recognition of continued reductions in emissions. The Display Energy Certificates (mandatory indicators of building efficiency) for our Kew site were reassessed from G to E as a result of reduced gas and electricity use. In partnership with the Carbon Trust in 2010-11 we established our carbon footprint and this will be used as the baseline for a challenging commitment to reduce further our carbon emissions from energy use in buildings and business-related travel by 25% by April 2015.

The goods and services we purchase may also have an adverse impact on the environment. Through using pan-government frameworks, and engaging with suppliers and the Carbon Trust, we have taken steps to better understand and reduce the impact of our supply chain. We are assessing further the impact of our procurement activities and progressing along the Sustainable Procurement Task Force's Flexible Framework.

Emissions associated with our business travel are relatively low when compared with those from our buildings and, indirectly, our procurement. However, we are working to better quantify and understand our organisational travel profile.

Performance summary 2010-11

Area	Actual performance	Normalised performance (per full time equivalent employee)
Carbon dioxide emissions (tonnes CO ₂ e)	6,750	11.6
Total energy consumption (kWh)	16,329,782	28,126
Total energy expenditure (£)	979,588	1.686
Total waste (tonnes)	237	0.4
Total waste expenditure (£)	65,864	113.4
Water consumption (m ³)	31,750	54.7
Water expenditure (£)	46,241	79.6

Note: Normalised performance figures in the table above are presented per FTE. However, performance figures for 2010-11 also reflect the public's use of our facilities, with tens of thousands of people visiting Kew each year, and typically spending several hours on site.

During 2010-11 we made substantial improvements to the way we capture information on our sustainability and environmental impact. In reporting on our sustainability performance in future years, the figures set out in this report for 2010-11 will provide a reliable benchmark against which to check our progress.

Greenhouse gas emissions

Greenhouse gas emissions		2010-11
Non-financial indicators (tCO ₂ e)	Total Gross Emissions for Scope 1 and Scope 2 (Scope 1 emissions are from sources owned or controlled by the organisation. Scope 2 emissions are those resulting from energy consumed which is supplied by another party.)	5,701
	Gross emissions Scope 3 business travel (Scope 3 emissions are those relating to official business travel directly paid for by an organisation)	87
Related energy consumption (kWh)	Electricity: non-renewable	4,776,653
	Electricity: renewable	369,857
	Electricity: good quality Combined Heat and Power	554,786
	Gas	1,193,492
Financial indicators (£)	Expenditure on energy	978,588
	Expenditure on business-related transportation and travel (includes all transportation and travel expenditure excluding costs of commuting)	143,476

Our original goal for reducing greenhouse gas emissions during 2010-11 was 6%, but this was augmented by the announcement of the Prime Minister's commitment to reduce emissions from central government departments by 10% in one year from May 2010. We have performed well, with greenhouse gas emissions cut by more than 16% relative to the previous financial year. We have established a new goal committing us to reduce greenhouse gas emissions from our buildings and business-related travel by 25% by April 2015, relative to 2009-10 levels.

We have also reduced by £506,000 (34%) our spending on electricity and gas, compared with 2009-10. Although business-related transportation and travel represents a small proportion of our overall emissions, we have improved our systems for capturing data on this. This will enable us to carry out more detailed analysis and consider ways to drive down its impact.

We have also taken steps to better understand the environmental impact of procurement of goods and services and engaged with key suppliers regarding their emissions. We are working towards a sustainable procurement policy which will communicate our expectations to suppliers and other interested parties. We aim to reduce the impact of our staff and customers' journeys to and from The National Archives by providing resources and training that promote more sustainable means of travel.

Waste

Waste			2010-11
Non-financial indicators (t)	Total waste		237
	Hazardous waste		9.2
	Non-hazardous waste	Landfill	4.3
		Re-used/recycled	163.4
		Energy from waste	60
Financial indicators (£)	Total waste disposal cost		65,864
	Hazardous waste disposal cost		19,097
	Non-hazardous waste disposal cost	Landfill	1,718
		Re-used/recycled	45,048
		Energy from waste	

At our Kew site wherever possible we divert our waste from landfill – mostly to recycling, with the majority of the remaining waste sent to energy from waste processing. In 2010-11 we sent just 4.3 tonnes of non-hazardous waste to landfill, compared with nearly 80 tonnes the previous year.

We encourage and simplify the recycling of waste by providing mixed recycling facilities supported by regular internal communications. We recognise that the food waste from our restaurants can have an adverse impact on the environment and have put in place systems so that from April 2011 all food waste will be sent for anaerobic digestion, a process which produces green energy and organic fertiliser for farming.

By engaging with key suppliers and service providers we influence them to minimise waste and to recycle, we set best-practice minimum standards for waste management during project works. Our sustainable procurement policy, which will be published in the near future, will set out our expectations of suppliers in terms of their waste disposal performance.

Use of finite resources

Water			2010-11
Non-financial indicators (m ³)	Water consumption	Supplied	31,750
		Abstracted	-
Financial indicators (£)	Supply costs		46,241

Our water use has varied considerably over the last three years, and remains substantial. We have acted to reduce consumption within our buildings at Kew by beginning a phased refurbishment of our staff and customer toilets, so that they incorporate sensor-operated low-flow devices.

We are substantial users of water primarily because of our need to preserve our collection. Our cooling towers use water for evaporative cooling, which is necessary in order to maintain appropriate temperature and humidity in our repositories. Adopting alternative methods of cooling could reduce water consumption, but would increase our use of energy. As we enhance the efficiency of our systems, it is likely that the volume of water used by our cooling towers will fall. However, as our use of water to some extent depends on prevailing weather conditions, a specific target for water reduction would not be appropriate.

During 2010-11 we reviewed paper use throughout our organisation. Based on figures from the Institute for Energy and Environmental Research in Germany, we estimate that switching to fully recycled paper (for all but specialised uses) could save in excess of 340 m³ of water used during the manufacturing process.

Biodiversity

In August 2010 we commissioned a biodiversity action plan for our site in Kew. This five-year plan sets measurable objectives which are relevant to local and national conservation priorities. Staff volunteers have formed a biodiversity group, which provides the resource and enthusiasm to take forward our objectives. Notable achievements during 2010-11 included the introduction on site, at minimal cost, of beehives, sparrow and swift boxes, and logeries to provide a habitat for invertebrates.

Sustainable procurement

Our procurement of goods and services represents a significant proportion of our environmental impact. We have made significant progress in analysing the greatest sources of greenhouse gas emissions through our purchasing, and continue to engage with key suppliers with a view to reducing the impact of our supply chain. We have included sustainability considerations in the selection process for key contracts, such as those for stationery, travel and hire vehicles. We have continued to make progress along the Sustainable Procurement Task Force's Flexible Framework, and our sustainable procurement policy will be published in the near future.

Governance

Our sustainability initiatives are monitored through our sustainable development projects register. Our progress toward our sustainability goals is monitored monthly by our executive team. The implementation of our initiatives is managed by our sustainable development task force – a multidisciplinary operational team consisting of representatives from key business areas. The task force reports monthly to our sustainable development board, which is responsible for strategy and governance and is chaired by a director. At six-month intervals our sustainable development performance is reviewed by our Management Board and audit committee.

Notes

- 1) This report has been prepared in accordance with guidelines laid down by HM Treasury in 'Public Sector Sustainability Reporting' published at financial-reporting.gov.uk.
- 2) Emissions accounting includes all Scope 1 and 2 emissions along with separately identified emissions relating to business travel, waste, water, commuting and procurement. Department for Environment, Food and Rural Affairs conversion rates have been used to account for greenhouse gases.

Advisory Council on National Records and Archives: Eighth Annual Report 2010-11

To the Right Honourable Kenneth Clarke QC MP, Lord Chancellor, Secretary of State for Justice:

The Advisory Council on National Records and Archives (hereafter the Council) also encompasses the Advisory Council on Public Records and the Advisory Council on Historical Manuscripts. All three councils function as one body to advise you on issues relating to public records that are over 30 years old, including public access to them, to advise you on wider matters relating to the archive sector, and to advise the Chief Executive and Keeper, The National Archives, as Historical Manuscripts Commissioner, on matters relating to historical archives outside the public records system.

Changes to the 20-year rule and Freedom of Information Act

The Council was pleased to note that the new government determined an implementation date for the 20-year rule: a change supported by the Council at the time of the review of the 30-year rule. The change will have significant implications for the work of The National Archives, with an additional two years' worth of records from each department to be transferred to The National Archives each year over a 10 year period from 2013 onwards. The Council will continue to take a keen interest in the plans for the transition period. The Council also notes the Government's proposals to extend the scope of the Freedom of Information Act to cover a substantially greater number of organisations and to give added protection to information relating to communications with members of the Royal Family.

Public Bodies bill

The Public Bodies bill currently before Parliament proposes to change the status of both the Council and The National Archives, putting both bodies on a clearer statutory footing. While their functions and responsibilities will not change, the three councils mentioned above will become a single statutory body. The National Archives will also obtain statutory status in its own right, with the various current responsibilities of the Chief Executive consolidated into a single statutory office, the Keeper of The National Archives. The Council is fully supportive of these changes.

Creation of the Forum on Historical Manuscripts and Academic Research

I welcome the inauguration of the Forum on Historical Manuscripts and Academic Research (hereafter the Forum) which was established in May 2010 and held its first meeting the following July. Subsequent meetings were held in December 2010 and March 2011. The Forum is a subcommittee of the Council and provides a means through which recommendations can be made to the Advisory Council about activity relating specifically to historical manuscripts (private archives), as well as a place for discussion about academic research issues. I chair the Forum, which has a further seven members, each with expertise in academic research and/or knowledge and experience of private archives. The Chief Executive and Keeper, The National Archives is an ex-officio member, in his capacity as Historical Manuscripts Commissioner.

Public records

The Council continued its statutory role of advising the Lord Chancellor on whether public records over 30 years old, under the Freedom of Information Act 2000, should be made publicly available. The Council considered various applications by government departments for the closure of historical records and in many cases, having been provided with more detail, accepted departments' arguments for closure. However, in some instances departments concluded, in agreement with the Council, that the public interest lay in disclosure. The Council continued to relay its decisions and reflections to the transferring government departments in order to improve the standard of sensitivity review.

The Council was pleased to agree policies relating to Double Taxation Agreements and Informant Identities in Historical Records. It welcomes the approach taken by a number of departments in preparing general statements for the Council, setting out the departments' principles for requesting the closure or retention of sets of records and setting out their approaches to specific issues and subjects. These statements are helpful to the Council, reducing the need for further clarification and allowing the Council to more quickly agree its recommendations. This will become increasingly valuable as the implementation of the 20-year rule approaches, and the volume of requests may increase.

The Council has, over the year, convened 17 panels of members to consider the public interest in the release of closed information held in The National Archives and has considered 185 cases in total. Most of these have involved information in the following areas: information that if released would endanger the safety or physical or mental health of any individual; information that would damage international relations and national security; and information relating to law enforcement. In the main, the panels concluded that the public interest lay in non disclosure. The Council is grateful to The National Archives for handling the panels' queries constructively, and for providing the Council with detailed information on issues relating to freedom of information and access.

In July 2010 the Council's meeting was hosted by the Ministry of Justice, where the Council received a progress report on the work of the Hillsborough Independent Panel. The Council's November 2010 meeting was hosted by the Cabinet Office, where the Council was pleased to hear a talk on information management from the Cabinet Secretary, Sir Gus O'Donnell. The Council also heard a talk on the progress of the 'What to Keep' programme. The Council is grateful to the Ministry of Justice and the Cabinet Office for hosting these meetings.

Private archives and manuscripts

During 2010-11, the Forum considered the following issues:

- the draft recommendations of the Historical Manuscripts Commissioner relating to the allocation of the Aberdare, Penrhyn and Lyttelton archives, accepted by the government in lieu of tax
- the operation of the acceptance in lieu process in relation to archives and manuscripts
- the discharge of the functions of the Historical Manuscripts Commission by The National Archives' Archives Sector Development department
- research and academic liaison at The National Archives
- the current robustness of places of deposit for public records and other local authority archives
- initiatives regarding religious archives, including the publication of Religious Archives Survey 2010
- initiatives regarding business archives
- the development of a potential accreditation scheme for archives
- postgraduate fees for archival courses.

The Council's members and meetings

Two members have retired from the Council this year: Professor Heidi Mirza and Rt Hon the Lord Roper. We are grateful for their contributions to the Council's work. You appointed two new members with effect from March 2011: Ms Sarah Fahy and Mr Stephen Hawker CB. The Council currently has a membership of 19. Members during the year were:

-
- Ms Else Churchill, Genealogy Officer of the Society of Genealogists
 - Mr John Collins CBE, Formerly Deliverer of the Vote, House of Commons
 - Dr Jeevan Deol, Affiliated Research Associate, Faculty of Asian and Middle Eastern Studies, University of Cambridge
 - Professor Harry Dickinson, Emeritus Professor of British History, University of Edinburgh
 - Sir David Durie KCMG, Retired, formerly Governor and Commander in Chief of Gibraltar
 - Ms Sarah Fahy, Global Head of Library Services, Know How and Training Department at Allen and Overy LLP
 - Dr Clive Field OBE, Honorary Research Fellow at the University of Birmingham, formerly Director of Scholarship and Collections at the British Library
 - Ms Christine Gifford, Information Rights expert and Founding Director of Public Partners and Gifford Owen
 - Dr Bendor Grosvenor, Art historian and adviser on Culture Policy
 - Mr Stephen Hawker CB, independent consultant
 - Mr Graeme Herd, Head of ICT at the Hightown, Praetorian and Churches Housing Association
 - Ms Elizabeth Lomas, Researcher and Tutor at Northumbria University, formerly Head of Records Management Services for the Royal Household
 - Professor Arthur Lucas CBE, Emeritus Professor of Science Curriculum Studies at, and was formerly Principal of, Kings College London
 - Mr Hamish Macarthur, Information Management Specialist, CEO and Founder, Macarthur Stroud International
 - Mr John Millen, Formerly Policy Director, Ministry of Defence
 - Professor Heidi Mirza, Professor of Equalities Studies in Education at the Institute of Education, University of London (retired in 2010)
 - Professor Michael Moss, Professor of Archival Studies at the University of Glasgow
 - Rt Hon the Lord Roper, formerly Chief Whip for the Liberal Democrats in the House of Lords (retired in 2010)
 - Ms Janet Smith, Formerly County Archivist of Hampshire
 - Mr Ian Soutar, Formerly British Ambassador to Bulgaria and Ambassador to the Conference on Disarmament, Geneva
 - Ms Stephanie Williams, Author, Journalist and user of archives

The Secretary of the Council, until December 2010, was Dr Grazia Zaffuto. The Council wishes Dr Zaffuto well for the future, and thanks her for her contribution. At the time of the publication of this report, the position was vacant.

The following members of the Council were also members of the Forum on Historical Manuscripts and Academic Research: Dr Bendor Grosvenor, Dr Clive Field OBE, Ms Elizabeth Lomas and Professor Michael Moss. In March 2011 you appointed three further members to the Forum:

- Dr Christopher Ridgway, Curator at Castle Howard. Member of the Board for the National Trust for Scotland and Adjunct Professor in the History Department at the National University of Ireland
- Dr Clive Cheesman, Chair of the Friends of The National Archives and Richmond Herald at the College of Arms
- Dr Ian Mortimer, historian and historical biographer, qualified archivist and Fellow of the Royal Historical Society

The Council is grateful to the Society of Antiquaries for hosting the July meeting of the Forum on Historical Manuscripts and Academic Research and to the Royal Courts of Justice and The National Archives for hosting the Forum's meeting in December and March respectively.

The Council was pleased to note the permanent appointment from February 2011 of Mr Oliver Morley as Chief Executive and Keeper, The National Archives.

Mr Oliver Morley attended all our meetings accompanied variously by Ms Carol Tullo, Director of Information Policy and Services; Mr Nick Kingsley, Head of Archives Sector Development; Mr Stuart Abraham, Freedom of Information Centre and Accessions Manager; Ms Polina Eaton, Business Office Manager; Mr Peter Hills-Jones, Head of the Chief Executive's Office; Ms Julia Stocken, Head of Information Management and Practice; Mr Mark Merifield, Information Management Specialist; Mr Andrew Dyer, Information Management Consultant, Ms Trish Humphries, Business Support, Ms Julie Lennard, Head of the Chief Executive's Office and Mr Robert Johnson, Freedom of Information Assessor.

Mr Oliver Morley attended all meetings of the Forum, the last as an ex-officio member following his permanent appointment as Chief Executive and Keeper, accompanied on each occasion by Mr Nick Kingsley; Dr Norman James, Senior Manager (Private Archives) and Dr Valerie Johnson, Research and Policy Manager.

Agendas and summaries of Council and Forum meetings are available at nationalarchives.gov.uk/advisorycouncil/meetings/summaries.htm

On behalf of the members

Lord Neuberger of Abbotsbury
Master of the Rolls
Chairman

12 May 2011

Report of the Independent Complaints Reviewer for 2010-11

Jodi Berg is the Independent Complaints Reviewer (ICR) for The National Archives and other public bodies. With a background as a solicitor, she is a Fellow of the Chartered Institute of Arbitrators and a member of the Administrative Justice and Tribunals Council.

Introduction

I am pleased to present my report, which describes ICR activity during the year and provides my overview of The National Archives' response to customer service from the perspective of complainants.

My role is to provide a free, fair and independent service for the investigation of complaints made about The National Archives by people who remain dissatisfied with the response of The National Archives to their concerns. Alongside giving people a chance to have their complaints settled through external review, The National Archives also looks to benefit from the lessons that can be learned from the independent review of complaints, as it strives to continuously improve services for customers.

The National Archives can boast an excellent record of customer satisfaction. It receives very few complaints from the many millions of customer transactions every year that take place during visits to Kew and online. The vast majority of complaints are resolved internally, mostly at an early stage, and customer facing staff and the complaints team must be congratulated for this achievement. However, there are times when resolution is not possible and systems that are not up to scratch let the Agency down. I am pleased to record that The National Archives takes these issues seriously and looks to implement recommendations that I have made for systemic improvement. Indeed, I note here that in response to recommendations I made last year that The National Archives should review its complaint and appeals systems, a full review of internal complaints procedures has been built into its current Business Plan. I look forward to playing my part in helping to ensure that the system is as good as it can be.

Complaints activity

I aim to settle complaints about poor or inappropriate service by conciliation or, following investigation, by adjudication. The ICR team is also able to provide advice to The National Archives customers to settle their concerns or help The National Archives complainants to take matters forward.

Case example: A customer of The National Archives was having difficulty getting a response to his complaint, which was about information provided by a member of The National Archives' staff that led him to make a wasted journey to Kew to view records that were not yet publicly available. We advised him that the email address he was using was incorrect and we passed his complaint forward to The National Archives' Complaints Officer, who contacted him the same day. The Director of Operations and Services responded to the complainant the very next day and matters were quickly resolved to the customer's satisfaction. We noted that learning points from the original complaint were fed back to the relevant business areas.

The ICR team responds to everyone with courtesy; honesty; respect; objectivity and flexibility. We always explain our process fully, keep people informed, and use straightforward language in emails, letters and reports. Following investigation, if a complaint is upheld, my report may recommend:

- an apology;
- an explanation;
- action to put matters right;
- limited compensation; and
- process review to prevent similar problems recurring.

If complainants are dissatisfied with the outcome of my review, they may ask their MP to refer the matter to the Parliamentary and Health Service Ombudsman. This year I am not aware of any cases referred to the Ombudsman.

Case example: A trainee contacted us on behalf of her organisation, as they had not received documents from The National Archives that had been ordered online and wished to complain about delay. We advised her that the ICR is unable to review complaints until they have been through the internal process. However we were able to assist by explaining The National Archives' internal procedure and putting her in contact with The National Archives' Complaints Manager.

In 2010-2011, 113 complaints were recorded by The National Archives, a decrease from 161 in the previous year. The very low number of complaints is welcome, as long as it reflects a robust system of obtaining and assessing customer feedback. I am aware that this year The National Archives has improved its feedback forms to give customers the choice of saying whether their comments are to be treated as suggestions, comments, compliments, concerns or complaints. The National Archives is more vigorous in recording points raised so as to be more confident in the accuracy of its statistics and qualitative management information. More can also be done to share this information with The National Archives' staff. Whilst it is vital to capture the details of complaints, I am pleased to note that greater emphasis is being placed on recording and feeding back compliments to staff.

"This is my first visit to The National Archives. I have been extremely impressed with every aspect of the experience."

Visitor to The National Archives

The ICR office deals with a variety of enquiries about the The National Archives' service and complaints system each year. This year was no exception and, from someone from overseas who was trying to trace details of UK ancestors, to someone who was looking for information about Billy the Kid, we try to provide whatever help we can to resolve concerns. Whilst I have not completed any formal reports this year, an investigation is ongoing as I write my report.

Case example: We received an enquiry from a gentleman who wanted to obtain copies of his parents' naturalised birth certificates. We redirected him to The National Archives' website, and assisted him to locate information about the process for making an application and to raise enquiries.

I look forward to continuing to work with The National Archives, so that complaints are valued for the light they shed on customer service.

Contact the ICR team

Details of the ICR service are explained in our leaflet *Seeking a Fair Resolution* available from our website at www.icrev.org.uk. A copy of this report can also be found on our website.

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