



# Annual Report and Accounts **2011-12**

# Annual Report and Accounts of The National Archives **2011-12**

including the Annual Report of the Advisory Council on National Records and Archives 2011-12  
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 28 June 2012

This is part of a series of departmental publications which, along with the Main Estimates 2012-13 and the document *Public Expenditure: Statistical Analyses 2012*, present the Government's outturn for 2011-12 and planned expenditure for 2012-13.

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This publication is also available for download at [www.official-documents.gov.uk](http://www.official-documents.gov.uk) and from our website at [www.nationalarchives.gov.uk](http://www.nationalarchives.gov.uk)

ISBN: 9780102978056

Printed in the UK by The Stationery Office Limited on behalf of the  
Controller of Her Majesty's Stationery Office

ID: 2491125 06/12

Printed on paper containing 75% recycled fibre content minimum



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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 2011-12.

This has been a landmark year  
for The National Archives.

With the publication of our business plan, *For the Record. For Good.* we continued to transform the kind of organisation we are, preparing ourselves to take on new responsibilities and meet future challenges.

We set ourselves five priorities:

- To redefine and collect the future record, transparently and seamlessly
- To innovate to ensure optimal physical and digital preservation
- To widen our funding base to generate more support in tough times
- To be agile and confident, trusted and efficient
- To provide a record that is more open, inclusive and used than ever before.

These are not vague aspirations; each priority is defined by a set of ambitious, measurable goals. By 2015, when we have achieved these goals, we believe that we will have gone a long way towards securing the record, both past and future, for many generations to come. This report sets out the excellent progress we have made so far. We did not achieve all of the goals we originally set ourselves for 2011-12 – throughout the year we made informed, practical decisions about what could and could not be delivered and what should, sensibly, be deferred to 2012-13.

The constraints of the current funding environment are real, but we are responding to them with verve and imagination. We have taken on the challenge

of reducing our costs, but we have maintained our customary high quality of service to the public and we are making the right investments in our capabilities and infrastructure to ensure that the value of the record is sustained.

The value of the record is enhanced through wider awareness of it and wider access to it. Every year we provide access to the record to thousands of people in our reading rooms at Kew, and to millions more online. In 2011-12 our dedicated education team taught more than 15,000 students, providing unrivalled access to original historical material. More than half were taught through our videoconference and virtual classroom facilities, helping to overcome geographical barriers, and we exceeded our own targets for reaching a more diverse and socially inclusive student audience.

It isn't difficult to discern in our work a clear pattern of engagement. We designed Discovery, our new online catalogue, to allow users to add information to improve its search capabilities. We are making extensive and innovative use of social media to bring our collection to new audiences. Volunteers have made a vital contribution to our cataloguing and digitisation projects. We have also established a new User Advisory Group, recruiting members from every user constituency, and getting their input on our plans and decisions at a much earlier stage than ever before.

The next few years will bring profound changes to the way government creates, manages and makes available its information. As the official archive of the UK government, we are at the centre of these





changes, ensuring a smooth transition to the new 20-year rule and supporting effective information management across government. And we are building the infrastructure that will make it possible to store and examine the many millions of digital public records that will be incorporated into the historical record of the nation.

Our work to open up public information is admired and emulated worldwide. The Open Government Licence has, quite simply, changed the way government works with its information and the way it relates to the public. It has enabled government commitments on transparency and openness to be met, placing more information than ever before in the public domain, to be used and re-used for the benefit of the public and the wider economy.

Our award-winning online service, [legislation.gov.uk](http://legislation.gov.uk), has made the UK Government the undisputed world leader in publishing open, reusable legislation, free at the point of use. It has created a model for effective expert collaboration between government and other organisations. Like the Open Government Licence it has set the standard in its field, providing the platform for other linked legislation services to be built.

Following the transfer to The National Archives of the archives responsibilities of the Museums, Libraries and Archives Council, we now have sole responsibility for the leadership of the wider archives sector in England. We believe that this creates huge opportunities both for archives and ourselves and together we have made a strong start: a new action plan to deliver *Archives for the 21st Century*, working to define a new archives accreditation standard and forging a new partnership with Arts Council England on behalf of the whole sector. This is in addition to our ongoing support for schemes to boost leadership and skills in

the sector and the advice and expertise we provide to archives, both public and private.

The sustainability of our work matters to us. Three years ahead of schedule we have not only achieved but exceeded our target of a 25% reduction in carbon emissions from energy use in our buildings and business travel. We are pioneers in exploring ways of balancing the maintenance of a large and diverse heritage collection with reductions in our impact on the environment. In 2011-12 we collaborated on a new BSI specification for the benefit of archive, library and museum collections throughout the UK and worldwide and continued our cutting-edge research work with University College London.

As I write this, the 2012 Olympic and Paralympic Games, and the Cultural Olympiad, are just weeks away. We have been working closely with the central Olympic organisations to ensure the long-term survival and accessibility of the records created by the Games. More widely, we have been supporting many other national, local, sporting and cultural bodies to help them secure their own record of London 2012

As ever, none of The National Archives' achievements in 2011-12 would have been possible without our remarkable staff. I would like to thank them for their hard work and high level of engagement throughout the year. Their dedication, expertise and professionalism will make a huge contribution over the next few years to assuring the future of the record.

**Oliver Morley**  
Chief Executive and Keeper  
8 June 2012

# Who we are

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## Our remit

The National Archives is a non-ministerial government department and an executive agency of the Ministry of Justice. As the official archive of the UK government, and for England and Wales, we are the guardians of some of our most iconic national documents, dating back more than 1,000 years. 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. We work **For the Record. For Good.**

### We work to redefine and collect the future record, transparently and seamlessly.

For more than 200 years, we have sustained the value of the record of government, allowing those who follow to learn from those who came before. Ensuring the creation, capture and survival of vital public records is the ultimate guarantee of transparency. Our role is to define clearly what government departments need to keep in the digital era and to enable government to manage its information efficiently and effectively even in tough times.

As the leaders of the wider archive sector, we develop and promote 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.

### We innovate to ensure optimal physical and digital preservation.

Our collections will always combine paper and digital records and preservation of both is an obligation we accept willingly. We are on the cutting edge of research and practice to meet the different preservation

demands of these different types of record. We recognise the importance of sustainability in our work; reducing our carbon footprint and making the right investments for the future in our infrastructure, our organisation and the skills of our staff.

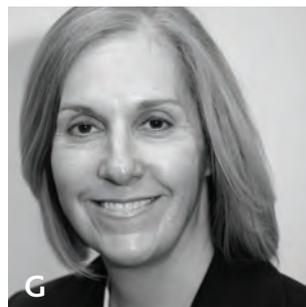
### We provide access to the record in ways that make it more open, more inclusive and more used than ever before.

Every year we provide access to historical documents to millions of people worldwide, both online and in person at our buildings in Kew, making us one of the largest and most successful archives in the world. We manage Crown copyright, delivering the definitive record for official publishing, and we provide access online to all UK legislation.

We build awareness of the record through education and outreach and we pursue opportunities to grow the breadth and coverage of the record online, engaging with the public, our private and public sector partners, and volunteers to develop the record together, for all.



## Management Board



- A** **Oliver Morley** Chief Executive and Keeper
- B** **Clem Brohier** Director, Finance and Performance
- C** **Mary Gledhill** Director, Commercial Services

- D** **Jeff James** Director, Operations and Services
- 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** CB Non-executive Director
- I** **Professor Lisa Jardine** CBE Non-executive Director
- J** **Trevor Spires** CBE Non-executive Director

# What we do

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## Collecting and securing the future of the record

Through leadership, partnership and expert support, our work ensures that the historical record continues to grow and benefit the public, researchers and the nation. In 2011-12 we provided expert advice, guidance and training across government, developed plans for the transition to the new 20-year rule and took on sole responsibility for the leadership of the wider archives sector in England.

### Securing the government record

Each year we take in thousands of government records of historical value. Records are usually transferred to us, or another place of deposit, by the time they are 30 years old under what is known as the '30-year rule'. At this point, unless a Freedom of Information Act exemption applies, the records are made available to the public. But, as a major part of the Government's Transparency agenda, this rule is to be reduced to 20 years, which will create a significant cultural change across government. In 2011-12 we led work to develop the government-wide plan for the 10-year period, beginning in 2013, in which we will make the transition to the new rule. Over the next 10 years twice as much material as usual will be transferred to The National Archives, meaning we will need to catalogue and store double the usual number of new records and provide access to those of the additional records that are available for public release.

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**'Your archives are very impressive – clean, well organised, welcoming – and your staff are friendly and knowledgeable. All in all a great experience! Thanks.'**

Written customer feedback, 24 August 2011

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Until records are transferred to us, government departments are responsible for their care. We provide advice and guidance on best practice and our Information Management Assessment (IMA) programme supports departments' management of their records. Each IMA provides an assessment of strategies, policies and practices, culminating in a presentation to the department's Permanent Secretary and the publication of a report. In 2011-12 we carried out assessments for the Ministry of Defence, the Department for Communities and Local

Government, the Department of Energy and Climate Change, the Department for Environment, Food and Rural Affairs and the Criminal Records Bureau.

In autumn 2011 we took on responsibility for training government senior information risk owners (SIROs) – board level staff with responsibility for information assurance and cyber security in government departments and the wider public sector. In the final four months of 2011-12 we arranged three training sessions, revised the online training in information security regularly undertaken by all civil servants, launched a well-received SIRO newsletter and held three awareness sessions - providing valuable opportunities for SIROs to meet and share best practice.

Collecting the historical record includes the regular capture of the information government publishes online. Our UK Government Web Archive, the most used web archive in the UK, now contains more than one billion archived pages and 80 terabytes of data and is growing at two terabytes a month. In 2011-12 we continued our research into capturing government intranets and wikis, and we undertook research and development in capturing and making accessible the records created by government's use of social media. We also worked with seven local authority archives, representing 20 local authorities between them, to pilot a web archiving model for local government websites. Next year we will build on this work to provide web archiving options for use by the wider archives sector.

### Leading and supporting the wider archives sector

In October 2011, with the transfer of key archives responsibilities from the Museums, Libraries and Archives Council, we took on sole responsibility for the leadership of the archives sector in England. In our first six months in this new role we engaged and consulted across the sector, setting out our approach and priorities and raising awareness of the expertise and support



we can offer. We launched an innovative 'co-creation' approach to developing a new archives accreditation standard – building the standard through open online collaboration. We agreed a new memorandum of understanding with Arts Council England, with the aim of working in partnership for the benefit of archives and other cultural services and the people who use them. We provided regular updates to the sector through our online newsletter, *Archives Sector Update*. We also began working with the sector on a new action plan supporting the delivery of *Archives for the 21st Century*, the Government's policy on archives.

A key priority of the policy is to develop strengthened leadership and a responsive skilled workforce in the sector, and we have continued to support this aim. In partnership with other government and archives bodies we are supporting two fellowships in the Clore Leadership Programme, investing in and equipping the future leaders of the sector. 2011-12 was the first year of the 'Opening Up Archives' scheme, a £600,000 Heritage Lottery Fund-supported programme providing year-long traineeships in the archive sector for people from diverse personal, professional or academic backgrounds. Recruited from a field of more than 800 applicants, the first wave of 13 trainees successfully completed their placements in March 2012 and the second wave has been recruited.

We continued to administer the National Cataloguing Grants Programme for Archives, a scheme supported by eight charitable organisations with the aim of tackling backlogs in local archives' cataloguing. In 2011, 12 projects received funding to a total of around £420,000, supporting archive services across England, Scotland and Wales to catalogue records varying in date from 1155 to 1986. We also continued to fund the update and online publication of the statutory Manorial Documents Register. In 2011-12 work was completed on the registers for Dorset, Gloucestershire and Nottinghamshire and work continued on those for

Bedfordshire, Cambridgeshire, Essex, Huntingdonshire, Lancashire, Suffolk, Sussex, and Warwickshire. The Register contains information about the nature and location of surviving manorial documents, which have continuing legal importance as a source of evidence for land rights and are an often vital resource for people researching local, social, family and economic history.

### Helping to secure the legacy of 2012

We are playing an important role in securing the legacy of the 2012 Olympic and Paralympic Games and the Cultural Olympiad. Throughout 2011-12 we have been working to identify and select the physical and digital records, relating to the games, which will be transferred to The National Archives from the Department of Culture, Media and Sport (DCMS). We are also guiding the selection and transfer to DCMS after the games of the records created by the Olympic Delivery Authority, in preparation for their eventual transfer to us for permanent preservation. Over the course of 2012, we will continue to work with the central Olympic organisations on the archiving of records created by the London Organising Committee of the Olympic Games and Paralympic Games, to ensure their long-term survival and accessibility.

**'The best archive in Europe and for a long time. Thank you very much for all your effort.'**

Written customer feedback, 29 September 2011

More widely, during 2011-12 we provided records management advice and guidance to support central and local government, cultural and sporting bodies, public and private organisations and other groups, in identifying those records which demonstrate their contribution to London 2012 and preparing them for transfer to appropriate archives and collecting institutions.

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## Preserving the record for generations to come

Our work to preserve the record ranges from the physical conservation of our oldest records to planning for the transfer of large volumes of digital records. It also includes making The National Archives a genuinely sustainable institution, with investment in our infrastructure and the skills and wellbeing of our staff a key part of guaranteeing the record for future generations.

### Preserving the record

The care of our collection involves preservation, conservation and cutting-edge research. Each year we repair, restore, stabilise or improve the condition of thousands of records. We monitor ongoing environmental risks and we ensure that access to the record, both physical and digital, is provided in a way that is sympathetic to its long-term wellbeing. This ranges from support for readers on site in accessing particularly fragile documents to expert oversight of original documents undergoing digitisation. In 2011-12 we collaborated with the British Standards Institution, Collections Trust and Museums Archives and Libraries Wales (CyMAL) to develop a new specification for managing environmental conditions for archive, library and museum collections in the UK. The specification describes an innovative risk-based approach to this work and aims to address the challenge of balancing long-term care for cultural collections with responsible use of energy. This builds on the success of our collaborations with the Centre for Sustainable Heritage at University College London. These include the 'Building Environment Simulation' project, which has transformed our understanding and management of the environmental conditions in our repositories and helped us to reduce significantly our carbon emissions, and the ongoing 'Collections Demography' project, which will develop a computer model looking at the influences of environment and use on heritage materials and objects.

Over the next few years we will be taking in an increasing proportion of records in digital formats. These will include records of public inquiries, government websites, records relating to London 2012 and government records from the early years of the 21st century, which marked the transition of the larger part of the record from paper to digital. Throughout 2011-12 we worked on the development

of a pioneering new system, Digital Records Infrastructure (DRI), to give us the capability to handle these large volumes of digital records. The system will check files for viruses, determine their format and identify open and closed records, adding the open records to Discovery, our online catalogue.

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**'The search engine is fantastic.  
I can draw up a plan before  
visiting a local archive.'**

Written customer feedback, 28 September 2011

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DRI will also make possible the accession to The National Archives of large volumes of digital records created from paper originals. In 2011-12 we carried out a pilot, using the service records of the Durham Home Guard, to demonstrate the technical feasibility of converting paper records into digital records which can then be stored and made accessible through DRI. Because of their sheer scale we would not usually be able take in entire sets of service records, but the Advisory Council on National Records and Archives has agreed that the accession of authenticated digital surrogates would be appropriate, balancing the strong interest of the public in these records with a manageable approach to their preservation.

Digital records exist in many different formats, and keeping track of these can be a challenge for archives as they try to determine what information they hold, how they hold it and how best to preserve it. We have developed PRONOM, our online technical registry, which enables archives to identify the formats of files they hold. We have collaborated with Georgia Tech Research Institute to enhance and expand this system and in 2011-12 we increased the number of file formats it can identify by more than a third.



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**'After working in archives in Europe for half a century I'd like to say that The National Archives is the best organised, best staffed and most civilised archive I have ever used. Bravo & Kudos to you all.'**

Written customer feedback, 26 June 2011

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## **Investing in our infrastructure**

During 2011-12 we installed in our data centre 'free cooling' technology, which uses outside air to cool our servers, and we replaced the humidification plant that serves our repositories – essential for the management of our fragile records. We also began work on essential repairs to our glazed roof. These projects, delivered with our facilities management partners, contributed to our successfully reducing carbon emissions from our buildings by 14% compared to the previous financial year.

## **Supporting our people**

The retention of skilled and dedicated staff is also vital to our future. In 2011-12 we promoted the personal and professional development of staff through the use of internal mentors and coaches as well as using internal secondments to provide our staff with opportunities to build their skills. For the second year running, we took part in the civil service-wide staff engagement survey, and were again classed as a high-performing organisation, with an engagement score of 68%. We saw significant improvements in responses to questions about leadership, the management of change and our organisational objectives and purpose. Seventy-nine per cent of staff agreed with the statement 'I am proud when I tell others I am part of The National Archives'. We continued to provide support and up-to-date information on health and wellbeing to managers and staff, and in 2011-12; our average for sickness absence fell below six days per employee – less than the average for both the public and private sectors. We regularly review how we engage with our staff and involve them in decisions about our work. Alongside our internal communications work, our approach includes regular 'Directors' Question Time' events, an active staff forum, and running internal projects with volunteers from across the organisation.

## **Involving our users**

The National Archives is strengthened as an institution by the active interest and participation of the people who use our services, volunteer their time or support our work through The Friends of The National Archives. We have continued to provide opportunities for volunteers to work on key projects, including the preparations for digitising the highly popular WO 95 series of records – the unit war diaries from the First World War. In 2011-12 we established a new User Advisory Group with delegates recruited from key communities of users: on site personal interest researchers, independent (paid) researchers, academic researchers, researchers based primarily in the Map and Large Document reading room, researchers interested in the diversity, inclusion and access agendas, representatives of county and external archives and representatives from genealogical and family history societies. Users are now involved in our planning and decision-making processes at an earlier stage, and at a more strategic level, than ever before. The group meets quarterly and has discussed topics including Discovery (our new catalogue), Home Guard records, and our organisational research priorities. In parallel, we have varied the times for our more operational User Forum, holding evening and weekend meetings, bringing new people and new input into the ongoing conversation about our work.

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**'I have just discovered your beginners' online Latin tutorial – it is brilliant!!  
What a fabulous resource...'**

Written customer feedback, 29 March 2012

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## Making the record as accessible and available as possible

Our collection and preservation work enables the public to access one of the world's oldest and most significant archival collections. We deliver the record on site at Kew and online. We embrace new technology to enhance the experience of our users and we pursue a wide range of opportunities to raise awareness of our collection.

### Delivering and opening up the record

Delivering the record is a huge undertaking, comprising thousands of individual interactions with researchers and users of our services. We recognise the importance of providing the highest quality of service, time after time and we know from the feedback we receive that our users have high levels of satisfaction with our services. In 2011-12 visitors to our reading rooms ordered more than 600,000 original documents and 98% of these orders were fulfilled within one hour. Our contact centre answered almost 45,000 telephone calls and responded to more than 38,000 enquiries sent in by email, letter or fax. We also carried out a successful trial of web-chat technology, allowing us to interact online and in real time with remote users of our services.

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**'Your efficiency, plain English and friendly attitude should be an example to support centres in other institutions and in industry. Somehow you are able to convey a cool and reassuring friendliness without losing sight of the customer's objective.'**

Written customer feedback, 6 December 2011

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Through our DocumentsOnline service we provided online access to digital versions of many of our records. In 2011-12 we added six new collections and additional material to five existing collections, including more than 85,000 individuals' records and 7.5 million images. These included Nursing Service records from the First World War and Air Ministry Squadron Operations Records. We also license commercial organisations to digitise and provide

online access to key collections. Their investment means that this work can be done without cost to the taxpayer and it enables documents to be provided to a worldwide audience on a scale that would not otherwise be possible, as well as helping to safeguard the original physical records. Examples during 2011-12 included the release through Ancestry.co.uk of more than 220,000 images from selected Rail series and the release through Findmypast.co.uk of Merchant Navy records comprising more than a million images and more than 600,000 individuals' records. We also worked with the academic publishers Cengage – completing the State Papers Online project – and with Adam Matthew Digital on the release of the Global Commodities and Foreign and Dominion Office Files for India and Pakistan. In 2011-12, visitors to DocumentsOnline and the services operated by commercial licensees together downloaded close to 127 million records.

During 2011-12, we set new research priorities, focusing on projects that aim either to answer questions of crucial importance to The National Archives, or to open up new resources for research. As a partner in the New Connections project with Coventry University and BT Plc, we will share a grant of nearly £745,000 from JISC to digitise BT Plc's physical archive, making available online almost half a million photographs, documents and correspondence preserved by the company over 165 years. The Arts and Humanities Research Council has awarded The National Archives £134,500 to enable us to make available online design registers from a key series of Patent Office records, which contain detailed information on ornamental designs from the 19th and early 20th centuries.

In 2011-12 we concluded the rigorous testing phase for Discovery, our new online catalogue, and we rolled it out as the primary tool for exploring



**'Today was my first visit and as a wheelchair user was a bit worried...but today I was shown 100% dignity and patience and was helped all the way.'**

Written customer feedback, 23 November 2011

our collections. Discovery is quicker, easier and more intuitive than our previous online catalogue, particularly for people unfamiliar with the way our collection is organised, and its development has been influenced throughout by feedback. Users can now add tags to help others in their searches and we have also continued to develop our programme to deliver map-based searching with a range of new resources scheduled to come online in 2012.

We constantly review and update the information about our records that is available to our users. During 2011-12 we uploaded to Discovery 1,214,821 new or improved record descriptions - this equates to 3,337 per day. Around 95% of the information uploaded resulted from our work to enhance the cataloguing of our existing collection (as opposed to new transfers from government departments.) This includes catalogue amendments requested by members of the public, who can now submit requests directly through Discovery. We have replaced our library catalogue with a new open-source, web-hosted solution, with new features that will benefit users, including an RSS feed to a monthly new books list, images of book covers and access to bibliographies on specialist subjects created by records experts.

**'The National Archives is a great place to do your research. I can't believe how fast the response is. I thought it would take days if not weeks. The undertaking is so huge, I wonder how you people are able to do it but here's a great 'Thanks' for a great job.'**

Written customer feedback, 23 January 2012

## **Raising awareness of the record**

We are hugely proud of our education services. Through them, students encounter, engage with and are inspired by authentic historical materials. In 2011-12, at no charge to the schools involved, we taught 15,434 students, an increase of around 50% on the previous year. More than half of these students were taught online through our videoconference and virtual classroom facilities and we exceeded the targets we set ourselves for 2011-12 for reaching students from more diverse ethnic and social backgrounds. Feedback in 2011-12 was overwhelmingly positive, with our on site sessions at Kew rated as 'good' or 'excellent' by 99% of teachers and our online sessions rated as 'good' or 'excellent' by 100%. In collaboration with the University of Virginia and with funding from the Office of the Cultural Attaché at the US Embassy in London, we delivered the second phase of our 'Transatlantic Teachers Programme', bringing together history teachers, academics and archivists from the UK and USA to develop teaching resources on the theme of Nations in Conflict in the 20th Century.

Throughout the year we hosted a number of high-profile events. In October 2011 we welcomed 100 delegates, including visitors from South Africa and Australia, to our 'Celebrating the Census' conference. In February 2012, 100 people attended the annual Gerald Aylmer seminar, which we co-hosted with the Royal Historical Society and the Institute of Historical Research. This year, under the theme of 'Locating the Past', experts from a range of backgrounds were asked to consider how new and emerging technologies for the use of maps and geographical data are changing historical research and how the interface between disciplines is shifting.

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The sheer breadth of our collection provides us with amazing opportunities to reach out to new audiences, in new ways and with new resources. Our online exhibition and oral reminiscence project, 'Panjab 1947: A Heart Divided', recalled the partition of the Panjab from the perspective of four people from different faith groups. Our *Titanic* web-pages allowed, for the first time, free searching and downloading of passenger and crew lists, with biographies of some of those on board, together with video and podcasts from *Titanic* experts, and images of artefacts associated with the ship. We have continued to widen the audience for our programme of expert talks through podcasting. A talk at Kew may be attended by up to 100 people, but in its first few days of being available on the web, one of our podcasts will typically be downloaded by more than 2,000 listeners, with as many as 10,000 downloads over the course of a year. Our audience numbers are constantly growing, feedback has been positive and we now provide the second-most-popular government podcast worldwide on iTunes, beaten only by President Obama's weekly address.

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**'I am happy to report that I was able to see The National Archives' beautiful newsletter and even listen to podcasts. I look forward to reading and seeing much, much more. It's a gem. Congratulations!**

Written customer feedback, 9 August 2011

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In 2011-12 we launched two new services developed in-house using the skills of our staff. First, our Archives Media Player brings together all of our multimedia content. We have made it easier for users

to browse categories and search by title, keyword or speaker, as well as to add comments to individual podcasts. Second, The National Archives' blog allows colleagues from across the organisation to share their personal perspectives on their work as well as uncovering the many stories hidden in our collections.

During 2011-12 we have been increasingly using our Twitter feed (@UkNatArchives) and Facebook page (facebook.com/TheNationalArchives) to communicate with our users, as well as posting images on flickr.com. In the context of the current restrictions on marketing activity across government, we have found social media to be a valuable and cost-effective way of reaching people who are, or who may become, interested in the records we hold, with more than 12,000 followers on Twitter and close to 5,000 'likes' on Facebook. We also have around 190,000 subscribers to our email newsletter. The strong media interest in our collection continued in 2011-12, with material from our holdings featuring in television programmes, newspaper articles and books on topics as diverse as the Great Train Robbery, the Festival of Britain, Scott of the Antarctic and Chinese military maps.

### **Enabling the re-use of public sector information**

We make the record more accessible by providing straightforward ways for the public, companies, charities and other groups to re-use public sector information. The Open Government Licence has gone from strength to strength since we launched it in 2010. It has been integral to meeting government commitments on transparency and openness.

The Open Government Licence is widely used for government information, particularly via data.gov.uk, but the past year has seen an increasing take-up of the licence by the wider public sector. By the end of 2011-12 just under 300 local authorities were using



the licence to make their information available for re-use. But the impact of the licence is not restricted to the UK – increasingly it is being adopted or emulated by national and regional governments worldwide. The Open Government Licence has proven to be genuinely groundbreaking.

In January 2012, our innovative approach to providing free online public access to legislation was recognised when legislation.gov.uk was named joint winner in the UK Public Sector Digital Awards for Best ICT-Enabled Innovation and Enterprise. Legislation.gov.uk is the first service of its kind in the world, and it has transformed the way professionals and the public access and use legislation. To deliver it, we created entirely new approaches, systems and tools, driven by extensive consultation with public and professional audiences. Through using open standards and open source software, the cost of the service to the taxpayer has been cut by one third and public data has been made more readily available for extensive re-use.

Through our 'Expert Participation Programme', we have introduced a new open-data business model, applicable to other government datasets, to resource the maintenance of the legislation.gov.uk dataset with contributions from the private sector. The service was designed to support re-use, and products already created by commercial re-users include an iPhone application and a product enabling lecturers to create and self-publish course-specific 'mini statute books'. The new approaches, systems and tools used to create legislation.gov.uk have already been adopted by other bodies, including the Cabinet Office for the 'Red Tape Challenge' website, and the EU Commission Publications Office, and the project has informed work on data.gov.uk and publications by Ordnance Survey and the Environment Agency.

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**'This is a fantastic resource for teachers. It transforms History as being something contained within textbooks to something that's real and tangible for students. I have seen students come to life and become excited about learning about our History when they are given the opportunity to examine material from the archives. Thank you!'**

Written customer feedback, 2 November 2011

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# Our performance in 2011-12

## Performance against our business priorities

Strategic priority one: We will define and collect the future record, transparently and seamlessly

Business priority	How we were to achieve this	Status
<b>Archiving government</b>	Pilot local government and NHS web archiving service	Achieved
	Pilot government social media archiving service	Achieved. We piloted the capture of material from Twitter. However, subsequent changes to Twitter have meant that this method can no longer be used. We are continuing our research and development into social media capture and access
	Pilot government secure intranet (GSI) archiving	Achieved. We captured GSI websites successfully
<b>20-year rule response</b>	Consult, plan and obtain approval for 20-year rule implementation plans	Achieved. Progress has been tracked via internal project and programme boards
	Pilot e-discovery/sensitivity technologies to increase efficiency of departmental file reviews	Achieved. Progress has been tracked via internal project and programme boards
	Build new digital accessions process and database on top of The National Archives' existing capabilities	Partially achieved. This has been superseded by plans to develop a new system, Digital Records Infrastructure (DRI)
<b>A new collection strategy for government</b>	Engage on what represents a historical record for government	Achieved. Progress has been tracked as part of the 20-year rule project
	Identify opportunities for efficiencies on transfer, storage and cataloguing	Achieved. Progress has been tracked as part of the 20-year rule project
	Implement single, simple performance assessment with regard to core records management	Achieved. This is being delivered as the new-look Information Management Assessments (IMAs)



## Strategic priority two: We will innovate to ensure optimal physical and digital preservation

Business priority	How we were to achieve this	Status
<b>A more sustainable Kew</b>	Reduce carbon emissions at Kew by 6% from 2010-11 levels, balancing record preservation and environmental conditions	Achieved. We delivered a 14% reduction
	Reduce total waste by 7%, and paper usage by 10% from 2009-10 levels	Partially achieved. We purchased 48% less paper during 2011-12, relative to 2010-11 and our 'business as usual' operational waste was reduced by more than 25% relative to 2010-11, but our waste arising from capital projects, principally the replacement of our glass roof, increased significantly in 2011-12
	Deliver estates maintenance and capital projects in agreed timetable and budget	Achieved
<b>Accreditation for the archive sector</b>	Build draft accreditation standard and online capability	Partially achieved. Completion of this was deferred until the transfer of responsibilities from the Museums, Libraries and Archives Council (MLA). The final stage is now approved and is scheduled to go ahead in 2012-13

## Strategic priority three: We will widen our funding base to guarantee support in tough times

Business priority	How we were to achieve this	Status
<b>Better online capabilities</b>	Make initial improvements to online commercial systems (DocumentsOnline), including a new Image Library	Partially achieved. We have developed a single online e-commerce facility. However owing to difficulties in recruiting, we did not develop a new image library by the end of the year. This work will continue into 2012-13
<b>New revenue sources</b>	Conduct a feasibility study to identify market potential and estimated revenue for commercial advisory services around our expertise in digital records (outside the UK archive sector)	Achieved. A report on the feasibility study was presented to the Executive Team for review
	Identify market potential and estimated revenue for fundraising activities, pilot on specific projects	Partially achieved. A study carried out during the year identified potential sources and projects for fundraising activities

## Strategic priority four: We will be agile and confident, trusted and efficient

Business priority	How we were to achieve this	Status
<b>Our people</b>	<p>Improve the organisational values that guide our behaviour in all that we do</p> <p>Develop a workforce strategy to move to 2014–15 staffing and skills level through staff turnover</p> <p>Introduce a talent and succession strategy at all levels with continued robust performance management</p>	<p>All achieved. Our new values, People, Integrity, Possibilities, surfaced through widespread consultation across the organisation, and were formally launched in July 2011</p> <p>The Executive Team has agreed headcount targets to 2014-15 for core posts. We are managing headcount more proactively through better reporting and awareness. Work from the Culture Project is informing where we will have skills gaps in the future, to inform our plans to develop and transfer these skills where needed</p> <p>Our strategy consists of several strands:</p> <ul style="list-style-type: none"> <li>• The Executive Team has regular conversations to highlight and manage talent in a fluid way</li> <li>• The HR Business Partners work with Heads of Departments to identify and manage talent and succession</li> <li>• The Culture Project is defining our overall approach to talent, and is providing better tools to help the organisation to be more proactive and apply our approach consistently</li> <li>• The HR Director provided an update on our approach to the Management Board in November 2011</li> <li>• We help our people to realise their potential through many channels, including learning and development, secondments, temporary promotions, coaching and mentoring</li> </ul>
<b>Our site</b>	<p>Review space planning at Kew, select warehouse management system, and define new total facilities management contract options</p>	<p>Partially achieved. Investigation into space planning options was deferred until 2012-13, with attention focused on identifying options for total facilities management pending the expiration of current contracts during 2012 and 2013</p>



Business priority	How we were to achieve this	Status
<b>Better public services for less</b>	Digitise non-commercial, but heavily used, record series and catalogues and, where appropriate, remove the paper indexes and finding aids from the reading rooms	Achieved
	Pilot and put in place new public services approaches, including web chat for more remote advice and self-service book scanning	Achieved
	Review the processes and systems for user engagement and complaints handling	Achieved

### Strategic priority five: We will provide a record that is more open, inclusive and used than ever before

Business priority	How we were to achieve this	Status
<b>Best practice digitisation</b>	Digitise key records (including First World War regimental diaries)	Partially achieved. A contract has been awarded for the digitisation of the First World War regimental diaries from France and Flanders, and scanning is underway (but not complete)
	Digitise a test sample of Home Guards records, and develop a clear transfer policy for large personal data record sets	Achieved
<b>Better maintain UK legislation through wider participation</b>	Develop new technologies and business processes in tandem with the legal community and commercial partners	Achieved
	Launch wider participation approach and communications plan	Achieved
<b>More participation for communities and volunteers</b>	Develop and commence implementation of a new user participation strategy for The National Archives, bringing in new volunteers, communities and partners	Achieved
	Share technologies and business processes with the whole archive sector	We plan to publish relevant information on best practice and lessons learned on our website throughout 2012-13

## Performance against our input indicators

Input indicator	2011-12 Outcome	2010-11 Outcome
Original documents delivered to on site users	603,570	603,079
Electronic records delivered to online users <sup>1</sup>	126,889,792	131,888,111
<b>Staff diversity</b>		
Women	47.9%	46.5%
Top management women	46.4%	47.1%
Black and minority ethnic	21.3%	21.0%
Disabled	6.3%	6.8%
Staff engagement (as per the Civil Service Staff survey)	68%	65%
Time taken to deliver original records to on site users	97.7% of documents delivered to users within one hour	97.5% of documents delivered to users within one hour
Time taken to respond to Freedom of Information, Data Protection and Environmental Information Regulation requests	99.3% of enquiries responded to within statutory deadlines	97.3% of enquiries responded to within statutory deadlines
Total departmental spend <sup>2</sup>	£35.8 million	£38.3 million
Staff sick absence	5.6 days per member of staff (average)	6.3 days per member of staff (average)

<sup>1</sup> These numbers include downloads from our licensed internet associates

<sup>2</sup> Total departmental spending is the sum of the resource outturn and the capital outturn less depreciation



## Performance against our impact indicators

Impact indicator	2011-12 Outcome	2010-11 Outcome	
Web continuity	590,235,052 redirects	689,502,601 redirects	
<b>Sustainable development</b>	<p>Carbon emissions from energy use in our buildings reduced by 14% compared with 2010-11 (a 27.3% reduction compared with 2009-10)</p> <p>Operational ('business as usual') waste reduced by 20.4% compared with 2010-11</p> <p>In 2011-12, 71% of our total waste was re-used or recycled</p> <p>Water consumption reduced by 21.4% compared with 2010-11</p>	<p>A 16.1% carbon reduction was achieved in 2010-11. Other elements of this indicator were new for 2011-12</p>	
<b>Customer satisfaction:</b>			
	on site users	94%	92%
	online users <sup>3</sup>	76%	81%
	legislation.gov.uk users	74%	71.5%
<b>Records and information management services used across government</b>	<p>Five Information Management Assessments (IMAs) completed;</p> <p>Five IMA reports agreed;</p> <p>Two annual review meetings completed with departments concerned showing improvement against six headings</p>	New for 2011-12	

Further details of how we measure our performance are in our four-year business plan: *For the Record. For Good.* available at [nationalarchives.gov.uk/about/our-plans.htm](http://nationalarchives.gov.uk/about/our-plans.htm) and on our Transparency pages at [nationalarchives.gov.uk/about/transparency.htm](http://nationalarchives.gov.uk/about/transparency.htm)

<sup>3</sup> For 2011-12 onwards we revised our online survey methodology so that it no longer incorporates figures from a stand-alone survey of users of our online education services. The 2010-11 outcome for this indicator is based on the previous method and so is not directly comparable

## Core financial tables<sup>4</sup>

Table 1: Public spending

£000

	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
<b>Resource Departmental Expenditure Limits (DEL)</b>								
Section A:								
The National Archives DEL	39,474	41,889	40,395	38,224	37,367	36,950	37,800	36,200
<b>Total Resource DEL</b>	<b>39,474</b>	<b>41,889</b>	<b>40,395</b>	<b>38,224</b>	<b>37,367</b>	<b>36,950</b>	<b>37,800</b>	<b>36,200</b>
<i>of which:</i>								
Pay	23,524	26,609	27,878	24,789	23,774	23,380	23,490	23,675
Net current procurement <sup>5</sup>	12,213	10,757	7,120	7,756	8,160	7,610	8,450	6,865
Current grants and subsidies to the private sector and abroad	(146)	-	(87)	-	-	-	-	-
Depreciation <sup>6</sup>	4,644	4,441	5,237	5,620	5,030	5,900	5,800	5,600
Other	(761)	82	247	59	403	60	60	60
<b>Resource Annually Managed Expenditure (AME)</b>								
Section B:								
The National Archives (AME)	(8)	200	(71)	(119)	(403)	(80)	(40)	(25)
<b>Total Resource AME</b>	<b>(8)</b>	<b>200</b>	<b>(71)</b>	<b>(119)</b>	<b>(403)</b>	<b>(80)</b>	<b>(40)</b>	<b>(25)</b>
<i>of which:</i>								
Take up of provisions	125	272	92	33	-	-	-	-
Release of provisions	(133)	(72)	(163)	(152)	(392)	(80)	(40)	(25)
Other	-	-	-	-	(11)	-	-	-
<b>Total Resource Budget</b>	<b>39,466</b>	<b>42,089</b>	<b>40,324</b>	<b>38,105</b>	<b>36,964</b>	<b>36,870</b>	<b>37,760</b>	<b>36,175</b>
<i>of which:</i>								
Depreciation <sup>6</sup>	4,644	4,441	5,237	5,620	5,030	5,900	5,800	5,600
<b>Capital DEL</b>								
Section A:								
The National Archives (DEL)	5,764	3,248	4,027	5,849	3,819	3,680	970	1,230
<b>Total Capital DEL</b>	<b>5,764</b>	<b>3,248</b>	<b>4,027</b>	<b>5,849</b>	<b>3,819</b>	<b>3,680</b>	<b>970</b>	<b>1,230</b>
<i>of which:</i>								
Net capital procurement <sup>7</sup>	5,764	3,248	4,027	5,849	3,819	3,680	970	1,230
<b>Total Capital Budget</b>	<b>5,764</b>	<b>3,248</b>	<b>4,027</b>	<b>5,849</b>	<b>3,819</b>	<b>3,680</b>	<b>970</b>	<b>1,230</b>

<sup>4</sup>The outturn numbers are based on prior year audited figures. However the core financial tables section is not subject to NAO audit

<sup>5</sup>Net of income from sales of goods and services

<sup>6</sup>Includes impairments

<sup>7</sup>Expenditure on tangible and intangible non-current assets net of sales

	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
<b>Total departmental spending<sup>8</sup></b>	<b>40,586</b>	<b>40,896</b>	<b>39,114</b>	<b>38,334</b>	<b>35,753</b>	<b>34,650</b>	<b>32,930</b>	<b>31,805</b>
<i>of which:</i>								
Total DEL	40,594	40,696	39,185	38,453	36,156	34,730	32,970	31,830
Total AME	(8)	200	(71)	(119)	(403)	(80)	(40)	(25)

**Table 2: Public spending control**

£000

	2011-12 Outturn	2011-12 Original Budgetary Control Limits	2011-12 Final Budgetary Control Limits
<b>Spending in Departmental Expenditure Limits £000</b>			
Gross Expenditure	45,702	47,682	47,972
Gross income	(8,335)	(9,832)	(9,832)
Net Resources	37,367	37,850	38,140
Gross Capital	3,819	3,920	3,920
<b>Spending in Annually Managed Expenditure £000</b>			
Gross Programme Resources	(403)	(100)	(401)
<b>Total Resource Budget</b>	<b>36,964</b>	<b>37,750</b>	<b>37,739</b>
<b>Total Capital Budget</b>	<b>3,819</b>	<b>3,920</b>	<b>3,920</b>
Less Depreciation	(5,030)	(5,600)	(5,600)
<b>Total Departmental Spending</b>	<b>35,753</b>	<b>36,070</b>	<b>36,059</b>

<sup>8</sup>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**

£000

	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
<b>Assets and liabilities on the statement of financial position at the end of year:</b>								
<b>Non-current assets</b>								
Intangible	1,149	8,651	7,881	10,571	13,561	13,000	13,000	13,000
Property, plant and equipment	112,437	94,335	100,298	106,756	134,013	133,100	128,100	123,100
<i>of which:</i>								
Land	18,200	18,200	18,200	18,200	18,200	18,200	18,200	18,200
Buildings	84,548	65,223	69,479	73,901	101,026	100,000	95,000	90,000
Plant and machinery	771	1,502	2,009	3,826	5,836	5,800	5,800	5,800
Furniture and fittings	4,997	5,332	5,304	5,053	4,907	5,000	5,000	5,000
Transport equipment	148	133	114	98	85	100	100	100
Information technology	3,347	3,185	3,365	2,902	1,930	4,000	4,000	4,000
Assets under construction	426	760	1,827	2,776	2,029	-	-	-
	112,437	94,335	100,298	106,756	134,013	133,100	128,100	123,100
<b>Trading receivables falling due after more than one year</b>								
	19	13	111	349	433	-	-	-
Current assets	4,153	4,366	2,819	1,749	3,015	2,000	2,000	2,000
Creditors (<1 year)	(10,036)	(10,644)	(9,164)	(6,732)	(7,795)	(7,000)	(7,000)	(7,000)
Creditors (>1 year)	-	-	-	(823)	(999)	-	-	-
Provisions	(562)	(762)	(691)	(592)	(93)	(300)	(250)	(150)
<b>Capital employed within main department</b>	<b>107,160</b>	<b>95,959</b>	<b>101,254</b>	<b>111,278</b>	<b>142,135</b>	<b>140,800</b>	<b>135,850</b>	<b>130,950</b>

**Table 4: Administration budgets**

£000

	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
<b>Administration costs</b>								
Section A:								
The National Archives DEL	10,387	13,729	12,960	10,183	8,704	9,680	10,619	9,879
<b>Total administration budget</b>	<b>10,387</b>	<b>13,729</b>	<b>12,960</b>	<b>10,183</b>	<b>8,704</b>	<b>9,680</b>	<b>10,619</b>	<b>9,879</b>
<i>of which:</i>								
Paybill	6,327	7,495	7,570	5,777	5,242	6,352	6,322	6,344
Expenditure	4,097	6,248	5,436	4,444	3,491	3,378	4,447	3,685
Income	(37)	(14)	(46)	(38)	(29)	(50)	(150)	(150)

**Table 5: Staff in post**

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Projected outturn	Plans <sup>10</sup>	Plans	Plans
<b>Staff numbers (average)<sup>9</sup></b>						
Payroll staff (full-time equivalents)	614	581	590	645	585	581
Agency staff <sup>11</sup>	62	17	9	11	-	-
Interim managers	-	-	Nil	-	-	-
Specialist contractors	-	-	8	-	-	-
Consultants	-	-	Nil	-	-	-
<b>Total</b>	<b>676</b>	<b>598</b>	<b>607</b>	<b>656</b>	<b>585</b>	<b>581</b>

<sup>9</sup> Average numbers are based on end-of-month numbers recorded over the 12-month period

<sup>10</sup> 2012-13 plan numbers include an average of 41 posts that are externally funded/recharged as well as an average of 29 posts for fixed and limited period appointments required for specific projects

<sup>11</sup> A breakdown of non payroll staff was not available for 2009-10 and 2010-11 as such details have been provided against agency staff only. For 2009-10 agency staff numbers represent contractors and temporary staff which were calculated on an equivalent cost basis. Actual full-time equivalent numbers have been used and projected from 2010-11

# Accounts 2011-12

## 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	<ul style="list-style-type: none"><li>• 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</li><li>• Manages and maintains our Kew site, providing a safe, secure and suitable environment for staff and visitors</li><li>• Preserves, conserves and researches our collection to sustain access and maintain use</li><li>• 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</li><li>• Provides online and on site educational services to teachers and students and develops new audiences, particularly with those at risk of exclusion</li></ul>
Customer and Business Development	<ul style="list-style-type: none"><li>• Generates income for The National Archives through its commercial services and develops new business opportunities</li><li>• Raises awareness of the records we hold and the services we provide, using a combination of traditional and new media</li><li>• Digitises our records, often working with external partners, to improve availability and access</li><li>• Protects our reputation and brand</li></ul>
Information Policy and Services	<ul style="list-style-type: none"><li>• Provides professional leadership across government in information management and policy</li><li>• Guides government and public bodies on selecting records for preservation and transfer to The National Archives</li><li>• Delivers The National Archives' leadership responsibilities for the wider archives sector in England</li><li>• Advises government, public bodies and local archives on information and archive policy</li><li>• Investigates complaints under PSI Regulations and delivers standards through the Information Fair Trader Scheme</li><li>• 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</li><li>• Leads on strategic research for the organisation and supports key academic relationships</li></ul>

Directorate	Role
Technology	<ul style="list-style-type: none"> <li>• Maintains and develops our ICT infrastructure for the safe storage and delivery of information</li> <li>• Provides expertise on ICT and information assurance matters across the organisation</li> <li>• Runs key projects to enhance our technological capability, and that of government, to manage and deliver government information more effectively</li> <li>• Develops tools and techniques to ensure the long-term survival of digital records</li> <li>• Develops tools and technology to make it easier to access our collection</li> <li>• Ensures the capture and preservation of government's websites, data and digital documents</li> </ul>
Human Resources and Organisational Development	<ul style="list-style-type: none"> <li>• 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</li> <li>• Handles all aspects of recruitment and selection; pay; learning and development; employee relations, staff engagement and wellbeing</li> <li>• Develops HR policy, HR administration and HR advice for all those working at The National Archives</li> </ul>
Finance and Performance	<ul style="list-style-type: none"> <li>• Ensures that our resources are allocated and used efficiently and effectively</li> <li>• Ensures that our corporate systems comply with best practice and meet the needs of the business</li> <li>• Ensures that our statutory and legal responsibilities are discharged</li> </ul>

## Social, community, environmental and sustainability issues

Throughout 2011-12 we built on the achievements of previous years in terms of social, community and environmental issues. We actively supported local community neighbourhood and conservation groups by providing parking and meeting facilities. We maintained our grounds, including a park, picnic area and ponds, to provide an attractive amenity for residents, staff and visitors. We also issued our new sustainable procurement policy. In 2011-12 we improved our Display Energy Certificate efficiency rating from E to D, building on our improvement from G to E in 2010-11. We met and exceeded our 2015 carbon reduction target. Please refer to Annex A for a full report of our performance on sustainability in 2011-12.

## 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 number of full-time equivalent staff over the year, as per table 5 on page 25, was 590 (2010-11: 581). On 31 March 2012, there were 631 employees (599 full-time equivalents) on our payroll. These were made up of 611 permanent staff and 20 on limited period appointments; 302 were female and 40 (6.3%) declared themselves as disabled and were recognised as having a disability in the context of the Equality Act 2010. Also, 106 staff (21.3%) out of the total who declared ethnicity, described themselves as being from ethnic minorities. We actively manage sickness absence and the average absence rate decreased to 5.6 days (6.3 days in 2010-11). The Civil Service-wide recruitment

freeze announced in May 2010 is still in place, 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 5 to the accounts) and this year were also subject to the recruitment freeze.

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

In 2011-12 we continued to embed the principles of equality and diversity throughout our organisation and our work. We have seen increased staff participation in equality and diversity initiatives across The National Archives, improving access to our holdings, both online and on site, and reaching new and diverse audiences. Our equality and diversity working group continues to oversee a quarterly review of our equality and diversity action plan and provides updates to The National Archives' Executive Team and Management Board. Following internal consultation, we expect to issue a revised action plan during 2012-13.

In April 2011 we rolled out a new equality and diversity training course, highlighting changes to the law arising from the Equalities Act 2010. The course is mandatory for all staff, and 527 staff had attended by the end of March 2012. The positive feedback we have received from participants confirms that the training has been successful in supporting greater awareness of and participation in activities linked to equality and diversity. We continue to offer training to staff on disability and wellbeing.

Following our launch in 2010 of Diversity Week, offering a variety of seminars, public talks, exhibitions and interactive activities to staff, we held another Diversity Week event in November 2011. It provided a platform for exchanging best practice, showcasing our work and holdings and generating debate and ideas. A

series of public talks highlighting the diversity of our collections attracted wide interest.

Other highlights in 2011-12 included:

- Our initiation of the 'Caribbean Through a Lens' digitisation and community engagement project, through which we hope to build on the success of 'Africa Through a Lens' the previous year.
- The recruitment of new cataloguing volunteers for both the new CO 96 Gold Coast project and the existing Your Caribbean Heritage project.
- The completion of the final stage of our project to digitise around 1 million British nationality cards created between 1949 and 1986, to build a searchable database for staff carrying out nationality requests on behalf of the public and to create 300,000 catalogue descriptions at item level for naturalisation cases between 1870 and 1986.

## 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). There was a 17% reduction in the number of reported accidents in 2011 compared to 2010. There was one serious accident where a member of staff tripped and broke an ankle. This required us to make our one and only report under the RIDDOR process.

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## 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 2012-13 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 £37.7 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, (which incorporates the Office of HM Paymaster General); this was The National Archives' banking facility during the reporting period.

Management information is reported monthly to the Executive Team and at each Management Board meeting. 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 2011-12, The National Archives' net resource outturn was £37.0 million compared to a budget allocation of £37.7 million. The non-ringfenced element, which is the controllable element of our expenditure, was managed to within £0.3 million of our allocation. In a year which saw the continuation 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 ringfenced outturn was £5.0 million compared to the budget of £5.6 million. Ringfenced expenditure is mainly for depreciation and amortisation costs and the £0.6m million surplus is predominantly due to the effect of a major project originally scheduled to complete during the year now being scheduled to complete in 2012-13.

A comprehensive capital programme, including replacement of sections of our roof, 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 £3.8 million compared to the budget allocation of £3.9 million.

The net cash outturn for the year was £36.3 million which matched our approved net cash allocation.

We face increasing financial pressures over the coming years, along with the wider public sector, due to the funding cuts implemented as part of the 2010 Spending Review. 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 2011-12, 98.5% 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 five days.

## Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2011-12 Estimate £000	2011-12 Outturn £000	2010-11 Estimate £000	2010-11 Outturn £000
<b>Net Resource Outturn (Estimates)</b>	<b>37,739</b>	<b>36,964</b>	<b>39,920</b>	<b>38,105</b>
Prior period adjustment for intangible asset impairment	-	-	-	65
<b>Net Operating Cost (Accounts)</b>	<b>37,739</b>	<b>36,964</b>	<b>39,920</b>	<b>38,170</b>
<b>Resource Budget Outturn (Budget)</b>	<b>37,739</b>	<b>36,964</b>	<b>39,920</b>	<b>38,170</b>
<i>of which:</i>				
Departmental Expenditure Limits (DEL)	38,140	37,367	40,060	38,289
Annually Managed Expenditure (AME)	(401)	(403)	(140)	(119)

## Audit

The financial statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General. The audit fee was £48,000 (see note 6 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

Details of our risks and uncertainties are provided in the Governance Statement on page 39.

## 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.

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## Reporting of personal data-related incidents

There were no personal data-related incidents or other lapses in data security in The National Archives in 2011-12. Details of our reporting of personal data-related incidents are shown in the Governance Statement on page 39.

## 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 1.10 and 1.11 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 5a to the accounts.

## Review of activities

A review of our activities during 2011-12 can be found on pages 8-15 of this report.

## The National Archives' governance

Details of The National Archives' governance can be found in the Governance Statement on page 39.

There were no company directorships or other significant interests held by Management Board members that conflicted with their management responsibilities.



Oliver Morley  
Accounting Officer

8 June 2012

## 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](http://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.

The Constitutional Reform and Governance Act 2010 requires civil service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

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's appointment as Chief Executive and Keeper, The National Archives was confirmed by the Ministry of Justice on 25 February 2011 and is on a fixed-term basis until 20 February 2014 with the possibility of extension.

Mark Addison CB and Bronwen Curtis CBE 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. However Bronwen Curtis stepped down as a Non-executive Director with effect from 31 January 2012.

Trevor Spires CBE was appointed as a Non-executive Director on a three-year contract from 8 February 2009 until 7 February 2012. His contract was renewed on 8 February 2012 for a further three-year period to 7 February 2015.

Lisa Jardine CBE was appointed as a Non-executive Director on a three-year contract from 1 December 2011 to 28 November 2014.

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.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk).

### Salary, bonus and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials (i.e. board members) of the Department.

The Remuneration Committee consisted of four Non-executive Directors: Mark Addison, Bronwen Curtis, Trevor Spires and Lisa Jardine. 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.

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 performance in the preceding year. As such, bonuses reported in 2011-12 relate to performance in 2010-11 and the comparative bonuses reported for 2010-11 relate to performance in 2009-10.

The salary, 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 set out in the table below (audited).

Name	Salary 2011-12	Bonus 2011-12	Salary 2010-11	Bonus 2010-11	Accrued pension at 31/03/12 and related lump sum	Real increase / (decrease) in pension and related lump sum at pension age	CETV at 31/03/12	CETV at 31/03/11 <sup>12</sup>	Employee contributions and transfer in	Real increase in CETV
	£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	Nearest £000	Nearest £000
<b>Oliver Morley</b> Chief Executive and Keeper	95 - 100	-	95 - 100	5 - 10	5 - 10	0 - 2.5	47	32	3	9
<b>Clem Brohier</b> Director	90 - 95	-	90 - 95	-	10 - 15	0 - 2.5	189	161	3	12
<b>Mary Gledhill</b> Director <sup>13</sup>	20 - 25 (full-year equivalent 70 - 75)	-	-	-	0 - 5	0 - 2.5	5	-	1	3
<b>Jeff James</b> Director	85 - 90	5 - 10	85 - 90	5 - 10	10 - 15	0 - 2.5	142	120	3	9
<b>Caroline Ottaway-Searle</b> Director	80 - 85	5 - 10	80 - 85	-	5 - 10	0 - 2.5	65	44	3	14

<sup>12</sup>The actuarial factors used to calculate CETVs were changed in 2011-12. The CETVs at 31/03/11 and 31/03/12 have both been calculated using the new factors, for consistency. The CETV for 31/03/11 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors

<sup>13</sup>Mary Gledhill was appointed Director, Commercial Services with effect from 31 October 2011



Name	Salary 2011-12	Bonus 2011-12	Salary 2010-11	Bonus 2010-11	Accrued pension at 31/03/12 and related lump sum	Real increase/(decrease) in pension and related lump sum at pension age	CETV at 31/03/12	CETV at 31/03/11 <sup>12</sup>	Employee contributions and transfer in	Real increase in CETV
	£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	Nearest £000	Nearest £000
<b>David Thomas</b> Director	85 - 90	-	85 - 90	5 - 10	45 - 50 plus 90 - 95 lump sum	(0 - 2.5) plus (2.5 - 5) lump sum	992	980	3	(24)
<b>Carol Tullo</b> Director	90 - 95	-	90 - 95	-	15 - 20 plus 45 - 50 lump sum	0 - 2.5 plus 0 - 2.5 lump sum	342	309	1	5
<b>Mark Addison CB</b> Non-executive Director	10 - 15	-	10 - 15	-	n/a	n/a	n/a	n/a	n/a	n/a
<b>Bronwen Curtis CBE</b> Non-executive Director <sup>14,15</sup>	10 - 15	-	10 - 15	-	n/a	n/a	n/a	n/a	n/a	n/a
<b>Professor Lisa Jardine CBE</b> Non-executive Director <sup>16</sup>	0 - 5 (full-year equivalent 10 - 15)	-	-	-	n/a	n/a	n/a	n/a	n/a	n/a
<b>Trevor Spires CBE</b> Non-executive Director	10 - 15	-	10 - 15	-	n/a	n/a	n/a	n/a	n/a	n/a
Band of highest-paid director's total remuneration (£000)	95 - 100		100 - 105							
Median total remuneration (£)	26,435		26,815							
Ratio	3.7		3.8							

There were no benefits in kind or employer contributions to partnership pension accounts in respect of any of the above.

<sup>14</sup>Bronwen Curtis was a Non-executive Director until 31 January 2012

<sup>15</sup>Baroness Young was a Non-executive Director until 22 September 2010 with a salary band of £5k-£10k (full year equivalent of £10k-£15k) in the 2010-11 year

<sup>16</sup>Professor Lisa Jardine was a Non-executive Director with effect from 1 December 2011

## Pay multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in The National Archives in the financial year 2011-12 was £95k-£100k (2010-11: £100k-£105k). This was 3.7 times (2010-11: 3.8) the median remuneration of the workforce, which was £26,435 (2010-11: £26,815).

In 2011-12, nil (2010-11: nil) employees received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions or the cash equivalent transfer of pensions.

The median remuneration of the workforce includes costs for agency and other temporary employees covering staff vacancies, excluding an adjustment for agency fees.

## 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 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.

Starting from 1 April 2012, the members of the Classic, Premium, Classic Plus and Nuvos pension scheme will start paying increased pension contributions:

- Each of the main public service pension schemes will increase member contributions by an average of 3.2 percentage points over 3 years.
- The increase from April 2012 will be average 1.3 percentage points, depending on salary
- There will be further increases from April 2013 and April 2014, subject to consultation
- In April 2015 a new pension scheme will be introduced. Discussions on key design features have been settled, but the final details are subject to change following further discussions with trade unions.



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).

Further details about the civil service pension arrangements can be found at the website [civilservice.gov.uk/pensions](http://civilservice.gov.uk/pensions).

### **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 5.1 of the accounts.

Oliver Morley  
Accounting Officer  
8 June 2012

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### 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 and Keeper 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 Governance Statement

### The governance framework

The National Archives' Management Board consists of the Chief Executive, the six Directors and up to four Non-executive Directors. The Management Board meets 11 times a year and is the main governance board for The National Archives. A full governance structure for the organisation appears on page 44.

The Board agrees The National Archives' strategic direction, and provides the Chief Executive with specific advice, support and challenge on:

- Our purpose, public task and values
- The robustness of our input and impact indicators and other business performance measures
- Our plans, year-on-year business priorities, performance and key risks
- Our accountability to stakeholders, including stewardship of public funds
- The effectiveness of our internal control arrangements
- Our key investment decisions.

Supporting and informing the work of the Management Board are two additional governance bodies: the Executive Team and the Audit Committee.

The Executive Team consists of the Chief Executive and all six Directors. The Team meets weekly to:

- Consider and respond to current business issues
- Agree on the handling of key operational issues, especially those which cut across the departments
- Allocate human and financial resources in alignment with the strategic direction and business plan
- Ensure that the strategic plans agreed by the Management Board are implemented
- Control The National Archives' financial position and performance against a range of indicators on a monthly basis
- Review strategic risks to the organisation quarterly (as a minimum).

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

The Audit Committee meets quarterly and is the main oversight committee for the organisation. The Committee is chaired by a Non-executive Director and all other Non-executive Directors are members. The Chief Executive and representatives from the National Audit Office and The National Archives' internal auditors (RSM Tenon) attend each meeting. A number of Directors and senior staff also attend each meeting.

The main purpose of the Audit Committee is to:

- Review the effectiveness of the assurance framework
- Provide an opinion on how well the Board and Accounting Officer are supported in decision-taking and in discharging their accountability obligations (particularly in respect of financial reporting)
- Ensure that adequate audit arrangements are in place
- Verify that risk management processes work effectively.

The Audit Committee undertakes an annual review of its effectiveness using the National Audit Office's 'The Committee Self-Assessment Checklist'.

The Remuneration Committee is chaired by a Non-executive Director. The Committee moderates the pay awards proposed by the Chief Executive for the Executive Team and Senior Civil Service staff in The National Archives, in line with guidance provided by Cabinet Office and the Ministry of Justice.

### The Board's performance

The Management Board assesses the effectiveness of each of its meetings as an agenda item. Challenge is provided by the Non-executive Directors and other Board members. The Board is informed by findings of the latest internal audit of The National Archives' governance structures. In this, the Board is aware of the need for a formal review of its effectiveness and has started to commission a formal independent review. We expect this to be completed during 2012-13.

## Highlights of Board and Committee reports

The Management Board has a rolling agenda. Standing agenda items are:

- Budget and quarterly forecasting
- Monthly financial and quarterly performance reporting
- Strategic risk management
- New initiatives
- Updates on major capital and business change projects
- Business continuity
- New corporate policies, for example The National Archives' Anti-Bribery Policy which was approved and published during the year
- Sustainability and carbon management
- Equality and diversity.

Summaries of the discussions at Management Board meetings are available at [nationalarchives.gov.uk/about/management.htm](http://nationalarchives.gov.uk/about/management.htm)

At its last meeting in the financial year the Audit Committee agrees its agenda for the following year.

Reports and updates received during 2011-12 were:

- Draft Annual Report and Accounts
- National Audit Office Management Letter
- Stewardship and accountability reporting
- Head of Internal Audit annual report
- Internal Audit strategy and work plan
- External Audit strategy and work plan
- Reports and recommendations from internal audits and progress reports on implementation of recommendations
- Draft Statement on Internal Control for 2010-11
- Audit Committee Annual Report

- Fraud
- Security (physical, information assurance and data handling)
- Health and safety
- Environment and sustainability
- Audit Committee effectiveness
- Whistle-blowing
- Business continuity
- Corporate and business planning and corporate performance.

## Corporate governance

As a non-ministerial department The National Archives adopts and adheres to HM Treasury's *Corporate Governance in Central Government: Code of Good Practice 2011* to the extent that it is practical, appropriate and not incompatible with any statutory or other authoritative requirements. The National Archives aims to comply with principles of the code that it considers are commensurate with its size, status and legal framework as a non-ministerial government department and an executive agency of the Ministry of Justice. During 2011-12 the Board took action to address one area of non-compliance, namely a formal review of its effectiveness (see The Board's performance above).

During 2011-12 the Board appointed a Non-executive Director with cultural sector expertise and in 2012-13 intends to recruit to its existing vacancy a Non-executive Director with a track record of commercial delivery and expertise to ensure the Board continues to have an appropriate mix of skills and expertise.

The Board met 10 times during 2011-12. The Chief Executive, Directors and Non-executive Directors attended the following numbers of Management Board meetings during the year:



Oliver Morley	Chief Executive	10
Clem Brohier	Director, Finance and Performance	10
Mary Gledhill	Director, Commercial Services <sup>17</sup>	4
Jeff James	Director, Operations and Services	8
Caroline Ottaway-Searle	Director, Human Resources and Organisational Development	10
David Thomas	Director, Technology	10
Carol Tullo	Director, Information Policy and Services	8
Mark Addison CB	Non-executive Director	10
Bronwen Curtis CBE	Non-executive Director <sup>18</sup>	6
Prof Lisa Jardine CBE	Non-executive Director <sup>19</sup>	3
Trevor Spires CBE	Non-executive Director	10

The Audit Committee met five times during 2011-12. In addition to its regular quarterly meetings, a fifth meeting was held specifically to approve the content of the Statement on Internal Control for 2010-11. Representatives from our internal and external auditors attend all quarterly Audit Committee meetings.

The Audit Committee monitors the implementation of recommendations made by the internal auditors, taking reports and evidence of progress as a standing agenda item. The internal auditors also conduct an annual review to follow up their recommendations, which provides further independent assurance to the committee. Any overdue recommendations are reported to the Executive Team in advance of each committee meeting, and directors may be called to appear before the committee to account for slippage on implementation dates. Reports from the internal auditors are copied to committee members as soon as they are finalised and the minutes of committee meetings are circulated to Management Board members.

## Managing our risks

The National Archives has a well-established approach to the management of risk at all levels and uses risk management as an enabling tool to balance risk and innovation across the organisation. Risks facing The National Archives fall under the following categories:

- Financial
- Operational
- Reputational: general
- Reputational: government
- Compliance: legal
- Compliance: data and information management.

The degree of risk is measured by considering likelihood and impact. To describe our appetite for each category of risk, the Executive Team sets maximum 'residual risk' scores and the Board expects that risks at all levels in the organisation will be

<sup>17</sup> Appointed 31 October 2011

<sup>18</sup> Resigned 31 January 2012

<sup>19</sup> Appointed 1 December 2011

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managed within these scores. Where a risk exceeds its residual risk score, remedial action is taken to reduce either likelihood or impact, where it is cost-effective to do so. The categories and their residual risk scores are formally reviewed each year by the Executive Team.

The Executive Team has identified a set of strategic risks, linked to our strategic and business priorities and informed by internal developments, external influences and longer-term commitments. These risks, if not properly managed, would compromise our ability to provide our statutory services or diminish these services to a degree unacceptable to our users. Each strategic risk is owned by a member of the Executive Team and they are regularly reviewed by the Executive Team, Management Board and Audit Committee. The risks are updated as necessary.

The strategic risks identified for 2011-12 were:

- Economy/money
- External changes to our strategy and positioning
- Staff, leadership and culture
- Capability in government
- Information assurance, security and management
- Response to national Civil Service-wide industrial action
- Capability in the archive sector.

No new strategic risks were identified during the year, though our descriptions of the risks and their causes and effects were amended in response to external changes. Identifying and managing risk is not a barrier to efficiency, effectiveness or innovation, and managing our strategic risks has a minimal impact on our activities unless additional controls need to be introduced. As far as possible we incorporate risk mitigations into our business-as-usual activities, reinforcing the message that risk management is the responsibility of all staff.

During the year we changed our approach to managing risks below the strategic level, introducing more frequent (but less bureaucratic) reporting and clearer accountability. We piloted our new approach successfully in two directorates during the first half of the year and rolled it out to the remaining four during the second half. Risks below the strategic level are now recorded, reviewed and managed by directors and their management teams. A directorate's risk register captures what are considered exceptional risks. These will normally:

- Be finite
- Require new or enhanced risk mitigation or control
- Be clearly linked with an organisation or service priority.

We expect that over time most directorate risks will be managed as 'business as usual', but exceptionally, directorate risks may be escalated to The National Archives' strategic risk register. At operational level, risks are managed on a day-to-day basis. Directors receive assurance on operational risks through quarterly accountability statements from their direct reports. These statements in turn inform the director's own quarterly statement. Any significant governance or performance issues highlighted are raised with the Audit Committee.

Authors of accountability statements assess the maturity of risk management in their areas of responsibility and provide evidence for their assessment. Authors are also required to provide assurance that their staff comply with key corporate policies including:

- Financial procedure rules
- Government Procurement Card policy
- Cash security policy
- Data protection and information handling policy
- Fraud policy
- Anti-bribery policy (published during 2011-12)
- Conflict of interest policy.



## Information risk

Mitigating risks to our information continues to be a key focus for us and we have implemented new processes and technologies to ensure that we are able to meet the new and emerging threats to our ICT systems and online services. We have recently taken a lead role on the governance of information risk within UK government and will be working hard to demonstrate that we are an exemplar in this field.

## Lapses in data security

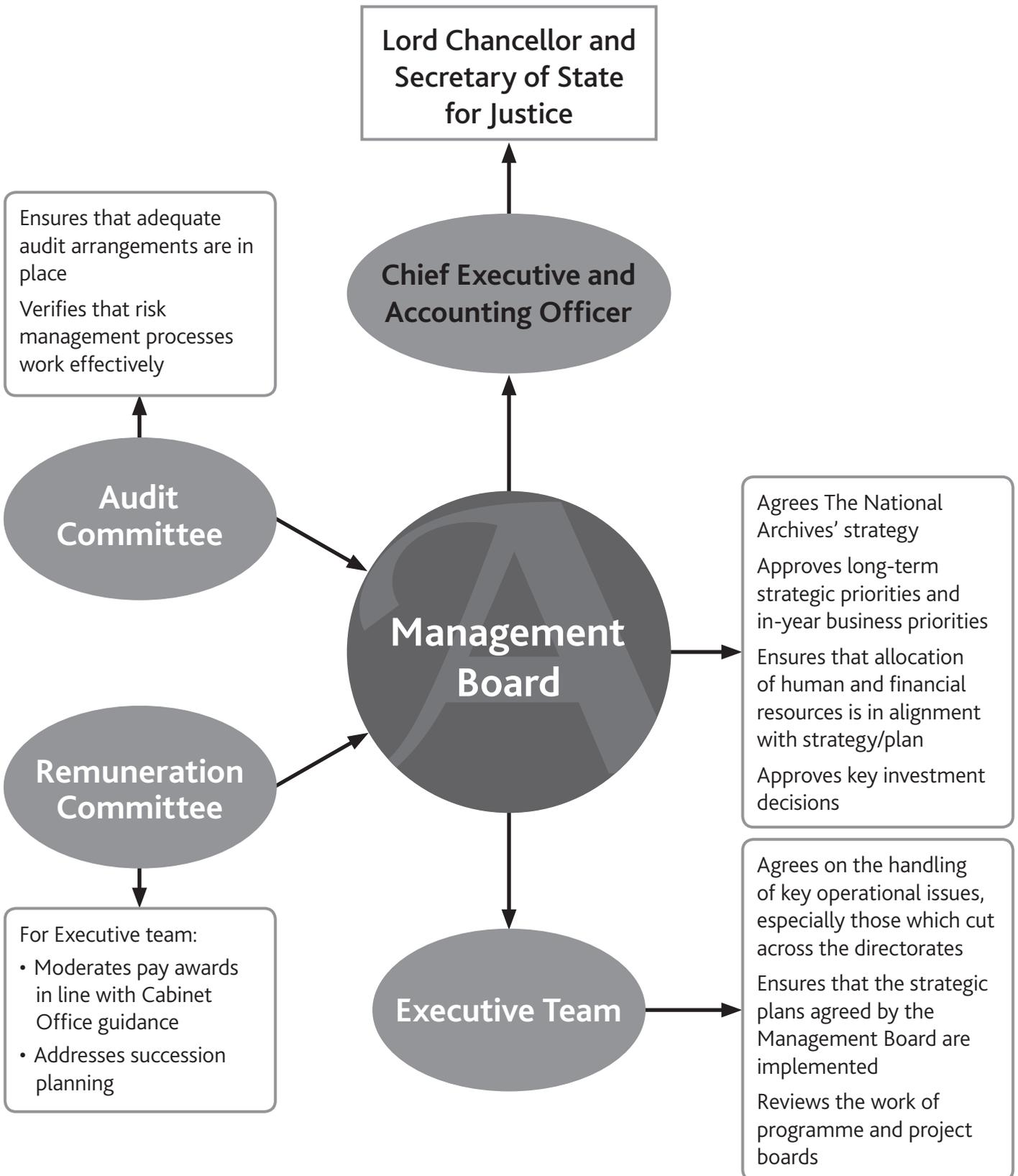
There were no lapses in data security in The National Archives during 2011-12 and therefore none were reported.

## Reporting of personal data-related incidents

There were no personal data-related incidents in The National Archives in 2011-12. Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK information legislation.

Oliver Morley  
Accounting Officer  
8 June 2012

## 4.1 The National Archives' governance structure





## 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 2012 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Department’s Statement of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers’ Equity and the related notes. I have also audited the Statement of Parliamentary Supply 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 Accounting Officer; 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.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also 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 recorded in the financial statements conform to the authorities which govern them.

#### Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2012 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements 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 2012 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 Annual Report 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 Governance Statement 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

19 June 2012

## 6 Accounts summary

### Statement of Parliamentary Supply

#### Summary of resource and capital outturn 2011-12

	2011-12 Estimate			2011-12 Outturn			2011-12	2010-11
	Voted	Non-voted	Total	Voted	Non-voted	Total	Voted outturn compared with Estimate: saving/(excess)	Net Total
Note	£000	£000	£000	£000	£000	£000	£000	£000
Departmental Expenditure Limit								
- Resource	38,140	-	38,140	37,367	-	37,367	773	38,224
- Capital	3,920	-	3,920	3,819	-	3,819	101	5,849
Annually Managed Expenditure								
- Resource	(401)	-	(401)	(403)	-	(403)	2	(119)
- Capital	-	-	-	-	-	-	-	-
<b>Total</b>	<b>41,659</b>	<b>-</b>	<b>41,659</b>	<b>40,783</b>	<b>-</b>	<b>40,783</b>	<b>876</b>	<b>43,954</b>
Total Resource	3 37,739	-	37,739	36,964	-	36,964	775	38,105
Total Capital	3,920	-	3,920	3,819	-	3,819	101	5,849
<b>Total</b>	<b>41,659</b>	<b>-</b>	<b>41,659</b>	<b>40,783</b>	<b>-</b>	<b>40,783</b>	<b>876</b>	<b>43,954</b>

#### Net Cash Requirement

	2011-12 Estimate		2011-12 Outturn		2011-12	2010-11
Note	£000	£000	£000	£000	Outturn compared with Estimate: saving/(excess)	£000
Net Cash Requirement	4	36,389		36,319	70	39,160

#### Administration Costs

	2011-12 Estimate		2011-12 Outturn		2010-11 Outturn
Note	£000	£000	£000	£000	£000
Administration Costs	3	9,000		8,704	9,615

Explanations of variances between Estimate and Outturn are given in Note 2 and in the management commentary. The notes on pages 52 to 74 form part of these accounts

## Statement of Comprehensive Net Expenditure

for the year ended 31 March 2012

	Note	2011-12 £000	2010-11 (Restated) £000
<b>Administration costs:</b>			
- Staff costs	5	5,242	5,731
- Other costs	6	3,491	3,922
- Income	8	(29)	(38)
<b>Programme costs:</b>			
- Staff costs	5	18,532	18,860
- Other costs	7	18,034	18,934
- Income	8	(8,306)	(9,239)
<b>Net Operating Cost for the year ended 31 March 2012</b>		<b>36,964</b>	<b>38,170</b>
Total Expenditure		45,299	47,447
Total Income		(8,335)	(9,277)
<b>Net Operating Cost for the year ended 31 March 2012</b>		<b>36,964</b>	<b>38,170</b>
<b>Other Comprehensive Expenditure</b>			
Net (gain)/loss on:			
- revaluation of property, plant and equipment		(28,277)	(5,979)
- revaluation of intangibles		(3,164)	(3,003)
<b>Total comprehensive expenditure for the year ended 31 March 2012</b>		<b>5,523</b>	<b>29,188</b>

The notes on pages 52 to 74 form part of these accounts

## Statement of Financial Position

as at 31 March 2012

	Note	31 March 2012		31 March 2011 (Restated)	
		£000	£000	£000	£000
<b>Non-current assets:</b>					
Property, plant and equipment	9	134,013		106,756	
Intangible assets	10	13,561		10,571	
Trade receivables falling due after more than one year	14	<u>433</u>		<u>349</u>	
<b>Total non-current assets</b>			<b>148,007</b>		<b>117,676</b>
<b>Current assets:</b>					
Inventories	13	135		114	
Trade and other receivables	14	456		270	
Other current assets	14	2,354		1,313	
Cash and cash equivalents	15	<u>70</u>		<u>52</u>	
<b>Total current assets</b>			<b>3,015</b>		<b>1,749</b>
<b>Total assets</b>			<b>151,022</b>		<b>119,425</b>
<b>Current liabilities</b>					
Trade and other payables	17	(388)		(1,073)	
Provisions	18	(96)		(400)	
Other liabilities	17	<u>(7,311)</u>		<u>(5,659)</u>	
<b>Total current liabilities</b>			<b>(7,795)</b>		<b>(7,132)</b>
<b>Non-current assets less net current liabilities</b>			<b>143,227</b>		<b>112,293</b>
<b>Non-current liabilities:</b>					
Other liabilities	17	(999)		(823)	
Provisions	18	<u>(93)</u>		<u>(192)</u>	
<b>Total non-current liabilities</b>			<b>(1,092)</b>		<b>(1,015)</b>
<b>Assets less liabilities</b>			<b>142,135</b>		<b>111,278</b>
<b>Taxpayers' equity:</b>					
General fund			76,430		76,116
Donated asset reserve			13		-
Revaluation reserve			<u>65,692</u>		<u>35,162</u>
<b>Total taxpayers' equity</b>			<b>142,135</b>		<b>111,278</b>



Oliver Morley

Accounting Officer

8 June 2012

The notes on pages 52 to 74 form part of these accounts

## Statement of Cash Flows

for the year ended 31 March 2012

	Note	2011-12 £000	2010-11 (Restated) £000
<b>Cash flows from operating activities</b>			
Net operating cost	3	(36,964)	(38,170)
Adjustments for non-cash transactions	6,7	5,427	5,777
(Increase)/decrease in trade and other receivables	14	(1,311)	767
Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure		-	18
(Increase)/decrease in inventories	13	(21)	38
Increase/(decrease) in payables	17	1,126	(1,582)
Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	9	(209)	(549)
Use of provisions	18	(393)	(152)
<b>Net cash outflow from operating activities</b>	<b>4</b>	<b>(32,345)</b>	<b>(33,853)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	(3,953)	(5,307)
Purchase of intangible assets	10	(21)	-
Proceeds of disposal of property, plant and equipment		-	-
<b>Net cash outflow from investing activities</b>	<b>4</b>	<b>(3,974)</b>	<b>(5,307)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		36,337	39,133
<b>Net financing</b>		<b>36,337</b>	<b>39,133</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>			
		<b>18</b>	<b>(27)</b>
Payments of amounts due to the Consolidated Fund		-	-
Cash and cash equivalents at the beginning of the period	15	<u>52</u>	<u>79</u>
Cash and cash equivalents at the end of the period	15	<u>70</u>	<u>52</u>

The notes on pages 52 to 74 form part of these accounts

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2012

	Note	General Fund £000	Revaluation Reserve £000	Donated Asset Reserve £000	Total Reserves £000
<b>Balance at 31 March 2010</b>		74,150	27,104	-	101,254
- Valuation of licensed internet associateships - IAS 38		-	2,153	-	2,153
<b>Restated balance at 1 April 2010</b>		<b>74,150</b>	<b>29,257</b>	<b>-</b>	<b>103,407</b>
<b>Changes in taxpayers' equity for 2010-11</b>					
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		-	-	-	-
Comprehensive expenditure for the year		(38,170)	6,829	-	(31,341)
Non-cash charges - auditors remuneration	6	52	-	-	52
Transfers between reserves		924	(924)	-	-
<b>Balance at 31 March 2011</b>		<b>76,116</b>	<b>35,162</b>	<b>-</b>	<b>111,278</b>
<b>Changes in taxpayers' equity for 2011-12</b>					
Net Parliamentary funding - drawn down		36,337	-	-	36,337
Net Parliamentary funding - deemed	15	52	-	-	52
Supply (payable)/receivable adjustment	15	(70)	-	-	(70)
CFERS payable to the Consolidated Fund		-	-	-	-
Comprehensive expenditure for the year		(36,964)	31,441	-	(5,523)
Non-cash charges - auditors remuneration	6	48	-	-	48
Receipt of donated assets	9	-	-	13	13
Transfers between reserves		911	(911)	-	-
<b>Balance at 31 March 2012</b>		<b>76,430</b>	<b>65,692</b>	<b>13</b>	<b>142,135</b>

The notes on pages 52 to 74 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 2011-12 *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 an additional primary statement. The Statement of Parliamentary Supply and supporting notes to show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

#### 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 has been carried out in this financial year

(See note 9). Other non-current assets are stated at fair value using appropriate indices only where their values are material with respect to the overall net book value of non-current assets held. Where indices are not applied, depreciated historical cost is considered as a proxy for fair value, as per FReM 6.2.7(h).

Following a review during the year, the minimum level for capitalisation of an individual tangible non-current asset was increased from £1,000 to £5,000. Where bulk purchases are made for individual assets whose unit costs are below the threshold, but on aggregate exceed £30,000 within a financial year, the assets are capitalised.

#### 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/](http://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 by the time they are 30 years old at which



point they are usually released to the public, however many are transferred earlier. The records held by The National Archives span over 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

preserved for over nine centuries and is now cared for 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 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 25 years
Furniture and fittings	up to 10 years
Transport equipment	up to 10 years
Software licences	up to 5 years

Licensed internet associations	indefinite
Revenue generating databases	indefinite

### 1.6 Inventories

Current asset stocks, 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 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. This liability is reviewed annually.

### 1.9 Administration and programme expenditure

Following the 2010 spending review, from 1 April 2011, The National Archives reports administrative expenditure separately to programme expenditure, in line with HM Treasury requirements

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs as set out by HM Treasury in the *Consolidated Budgeting Guidance*.

Costs classified as administration expenditure include costs to cover functions of finance, information technology, procurement, human resources and organisational development. Other costs include corporate planning and strategy services, internal corporate communications, corporate governance and board management, knowledge and information management; and project management.

Programme expenditure reflects the total costs of service delivery excluding all aforementioned administrative costs, of The National Archives. These costs are for 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.

### 1.10 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. See note 5.

### 1.11 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 2.8% in real terms).

### 1.12 Operating leases

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

### 1.13 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.

### 1.14 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 are stated at the amounts reported to Parliament.

### 1.15 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 2012 the value of those cash assets was £9,907. 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.

### 1.16 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.

### 1.17 Prior period adjustments

The methodology used to value licensed internet associateships has been amended to align the period over which cashflows are forecasted to the standard 10 year period over which the licences are given out and to phase the cashflows in accordance to an anticipated profile of income receipts. 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. The effect of this change in methodology has resulted in a £2,153 million increase in the 2010-11 valuation of licensed internet associateships.

## 2. Net Outturn

### 2a. Analysis of net resource outturn by section

	Administration			Programme			2011-12	2011-12 Estimate Net Total outturn compared with Estimate compared with Net Total Estimate	2010-11 Total	
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	2011-12 Outturn Total £000			
Spending in Departmental Expenditure Limit										
- voted	8,733	(29)	8,704	36,969	(8,306)	28,663	37,367	38,140	773	38,224
Annually Managed Expenditure										
- Resource Outturn	-	-	-	(403)	-	(403)	(403)	(401)	2	(119)
<b>Total</b>	<b>8,733</b>	<b>(29)</b>	<b>8,704</b>	<b>36,566</b>	<b>(8,306)</b>	<b>28,260</b>	<b>36,964</b>	<b>37,739</b>	<b>775</b>	<b>38,105</b>

### 2b. Analysis of net capital outturn by section

							2011-12	2011-12 Estimate Net Total outturn compared with Estimate compared with Net Total Estimate	2010-11 Total
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	2011-12 Outturn Total £000		
Spending in Departmental Expenditure Limit									
- voted				4,181	(362)	3,819	3,920	101	5,849
Annually Managed Expenditure									
- Resource Outturn				-	-	-	-	-	-
<b>Total</b>				<b>4,181</b>	<b>(362)</b>	<b>3,819</b>	<b>3,920</b>	<b>101</b>	<b>5,849</b>

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 outturn to net operating cost and against Administration budget

#### 3a. Reconciliation of net resource outturn to net operating cost

	2011-12 Outturn £000	2010-11 Outturn (Restated) £000
Total resource outturn in Statement of Parliamentary Supply	36,964	38,105
Prior period adjustments		
Valuation of databases - IAS 38	-	37
Valuation of licensed internet associateships - IAS 38	-	28
<b>Net Operating Cost in the Statement of Comprehensive Net Expenditure</b>	<b>36,964</b>	<b>38,170</b>

#### 3b. Outturn against final Administration budget

	2011-12 Outturn £000	2010-11 Outturn (Restated) £000
Administration Costs	8,733	9,653
Income relating to administration costs	(29)	(38)
<b>Net outturn - administration costs</b>	<b>8,704</b>	<b>9,615</b>
<b>Administration costs limit - Estimate</b>	<b>9,000</b>	<b>n/a</b>

### 4. Reconciliation of statement of cash flows to net cash requirement

	Note	2011-12 Outturn £000	2010-11 Outturn (Restated) £000
Net cash requirement		(36,319)	(39,160)
From the Consolidated Fund (Supply) - current year		36,337	39,133
From the Consolidated Fund (Supply) - prior year		52	79
Amounts due to the Consolidated Fund received and not paid over		(52)	(79)
Amounts due to the Consolidated Fund received in prior year and paid over		-	-
<b>Increase/(decrease) in cash</b>		<b>18</b>	<b>(27)</b>

## 5. Staff costs

a) Staff costs consist of:

			2011-12	2010-11
	Total	Permanently Employed Staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	19,309	18,450	859	20,023
Social Security costs	1,476	1,476	-	1,456
Other pension costs	3,201	3,201	-	3,336
<b>Sub total</b>	<b>23,986</b>	<b>23,127</b>	<b>859</b>	<b>24,815</b>
Less recoveries in respect of outward secondments	(212)	(212)	-	(224)
<b>Total net costs</b>	<b>23,774</b>	<b>22,915</b>	<b>859</b>	<b>24,591</b>

No staff costs were capitalised during the year

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.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)).

c) For 2011-12, employers' contributions of £3,149,333 were payable to the PCSPS (2010-11: £3,231,597) at one of four rates in the range 16.7 to 24.3% (2010-11: 16.7 to 24.3%) of pensionable pay, based on salary bands. The scheme 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 2011-12 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 pension account – a stakeholder pension with an employer contribution. During 2011-12, employers' contributions of £70,092 were paid to one or more of a panel of three appointed stakeholder pension providers (2010-11: £74,604). 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 £4,642 (2010-11: £4,735), 0.8% (2010-11: 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.

Contributions due to the partnership pension providers at the end of the reporting date were £8,114 (2010-11: £8,463). Contributions pre-paid at that date were nil.

e) The average number of full-time equivalent persons employed, including senior management, during the year was 590. Further details are shown in table 5 of the core financial tables on page 25.

f) Contractors and temporary staff costs decreased from £1.4 million in 2010-11 to £0.86 million in 2011-12, reflecting the lower use of temporary staff to fill resource requirements on a short-term basis to meet the needs of specific projects during the year.



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

(numbers in brackets are comparatives for 2010-11)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	- (-)	- (< 5)	- (< 5)
£10,000 - £24,999	- (-)	< 5 (< 5)	< 5 (< 5)
£25,000 - £49,999	- (-)	- (< 5)	- (< 5)
£50,000 - £99,999	- (-)	< 5 (-)	< 5 (-)
£100,000 - £149,999	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
<b>Total number of exit packages by type</b>	- (-)	3 (6)	3 (6)
<b>Total resource cost - £</b>	- (-)	<b>103,370 (93,844)</b>	<b>103,370 (93,844)</b>

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.

## 6. Other Administration costs

	2011-12		2010-11 (Restated)	
	£000	£000	£000	£000
<b>Non-cash items:</b>				
Depreciation and amortisation				
- Civil Estate	594		575	
- Other non current assets	412		476	
Auditor's remuneration - audit work	48		52	
		1,054		1,103
<b>Other expenditure</b>				
Accommodation	315		309	
Consultancy	9		14	
Government dataset preservation	-		385	
Travel, subsistence and hospitality	33		57	
Recruitment and training	368		410	
IT maintenance	707		633	
Conferences	4		6	
Minor software and hardware	258		360	
Legal expenses	28		37	
Telecommunications	114		136	
Other expenditure	548		408	
Internal audit	53		64	
		2,437		2,819
		3,491		3,922

## 7. Programme costs

	2011-12		2010-11 (Restated)	
	£000	£000	£000	£000
<b>Rentals under operating leases:</b>				
Hire of plant and machinery	78		145	
		<b>78</b>		<b>145</b>
<b>Non-cash items:</b>				
Depreciation and amortisation				
- Civil Estate	2,377		2,302	
- Other non current assets	1,647		1,895	
Downward revaluation of non current assets	-		437	
Loss on disposal of non current assets	359		7	
Provisions:				
- Provided in year - early retirement	-		53	
- Unwinding of discount on provisions	1		-	
- Provided/(released) in year - bad debt	(11)		(20)	
		<b>4,373</b>		<b>4,674</b>
<b>Other expenditure</b>				
Accommodation	7,293		6,151	
Travel, subsistence and hospitality	252		274	
Recruitment and training	44		71	
Digitisation & microfilming	227		508	
IT maintenance	839		1,869	
Cost of shop sales	161		153	
Conferences	26		26	
Minor software and hardware	186		322	
Record copying materials	3		5	
Legal expenses	156		120	
Telecommunications	-		27	
Other expenditure	3,281		2,831	
Public access	1,115		1,758	
		<b>13,583</b>		<b>14,115</b>
		<b>18,034</b>		<b>18,934</b>

## 8. Income

	2011-12 £000	2010-11 £000
Operating income analysed by classification and activity, is as follows:		
Income:		
Fees and charges to external customers	7,408	7,141
Fees and charges to other government departments	934	2,149
EU Funding income	(7)	(13)
	<b>8,335</b>	<b>9,277</b>

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

	2011-12 Income £000	2011-12 Full cost £000	2011-12 (Deficit)/Surplus £000
Reprographic services	529	835	(306)
Information and Publishing	5,275	4,121	1,154
Externally funded projects	1,272	1,291	(19)
Other	1,259	1,259	-
	<b>8,335</b>	<b>7,506</b>	<b>829</b>

	2010-11 (Restated) Income £000	2010-11 (Restated) Full cost £000	2010-11 (Restated) (Deficit)/Surplus £000
Reprographic services	812	783	29
Information and Publishing	5,058	4,315	743
Externally funded projects	2,234	2,351	(117)
Other	1,173	1,173	-
	<b>9,277</b>	<b>8,622</b>	<b>655</b>

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
<b>Cost or valuation</b>								
At 1 April 2011	18,200	108,968	5,320	7,630	184	11,924	2,776	155,002
Additions	-	576	1,170	16	-	476	1,924	4,162
Donations	-	-	-	13	-	-	-	13
Reclassification	-	1,634	1,587	-	-	(550)	(2,671)	-
Disposals	-	-	(87)	(6)	-	(570)	-	(663)
Revaluation	-	(10,152)	-	-	-	-	-	(10,152)
<b>At 31 March 2012</b>	<b>18,200</b>	<b>101,026</b>	<b>7,990</b>	<b>7,653</b>	<b>184</b>	<b>11,280</b>	<b>2,029</b>	<b>148,362</b>
<b>Depreciation</b>								
At 1 April 2011	-	35,067	1,494	2,577	86	9,022	-	48,246
Charged in year	-	2,971	702	174	13	976	-	4,836
Reclassification	-	394	43	-	-	(437)	-	-
Disposals	-	-	(85)	(5)	-	(211)	-	(301)
Revaluation	-	(38,432)	-	-	-	-	-	(38,432)
<b>At 31 March 2012</b>	<b>-</b>	<b>-</b>	<b>2,154</b>	<b>2,746</b>	<b>99</b>	<b>9,350</b>	<b>-</b>	<b>14,349</b>
<b>Net Book Value at 31 March 2012</b>	<b>18,200</b>	<b>101,026</b>	<b>5,836</b>	<b>4,907</b>	<b>85</b>	<b>1,930</b>	<b>2,029</b>	<b>134,013</b>
<b>Net Book Value at 31 March 2011</b>	<b>18,200</b>	<b>73,901</b>	<b>3,826</b>	<b>5,053</b>	<b>98</b>	<b>2,902</b>	<b>2,776</b>	<b>106,756</b>

	Land £000	Buildings £000	Plant and machinery £000	Furniture and fittings £000	Transport equipment £000	Information technology £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>								
<b>At 1 April 2010</b>	18,200	99,176	3,028	7,750	184	11,257	1,827	141,422
Additions	-	984	1,253	-	-	843	2,776	5,856
Donations	-	-	-	-	-	-	-	-
Reclassification	-	392	810	-	-	625	(1,827)	-
Disposals	-	-	(2)	(20)	-	(153)	-	(175)
Revaluation	-	8,416	231	(100)	-	(648)	-	7,899
<b>At 31 March 2011</b>	<b>18,200</b>	<b>108,968</b>	<b>5,320</b>	<b>7,630</b>	<b>184</b>	<b>11,924</b>	<b>2,776</b>	<b>155,002</b>
<b>Depreciation</b>								
<b>At 1 April 2010</b>	-	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
<b>At 31 March 2011</b>	<b>-</b>	<b>35,067</b>	<b>1,494</b>	<b>2,577</b>	<b>86</b>	<b>9,022</b>	<b>-</b>	<b>48,246</b>
<b>Net Book Value at 31 March 2011</b>	<b>18,200</b>	<b>73,901</b>	<b>3,826</b>	<b>5,053</b>	<b>98</b>	<b>2,902</b>	<b>2,776</b>	<b>106,756</b>
<b>Net Book Value at 31 March 2010</b>	<b>18,200</b>	<b>69,479</b>	<b>2,009</b>	<b>5,304</b>	<b>114</b>	<b>3,365</b>	<b>1,827</b>	<b>100,298</b>

#### Notes

- a) Furniture and fittings valued at £13,000 were donated to The National Archives during the financial year.
- b) Freehold land and buildings were valued on 31 March 2012 at £121 million on the basis of depreciated replacement cost by an external firm of Chartered Surveyors, BNP Paribas Real Estate UK. Their valuation, which assumed that ongoing works to our roof had been completed, was carried out in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. The valuation of £121 million is reduced by approximately £318,000, which represents the outstanding capital costs to be incurred to complete the roof works. The valuation in the note above is made up of £18.2 million in land, £101.0 million in buildings and the remaining £1.4 million is recorded within assets under construction. In years where there is no professional valuation exercise, revaluation is derived from the relevant indices as appropriate.
- c) 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
<b>Cost or valuation</b>					
At 1 April 2011	1,895	1,942	8,357	-	12,194
Additions	21	-	-	-	21
Disposals	-	-	-	-	-
Impairments	-	-	-	-	-
Revaluation	-	-	3,164	-	3,164
<b>At 31 March 2012</b>	<b>1,916</b>	<b>1,942</b>	<b>11,521</b>	<b>-</b>	<b>15,379</b>
<b>Amortisation</b>					
At 1 April 2011	1,623	-	-	-	1,623
Charged in year	195	-	-	-	195
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
<b>At 31 March 2012</b>	<b>1,818</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,818</b>
<b>Net Book Value at 31 March 2012</b>	<b>98</b>	<b>1,942</b>	<b>11,521</b>	<b>-</b>	<b>13,561</b>
<b>Net Book Value at 31 March 2011</b>	<b>272</b>	<b>1,942</b>	<b>8,357</b>	<b>-</b>	<b>10,571</b>

	Software licences £000	Databases £000	Licensed internet associateships £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2010	2,012	1,808	5,488	-	9,308
Additions	-	-	-	-	-
Impairments	-	-	-	-	-
Revaluation	(117)	134	2,869	-	2,886
<b>At 31 March 2011</b>	<b>1,895</b>	<b>1,942</b>	<b>8,357</b>	<b>-</b>	<b>12,194</b>
<b>Amortisation</b>					
At 1 April 2010	1,427	-	-	-	1,427
Charged in year	279	-	-	-	279
Impairments	(83)	-	-	-	(83)
<b>At 31 March 2011</b>	<b>1,623</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,623</b>
<b>Net Book Value at 31 March 2011</b>	<b>272</b>	<b>1,942</b>	<b>8,357</b>	<b>-</b>	<b>10,571</b>
<b>Net Book Value at 31 March 2010</b>	<b>585</b>	<b>1,808</b>	<b>5,488</b>	<b>-</b>	<b>7,881</b>

### Note

The impairment of intangible assets of £Nil (2010-11: £Nil) has been charged in full to the Statement of Comprehensive Net Expenditure. At the end of 2011-12, the amount held in the revaluation reserve relating to intangible assets is £6,167 million (2010-11: £3,003 million)

## 11. Further information on heritage assets

### 11a. Preservation and management

Acquisition of heritage assets is through government bodies selecting records for permanent preservation and transferring these records to The National Archives by the time they are 30 years old, at which point they are usually released to the public. Many records are however transferred earlier.

In the year to March 2012, we received records covering 373 metres of shelving (865 metres in 2010-11). The vast majority of these records (we estimate around 96%) 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 1,857 snapshots of websites for the UK government web archive (3,934 in 2010-11). Meterage in 2010-11 was exceptionally high, due to our receipt of large one-off collections such as those from Ministry of Justice and Companies House which alone accounted for approximately 250 metres. Reductions in the level of snapshots of websites taken were due to the lower frequency with which websites were captured and a reduction in the number of government websites. This reduction does not affect the completeness of the web archive in any way. Indeed we have had great success in capturing more content and making it accessible due to technological developments.

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. 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 involves first establishing the file formats of the accessioned records and then preserving the original manifestation of the record using passive "bit level" preservation; this ensures the secure storage and

fundamental integrity of the record. As with physical records, a regular assessment of the risk of records becoming unfit for presentation is made and should a format be identified as posing a risk, action to migrate records in that format (or to otherwise mitigate that risk) is taken. The National Archives will always maintain the original manifestation of the record as transferred together with any 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 2011-12 £1,554,342 was recognised (2010-11: £1,642,787).

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 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 sixty 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 11am.

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, many using volunteers, 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.

### 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 – both existing and new. Below is a sensitivity analysis of the effects of changes in the forecast assumptions on the amounts disclosed in the accounts. For forecast income higher than the percentages tested below, the increase in valuation for revenue generating databases is approximately £17,900 per additional percentage and £115,200 for licensed internet associateships.

Market risk - assumptions tested	Increase/ (decrease) in 2011-12 valuation £000	Increase/ (decrease) in 2011-12 impairment £000
2012-13 income 10% less than forecast for revenue generating databases	(194)	73
2012-13 income 10% higher than forecast for revenue generating databases	194	-
2012-13 income 10% less than forecast for licensed internet associateships	(1,152)	1,152
2012-13 income 10% higher than forecast for licensed internet associateships	1,152	-

### 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.

### 13. Inventories

	2011-12	2010-11
	£000	£000
Publishing and shop stocks	123	97
Reprographic materials	12	17
	<b>135</b>	<b>114</b>

### 14. Trade receivables and other current assets

	2011-12	2010-11
	£000	£000
<b>Amounts falling due within one year:</b>		
VAT	160	18
Trade receivables	456	270
Other receivables	35	50
Deposits and advances	56	58
Prepayments and accrued income	2,103	1,187
	<b>2,810</b>	<b>1,583</b>
<b>Amounts falling due after one year:</b>		
Prepayments and accrued income	433	349
	<b>433</b>	<b>349</b>
<b>Total receivables</b>	<b>3,243</b>	<b>1,932</b>

#### 14.1 Intra-government balances

	2011-12	2010-11
	£000	£000
<b>Intra-government balances falling within one year</b>		
Balances with other central government bodies	161	32
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b>Intra-government balances</b>	<b>161</b>	<b>32</b>
Balances with bodies external to government	2,649	1,551
<b>Total receivables and current assets at 31 March</b>	<b>2,810</b>	<b>1,583</b>



	2011-12	2010-11
	£000	£000
<b>Intra-government balances falling due after year</b>		
Balances with other central government bodies	-	-
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b>Intra-government balances</b>	-	-
Balances with bodies external to government	433	349
<b>Total non-current receivables at 31 March</b>	<b>433</b>	<b>349</b>
<b>Total receivables</b>	<b>3,243</b>	<b>1,932</b>

## 15. Cash and cash equivalents

	2011-12	2010-11
	£000	£000
Balance at 1 April	52	79
Net change in and cash equivalents	18	(27)
<b>Balance at 31 March</b>	<b>70</b>	<b>52</b>

The following balances at 31 March are held at:

Office of HM Paymaster General	56	38
Cash in hand	14	14
<b>Balance at 31 March</b>	<b>70</b>	<b>52</b>

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

	2011-12	2010-11
	£000	£000
Net Cash requirement	(36,319)	(39,160)
From the Consolidated Fund (Supply) - current year	36,337	39,133
From the Consolidated Fund (Supply) - prior year	-	-
Amounts due to the Consolidated Fund and not paid over	-	-
<b>Increase/(decrease) in cash</b>	<b>18</b>	<b>(27)</b>

## 17. Trade payables and other current liabilities

	2011-12	2010-11
	£000	£000
<b>Amounts falling due within one year</b>		
Other Taxation, Social Security and Pension	802	793
Trade payables	388	1,073
Accruals and deferred income	5,538	3,997
Short-term staff benefits (Earned leave liability)	901	817
Amounts issued from the Consolidated Fund for supply but not spent at year end	70	52
Consolidated Fund extra receipts and other amounts due to be paid to the Consolidated Fund		
- received	-	-
- receivable	-	-
<b>Total payables</b>	<b>7,699</b>	<b>6,732</b>
<b>Amounts falling due after one year:</b>		
Deferred income	999	823
	<b>999</b>	<b>823</b>
<b>Total payables</b>	<b>8,698</b>	<b>7,555</b>

### 17.1 Trade payables and other current liabilities

	2011-12	2010-11
	£000	£000
<b>Intra-government balances falling within one year</b>		
Balances with other central government bodies	1,821	2,402
Balances with local authorities	40	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	3
<b>Intra-government balances</b>	<b>1,861</b>	<b>2,405</b>
Balances with bodies external to government	5,838	4,327
<b>Total payables and other current liabilities</b>	<b>7,699</b>	<b>6,732</b>
	2011-12	2010-11
	£000	£000
<b>Intra-government balances falling due after one year</b>		
Balances with other central government bodies	-	-
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	-	-
<b>Intra-government balances</b>	<b>-</b>	<b>-</b>
Balances with bodies external to government	999	823
<b>Total payables and other current liabilities</b>	<b>999</b>	<b>823</b>
<b>Total payables and other current liabilities</b>	<b>8,698</b>	<b>7,555</b>

## 18. Provisions for liabilities and charges

	Early departure costs	Other	Total
	£000	£000	£000
At 1 April 2010	409	282	691
Provided in the year	53	-	53
Provisions used during the year	(152)	-	(152)
<b>Balance at 1 April 2011</b>	<b>310</b>	<b>282</b>	<b>592</b>
Unwinding of discount	1	-	1
Provision not required written back	-	(11)	(11)
Provisions used during the year	(122)	(271)	(393)
<b>Balance at 31 March 2012</b>	<b>189</b>	<b>-</b>	<b>189</b>

### Analysis of expected timing of discounted flows

	Early departure costs	Other	Total
	£000	£000	£000
<b>Non-current liabilities</b>			
Not later than one year	96	-	96
Later than one year and not later than five years	93	-	93
Later than five years	-	-	-
<b>At 31 March 2012</b>	<b>189</b>	<b>-</b>	<b>189</b>

### 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 2.8% 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. Payment related to this provision was made during the financial year and the liability is now fully discharged.

## 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 Executive and Keeper (as 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 26-27. 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. Overheads are allocated proportionally based on the direct income/costs identified.

				2011-12
	Government information management	Preservation and protection	Public access	Total
	£000	£000	£000	£000
Income	(1,612)	(381)	(6,342)	(8,335)
Operating expenditure	7,726	12,200	19,983	39,909
Depreciation and amortisation	1,043	1,648	2,699	5,390
<b>Net operating cost</b>	<b>7,157</b>	<b>13,467</b>	<b>16,340</b>	<b>36,964</b>

				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	1,270	1,527	2,895	5,692
<b>Net operating cost</b>	<b>7,925</b>	<b>12,357</b>	<b>17,888</b>	<b>38,170</b>

Reconciling differences between the segmental analysis above and the net resource outturn are shown in note 3 on page 57.



## 20. Capital commitments

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

	2011-12 £000	2010-11 £000
Property, plant and equipment	318	686

## 21. Commitments under leases

### Operating leases

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

	2011-12 £000	2010-11 £000
Other		
Not later than one year	50	57
Later than one year and not later than five years	-	99
	50	156

## 22. Other financial commitments

The National Archives entered into non-cancellable contracts (which are not lease or PFI contracts) for 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:

	2011-12 £000	2010-11 £000
Other		
Not later than one year	1,221	-
Later than one year and not later than five years	920	3,117
	2,141	3,117

## 23. Contingencies

There were no contingent assets or liabilities at 31 March 2012.

## 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 and Keeper 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 £9,907 on behalf of other government departments at the end of the reporting period (£34,738 at 31 March 2011).

	31 March 2011	Gross inflows	Gross outflows	31 March 2012
	£000	£000	£000	£000
Bank balance	35	5	(30)	10
	35	5	(30)	10

## 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

This is our second annual sustainability report, following on from the 2010-11 report we provided on a voluntary basis. It has been prepared in line with HM Treasury guidance (available at [hm-treasury.gov.uk/frem\\_sustainability.htm](http://hm-treasury.gov.uk/frem_sustainability.htm).) Further information relating to our sustainability performance, our real time energy consumption and more detail about how we capture and measure our performance can be found on our website at [nationalarchives.gov.uk/about/energy-use.htm](http://nationalarchives.gov.uk/about/energy-use.htm). Methodological changes and some changes to reporting requirements mean that for some of the figures presented, direct comparison with our first annual sustainability report, presented as Annex A to our 2010-11 Annual Report and Accounts, will not be possible. In these instances 2010-11 figures have been restated.

### Summary of performance

We have continued to reduce our key environmental impacts and have further embedded sustainability into our day-to-day operations and procurement.

The nature of our work, ensuring the ongoing preservation of around 180km of records and providing a public facility, in controlled environmental conditions, to tens of thousands of visitors each year, means that we will always be a relatively high user of energy and water compared with other government departments. While we have made significant progress in reducing our consumption, continued reductions will naturally be constrained by the age and design of our buildings. We will continue to investigate and introduce, where possible, cost-effective ways of reducing our environmental impact.

Our main focus is on the greenhouse gas emissions that result, directly and indirectly, from our operations and procurement. In the 12 months up to May 2011, we achieved a carbon emissions reduction of 17.7%, in response to the Prime Minister's commitment for all central government departments to reduce their emissions by 10%. During 2011-12 we maintained the Carbon Trust Standard, recognising our sustained reductions in carbon emissions. In 2010 we began a five-year carbon management programme, with a commitment to reduce our carbon emissions from building energy use and business travel by 25% by April 2015, against 2009-10 levels. During 2011-12 we met that commitment, three years ahead of target, achieving a 27.3% reduction and we improved the Display Energy Certificate rating for our buildings at Kew from E to D - signifying above average performance for the type of building we operate, and building on our improvement from G to E in 2010-11.

After the emissions from the energy we use to maintain our collection, the goods and services we purchase represent our next greatest environmental impact. During 2011-12 we participated in a joint Environment Agency and Waste Resources Action Programme (WRAP) funded project to improve sustainable procurement in the public sector and we issued our sustainable procurement policy. Other highlights of our work in 2011-12 are:

- We adopted a significantly more energy-efficient environmental control strategy, informed by the outcomes of research conducted by our Collection Care Department;
- We further optimised the building management systems that control our heating and ventilation plant;
- We implemented 'free-cooling' - using outside air to cool the servers in our data centre – significantly reducing our energy consumption and conservatively forecast to save £15-20k per year in electricity costs and 85-115 tonnes of carbon emissions;
- We replaced lighting at the end of its life with energy-effective sensor-controlled lamps, reducing cost and emissions;
- We invested in a combined heat and power plant (CHP) to provide low-carbon electricity and heat at Kew;
- We advanced our five-year Biodiversity Action Plan, enhancing the amenity and biodiversity value of our grounds for colleagues, visitors and local residents;
- We held 'Green Week' – a series of enthusiast-led awareness activities arranged by our Green Committee.

## Performance summary 2011-12

Area	2011-12	2011-12 Normalised performance (per full time equivalent employee)	2010-11	2010-11 Normalised performance (per full time equivalent employee)
Greenhouse gas emissions – energy, fugitive emissions and business travel: <i>tonnes CO2e</i>	6,110	10.4	6,919	11.9
Energy consumption: <i>MWh</i>	13,987	23.7	16,332	28.1
Operational waste: <i>tonnes</i>	139.3	0.2	174.9	0.3
Water consumption: <i>cubic metres</i>	24,955	42.3	31,750	54.7

Note: Normalised performance figures in the table above are presented per FTE employee. However, performance figures also reflect the public nature of our work and facilities, with tens of thousands of people visiting Kew each year, each typically spending several hours on site.

We have continued to improve the quality of our sustainability data, but we acknowledge that further work will be needed to make our processes for capturing data more streamlined and to reduce our reliance on estimates. During 2011-12 we adopted a reporting methodology based on guidance published by the Cabinet Office, to accompany the Greening Government Commitments for Operations and Procurement. By doing so, we ensured that our approach to reporting sustainability data is consistent with other government departments. Further information on our data may be found online at [nationalarchives.gov.uk/about/transparency.htm](http://nationalarchives.gov.uk/about/transparency.htm)

## Greenhouse gas emissions

Greenhouse gas emissions are the greatest environmental impact resulting from our business. We are committed to continually reducing, as far as practicable, the greenhouse gas emissions linked to our activities. Taking a sustainable approach promotes resource efficiency and enables us to achieve more with less. In 2011-12 we continued to prioritise reducing our energy consumption, lessening the burden of increasing energy costs and the risk of future supply cost volatility. If we had continued to use energy at 2009-10 levels, this year our energy bill would have been £418,000 (39.4%) greater.

Greenhouse gas emissions		2011-12	2010-11 (Restated)
Greenhouse gas emissions: tonnes CO2e	Gross Emissions for scopes 1 and 2 (energy use in buildings and fugitive emissions from refrigerants)	6,009	6,767
	Gross emissions for scope 3 - business travel <sup>20</sup>	101	152
Buildings energy consumption <sup>21</sup> : (MWh)	Electricity: non-renewable (brown)	6,774	7,843
	Electricity: renewable (green)	903	1,047
	Electricity: good quality Combined Heat and Power	1,355	1,569
	Natural gas	4,955	5,873

<sup>20</sup>Figures for 2010-11 are restated, following changes to the methodology for estimating scope 3 business travel emissions

<sup>21</sup>Buildings energy consumption figures for 2010-11 are restated, following the correction of an error in the figures provided in the equivalent table published in Annex A of the 2010-11 Annual Report and Accounts

<b>Greenhouse gas emissions</b>		<b>2011-12</b>	<b>2010-11 (Restated)</b>
Financial indicators: £	Expenditure on energy	1,057,680	978,685
	Carbon Reduction Commitment allowances	70,919	-
	Business travel <sup>22</sup>	114,002	128,055

The Carbon Reduction Commitment, a government carbon allowance scheme, requires that we purchase allowances for each tonne of CO<sub>2</sub>e from energy use we emit, with the cost of allowances forecast to increase considerably in the coming years.

Energy and carbon saving is now firmly embedded into our culture, so that the impact on our emissions is a routine consideration when we examine business change proposals, investment bids and policy and procedural changes. This enables us to take a structured approach to mitigating any necessary increases in emissions with reductions in other areas. In our business plan *For the Record. For Good.* we set a number of sustainability targets. Our main in-year target was to reduce emissions from buildings energy use by 6%, which we expected to be a stretching target, having achieved a 16% reduction the previous year. We exceeded our target, achieving a 14% reduction.

Emissions from business travel have fallen, primarily due to a shift from road transport to rail relative to 2010-11, reflecting our updated travel guidance for employees. We have taken steps to implement an electronic travel claims system to streamline the collection of travel data and replace the existing paper-based system. In conjunction with management information from our contact travel provider, the new system will enable greater breadth and accuracy in our reported business travel figures.

Emissions relating to our procurement of goods and services are estimated each quarter using expenditure data from our accounting system and conversion factors provided by the Carbon Trust. This gives an indication of the impact of our supply chain, but at this time, a target to reduce our supply chain emissions would be premature. However, we will continue to monitor and report on this.

<sup>22</sup>Includes expenditure on all forms of travel, but excludes costs for vehicle fuel, car parking and tolls. We have restated last year's expenditure to enable fair year-on-year comparison

## Waste

Waste		2011-12	2010-11
Operational waste: tonnes	<b>Total</b>	<b>139.3</b>	<b>174.9</b>
	Recycled and reused	71.2	114.5
	Energy from waste incineration	51.2	60.4
	Food and catering: Anaerobic Digestion	14.3	-
	Composted	1.2	Not captured
	Landfill	1.4	-
Construction projects waste: tonnes	<b>Total</b>	<b>129.2</b>	<b>61.5</b>
	Recycled	119.9	57.2
	Landfill	9.3	4.3
Operational waste expenditure <sup>23</sup> : £	<b>Total</b>	<b>43,488</b>	<b>41,315</b>
	Recycled and reused	26,538	41,315
	Energy from waste incineration	14,546	-
	Food and catering: Anaerobic Digestion	2,057	-
	Composted	Not known	Not known
	Landfill	347	-

Relative to 2010-11, we have reduced the volume of waste arising from our 'business as usual' operations at Kew by more than 25%. In line with Cabinet Office reporting guidance, this year we have measured and reported on waste arising from capital projects (construction and demolition) separately from operational waste, and as the table above shows this aspect of our total waste remains significant. The project to replace our glass roof was a major contributor during 2011-12, generating approximately 100 tonnes of waste. Greening Government commitments set all central government departments the target of cutting paper use by 10% during 2011-12. We exceeded this target, purchasing 48.2% less paper during the year.

We have continued to divert waste from landfill wherever possible: our new waste bins are WRAP compliant to aid recycling; gardening waste is either reused or composted on site or composted nearby; spent grounds from our coffee bar are used as a soil improver on our flower beds and food waste from our kitchens, tea points and restaurants is sent for anaerobic digestion, producing biogas for the generation of green electricity. We have donated used IT equipment to Computer Aid International, for refurbishment and use in education projects in Africa.

During 2012-13 we will continue to look for opportunities to reduce our waste, and increase the proportion that is re-used and recycled. Through engaging with our suppliers and applying our sustainable procurement policy we aim to reduce unnecessary packaging and waste associated with the goods and services we purchase. We will continue to publish a breakdown of our waste data on our website each quarter.

<sup>23</sup>Information is not available for total expenditure on construction projects waste. A combined cost for 'recycled and reused' and 'energy from waste incineration' is provided for 2010-11



## Use of finite resources

Water	2011-12	2010-11
Water consumption (m <sup>3</sup> )	24,955	31,750
Water supply costs (£)	37,946	43,191

Our water use has fallen significantly since 2010-11, but, even taking into consideration our need to control carefully the humidity of our building to better preserve our collection, our use of water remains high. During 2011-12 we worked with Thames Water on a pilot project to install Automated Meter Reading (AMR) to provide real-time monitoring of our water consumption, which will help us prioritise areas of high consumption, and we engaged with WRAP's 'Rippleffect' water efficiency scheme. We also refurbished our facilities with low-flow and sensor-operated sinks and toilets and replaced white goods in our catering areas at the end of their useful lives with 'Waterwise approved' machines. During 2012-13 we will continue to identify opportunities to reduce water consumption at Kew.

## Sustainable procurement

The National Archives is participating in the European Pathway to Zero Waste (EPOW) – a project coordinated by the Environment Agency and the Waste Resources Action Programme (WRAP). The project's aim is to improve sustainable procurement in the public sector and its supply chain, and to encourage the use of fewer resources and send less waste to landfill. The successes and lessons learned will be shared throughout the European Union. During 2011-12 we issued our sustainable procurement policy and progressed along the Sustainable Procurement Task Force Flexible Framework. Further initiatives are planned for completion by October 2012 and will include a sustainable procurement strategy, a prioritised review of the procurement process and key contracts, and the further embedding into our procurement processes of Government Buying Standards. Using an approach agreed with the Carbon Trust, we now estimate the carbon emissions relating to the majority of our supply chain and publish the figures on our website on a quarterly basis. For 2011-12 we estimated carbon emissions relating to our supply chain of 7,191 tonnes, compared with 4,805 tonnes in 2010-11.

## Biodiversity and the natural environment

We have made significant progress this year against our five-year biodiversity action plan, further enhancing the biodiversity value of our site, and also making it more visually appealing to visitors. Highlights, all at minimal cost, include the establishment of a wormery and a wildflower meadow, the planting of flowers 'perfect for pollinators' and the introduction of another beehive. Staff volunteers recently participated in the RSPB Great Garden Bird Watch and the British Trust for Ornithology 'National Nest Box Week'.

## Advisory Council on National Records and Archives: Ninth Annual Report 2011-12

### 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 Advisory Council) 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, as well as advising the Chief Executive and Keeper, The National Archives, as Historical Manuscripts Commissioner, on matters relating to historical archives outside the public records system.

### Public records

The Advisory Council continued to meet 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 Advisory 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. The Advisory Council in some instances concluded that the public interest lay in disclosure and therefore the documents were made available at The National Archives.

As part of our statutory role we have continued to engage with government departments on wider matters relating to Public Records. The Advisory Council has, over the last eight months, been actively involved with the Foreign and Commonwealth Office (FCO) and The National Archives regarding the transfer of the Colonial Administration Files to The National Archives. It was valuable to have the opportunity to hear the views of Professor Tony Badger, the Independent Assessor and, in November, to visit FCO's record management site at Hanslope Park and discuss with officials the processes involved in the transfer. We welcome the commitment for the open files to be made available by November 2013.

In 2011-12 The Advisory Council was also consulted on the renewal of the Lord Chancellor's instrument to retain Public Records under Section 3(4) of the Public Records Act 1958. We also considered the proposals from departments regarding their processes on requesting the closure or retention of sets of records.

### Preparations for the 20-year rule change

The Advisory Council continued to take a keen interest in the plans for the transition period from the current 30-year rule to the new 20-year rule. The Advisory Council was pleased to receive an update from The National Archives at our November meeting on the work being undertaken with departments on preparations for the transition to the 20-year rule. We have begun to consider some of the proposals emerging from this work in relation to how the Advisory Council can assist in the process and we look forward to liaising closely with departments and The National Archives to ensure the right processes are in place to enable a smooth transition.

### Freedom of Information Panels

The Advisory Council has this year also convened 14 panels of members to consider the public interest in the release of closed information held in The National Archives, with 122 cases being considered 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. The cases were carefully scrutinised and debated by the three members on each of the panels, with reports on the panels' conclusions presented and discussed at the subsequent meetings of the Advisory Council. The Advisory Council is grateful to The National



Archives for handling the panels' queries constructively, and for providing the Advisory Council with detailed information on issues relating to freedom of information and access.

## Public Bodies Act

In our eighth annual report we noted the proposals, then before Parliament, for the consolidation into a single statutory body of the functions and responsibilities of the Advisory Council, for The National Archives to obtain statutory status in its own right and for the consolidation into a single statutory office of the current responsibilities of the Chief Executive and Keeper. The Public Bodies Act 2011 provides a five-year window for bringing forward secondary legislation and we are working with The National Archives towards making the proposed changes under a single statutory instrument within this period.

## The Advisory Council's members and meetings

One member retired from the Advisory Council this year: Ms Janet Smith, formerly County Archivist of Hampshire. We are grateful for her contributions to the Council's work. The Advisory Council currently has a membership of 18. 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 Michael Moss, Professor of Archival Studies at the University of Glasgow
- 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
  - Ms Janet Smith, Formerly County Archivist of Hampshire (Retired from council in December 2011)

Mr Paul Edwards was appointed as the Secretary of the Advisory Council in July 2011.

Mr Oliver Morley as Chief Executive and Keeper, The National Archives attended all our meetings accompanied variously by Ms Carol Tullo, Director of Information Policy and Services; Ms Julia Stocken, Head of Information Management and Practice, Mr Stuart Abraham, Freedom of Information Centre and Accessions Manager; Ms Helen Potter, Freedom of Information Manager; Ms Julie Lennard, Head of the Chief Executive's Office, and Ms Trish Humphries, Business Support and Secretary to the Forum on Historical Manuscripts and Academic Research.

The Advisory Council expresses its gratitude to the Supreme Court and the Department of Energy and Climate Change (DECC) for hosting our meetings on 14 July and 9 March 2012 respectively. We thank officials for their presentation on DECC and its information management processes. The opportunity to meet with departments and to hear about their record management processes is extremely valuable.

### **Forum on Historical Manuscripts and Academic Research:**

The Forum on Historical Manuscripts and Academic Research (hereafter the Forum) was established in May 2010. The Forum in its capacity as subcommittee of the Advisory Council provides a means through which the Historical Manuscripts Commissioner can seek advice 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 seven members, each with expertise in academic research and/or knowledge and experience of private archives.

The Forum met three times over the last year on 24 June 2011, 6 October 2011 and 19 January 2012. During these meetings the Forum considered the following issues:

- Government consultation on Lifetime Giving
- Allocation of the Charles Sturt papers accepted in lieu of tax
- Update on the launch of the Scottish National Strategy for business archives
- Religious archives update
- Updates on local authority archives activities
- Acceptance in Lieu of Tax

We are also grateful to The National Archives for keeping the Advisory Council and the Forum updated regarding the transfer of archives responsibilities to The National Archives from the Museums, Libraries and Archives Council and the progress made on refreshing the action plan for delivering *Archives for the 21st Century* – the Government's policy on archives. We welcome The National Archives' efforts to provide clarity and direction for the archives sector during what are undoubtedly challenging economic times. We very much look forward to receiving further updates on this work during the coming year.

## Forum on Historical Manuscripts and Academic Research Members

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. The remaining members of the Forum are:

- 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

As an ex-officio member, Mr Oliver Morley attended the June 2011 and January 2012 meetings of the Forum. Mr Nick Kingsley, Head of Archives Sector Development; Dr Norman James, Senior Manager (Private Archives) and Dr Valerie Johnson, Research and Policy Manager accompanied Mr Morley and attended all of the Forum's meetings in 2011-12. Ms Trish Humphries became Secretary to the Forum from 19 January 2012.

Agendas and summaries for the Advisory Council and the Forum meetings are available at [nationalarchives.gov.uk/advisorycouncil/meetings/summaries.htm](http://nationalarchives.gov.uk/advisorycouncil/meetings/summaries.htm)

On behalf of the members

**Lord Neuberger of Abbotsbury**

Master of the Rolls

Chairman

22 May 2012

## Report of the Independent Complaints Reviewer for 2011-12

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

### Foreword

This report describes ICR activity during the year and offers an overview of the way in which The National Archives deals with customer feedback and complaints.

My role is to provide an independent complaint review service for those who are unhappy with the way that The National Archives has dealt with their complaints. The service is free to complainants. If I find a complaint is justified, I am able to recommend redress for the complainant and changes that can be made to improve the way that The National Archives deals with similar situations in the future.

The National Archives has an excellent record for customer satisfaction, but concerns raised by users can help it to improve the way services are delivered. Although The National Archives receives very few complaints in comparison with its extensive customer contact, both with visitors to Kew and on-line, I am pleased to record that it remains keen to receive this customer feedback. All comments are taken seriously and on my recent visit to The National Archives I was able to see for myself some positive changes that have been made in response to suggestions from users. I was also able to discuss the steps The National Archives has taken to implement my own recommendations.

I am pleased to report that the The National Archives continues to show commitment to good complaint practice in both internal and independent review. As I reported it would last year, The National Archives has now undertaken a review of its internal procedure in order to make it more straightforward for users and staff to follow. This is welcome and demonstrates how complaints can benefit the organisation and its customers.

### The ICR service

The ICR team treats everyone with courtesy; honesty; respect; objectivity and flexibility. We explain our procedures before review, keep people informed during it, and always use plain language.

When a customer of The National Archives contacts the ICR Office, initially we see if we can help them with general advice or assistance or whether complaint review is required. In most cases people are looking for general guidance that they have been unable to obtain through initial contact with The National Archives. Usually they have looked at The National Archives' on-line complaints procedure which gives telephone contact details but not a contact email address. As a consequence they opt to email the ICR office. Enquiries are often general in nature and we can only assist by pointing them in the right direction.

This year we have responded to people who were looking for a wide variety of help and information. This has included: a museum curator in France who wanted to find out about a Second World War pilot who served in the battle of Normandy in 1944; an individual who wanted to access scientific articles on muscle function mentioned as being held by The National Archives; the son of a Canadian Second World War serviceman who wanted to know more about his father's service record in the UK; a person who had experienced problems trying to buy a particular medical card from The National Archives; and a lady who had been unable to download information about convicts sent to Australia.

When we do receive a complaint referral we try to settle matters by agreement between the complainant and The National Archives. If this is not possible we carry out a comprehensive review which ends with a report. This sets out the background to the complaint, my findings and the reasons for them. Where appropriate, it



includes suitable recommendations. If complainants are dissatisfied with the outcome of ICR review, they can ask their MP to refer the matter to the Parliamentary and Health Service Ombudsman.

## Complaint overview

Last year 94 complaints were recorded by The National Archives, a decrease from 113 in the previous year. All except two of these were resolved without the complainant needing to escalate their concerns to Internal Review which is dealt with by the Chief Executive's Office. Neither of these complaints has resulted in referral to the ICR Office.

The ICR Office reviewed only one complaint during 2011-12 (see case example below), which had gone through Internal Review in 2010-11. This was a complex case that resulted in several report recommendations, all of which were accepted by The National Archives. I am grateful to The National Archives' Public Services Development Team for their assistance with referrals and ICR review.

## Case example

A visitor to The National Archives in Kew contacted the ICR office to refer a complaint about the discourteous way he had been treated by a member of The National Archives' staff. He was not satisfied with the way that The National Archives had gone about investigating his concerns and this caused him to raise additional concerns with the ICR. These included: unreasonable delay; the refusal to provide information or the delay in doing so; and the lack of clarity and transparency in the internal escalated complaint procedure. The ICR found that The National Archives did not meet its own standards for dealing with complaints in his case and, accordingly, that there was delay. An apology was recommended. In relation to the provision of information, confusion had arisen about what was available and how requests for information were handled by The National Archives. A number of recommendations were made to improve clarity and public information. Finally the ICR found that The National Archives did not provide the complainant with clear and comprehensive information about the way that it would handle his escalated complaints. A recommendation was made to review this process and develop public guidance. The ICR report settled the complaint and brought matters to a close. The National Archives has subsequently taken forward all recommendations.

## 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](http://www.icrev.org.uk). A copy of this report can also be found on our website.

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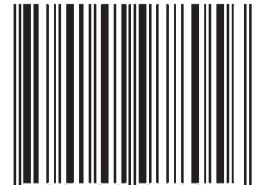
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ISBN 978-0-10-297805-6



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