



**Annual Report**  
and Accounts **2013-14**



# Annual Report and Accounts of The National Archives **2013-14**

including the Annual Report of the Advisory Council on National Records and Archives 2013-14  
Annual Reports presented to Parliament pursuant to section 1 (3) of the Public Records Act 1958

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This is part of a series of departmental publications which, along with the Main Estimates 2014-15 and the document *Public Expenditure: Statistical Analyses 2014*, present the Government's outturn for 2013-14 and planned expenditure for 2014-15.



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# Introduction from the Acting Chief Executive and Keeper



To the Right Honourable Chris Grayling MP,  
Lord Chancellor, Secretary of State for Justice

I am pleased to present the Annual Report and Accounts for The National Archives for 2013-14.

At the end of the third year of our four-year business plan, The National Archives is in a strong position. We have successfully concluded a number of major development projects. We have continued to reduce and control our costs, both pay and non-pay, extremely well. We are generating more income to invest in developing and delivering our services to the public. And we have provided more records to the public than ever before in our reading rooms and online.

Among many highlights, 2013-14 was the first year in which government departments began transferring records more quickly, as required by the ten-year transition to the new 20-year rule. We processed around 70 per cent more physical records than in 2012-13, with no additional staff. Because of the improvements we have made to the records transfer process and the transparent way in which we are reporting their progress, government departments are now better placed to meet their obligations during the transition.

We continued to work for the benefit of the wider archives sector, through our involvement in the new accreditation scheme for archives, initiatives to tackle skills shortages and fundraising capacity in the sector and, jointly with colleagues in the Archives and Records Association, leading a major new campaign – Explore Your Archive – through which archives of all kinds can find new ways to connect with their audiences.

At the start of 2014 we launched our five-year programme to mark the centenary of the First World War. It is already clear that the many national and local efforts to commemorate the War will create huge interest in our collection and we look forward to bringing to light the many stories contained in our records.

In the coming year we will complete the journey we began when we published *'For the Record. For Good.'* As we meet our remaining goals for 2011-15 we will set ourselves new priorities. We know that the next few years will not be easy and that the resource challenges we currently face will continue. But our work and achievements over the last three years mean that we can look to the future with confidence.



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I would like to take this opportunity to thank Oliver Morley, who was Chief Executive and Keeper until the end of October 2013. Under his leadership The National Archives became more efficient, effective and ambitious and the future of the record more assured.

My time in this role is drawing to a close, and at the end of July 2014 we will welcome Jeff James back to The National Archives as our new Chief Executive and Keeper. Over the months in which it has been my privilege to lead this organisation I have received invaluable support from our directors and staff. I have been struck by our staff's deep commitment to and engagement with their work and I know that this impression is shared by many outside The National Archives. It is greatly to their credit that during a time of some uncertainty we have not lost any momentum and I offer them my grateful thanks



**Clem Brohier**

Acting Chief Executive and Keeper

2 July 2014



# 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 for 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.





# What we do

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## We make the record accessible

We hold records of statecraft and diplomacy, of terrible war and hard-won peace, of struggles for change, of movement and settlement, of trade and adventure, of crime and punishment, of oppression and liberation. The documents and artefacts in our collection have helped to tell millions of stories and contain millions more still to be uncovered. We connect people with these stories and put history into their hands.

In 2013-14, we provided more than 670,000 original records to people at our building in Kew, delivering these records from our repositories on average within 31 minutes of their order. Records we have made available online were downloaded more than 202 million times and our UK Government Web Archive was used by more than a million people every month. We answered 38,000 telephone enquiries and 36,000 written enquiries and continued to provide our popular Live Chat service, through which users can talk to our experts online. Following an inspection in September 2013, we were again awarded the Government's Customer Service Excellence standard.

Our education team ran more than 400 sessions, focusing on topics such as Domesday Book, the slave trade and the Cold War, reaching 11,000 school students, with half taught on site in our classroom at Kew and half taught through our videoconference and virtual classroom technologies. We exceeded the targets we set ourselves for reaching students from diverse social and ethnic backgrounds and again we ran a variety of programmes for teachers and trainee teachers, working with more than 800 during the year.

We added 1.2 million new or improved catalogue descriptions to Discovery, our catalogue, and with help from our User Advisory Group, identified and implemented further improvements to Discovery. We also tested the addition to Discovery of more than 10 million descriptions of records held in other archives. This is an important step towards making Discovery the national resource for researchers looking for information about archival collections held throughout the country. We aim to launch the full service during 2014-15.

We saw huge changes in the ways people choose to access our online services. Around 20 per cent of visits to our website were made from a mobile device such as a smartphone or tablet. Recognising this trend we began a refresh of our digital services, combining the best of creative-led design with a genuinely user-centred approach. The first pages of our new-look website, built in-house and designed to be viewed on different devices, launched in September 2013 to a positive reception.

We piloted our first online 'webinars' during 2013-14, enabling anyone anywhere to watch a speaker, see their presentation and interact with them in real time. Our podcast series went from strength to strength, with more than 2 million downloads during the year. The series includes our 'Writer of the Month' programme, in which high-profile authors talk about using original records in their writing. During 2013-14 our speakers included Lucy Worsley, Rachel Johnson and Peter Hennessy.

We improved the functionality of a number of our online services. Our image library, which provides access to more than 45,000 high-resolution images primarily for use by publishers and broadcasters, was made available online for the first time, enabling users to browse or search for suitable images, place orders and receive their images online on a 24/7 basis.

With our commercial partner TSO we created a new identity for *The Gazette*, bringing together the London, Belfast and Edinburgh Gazettes and launching a new online service, designed particularly to support legal processes such as insolvency and probate. We also made available online some new datasets from the historical Gazettes, such as awards, honours and medals.

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We made a step change in official publishing, shifting the emphasis from print to digital, through brokering new procedures and processes for the publication of official Command and House papers. Through a partnership between GOV.UK, Parliament and departments, more than 6,500 publications now have their own web landing pages on GOV.UK providing a web PDF and links to lists of suppliers that sell professionally printed copies. Since February 2014 all papers have also been published as print-ready PDFs.

We continued to license commercial organisations to digitise our records and put them online – meeting the ever-growing worldwide interest in our records at no cost to the UK taxpayer and generating income to help sustain the overall activities of The National Archives. New releases in 2013-14 included:

- 'Crime, Courts and Convicts' – trials, prisons and prisoner records, with [findmypast.co.uk](http://findmypast.co.uk)
- Tithe Apportionment Records, with [thegenealogist.co.uk](http://thegenealogist.co.uk)
- Three units of 'Nineteenth Century Collections Online' – Photography, Africa and Public Health, with the academic publisher Cengage
- Foreign Office files on modern China, with the academic publisher Adam Matthew Digital.

We loaned our records to 11 international exhibitions, including major events such as:

- 'Mapping our World – Terra Incognita to Australia' at the National Library of Australia
- 'Elizabeth I and Her People' at the National Portrait Gallery London
- '1763: A Revolutionary Peace', commemorating the 250th anniversary of the end of the Seven Years' War', at the Bostonian Society, Massachusetts, USA

- 'Mary, Queen of Scots' at the National Museum of Scotland.

We continued to produce our newsletter for academic researchers, and in February 2014, ran another highly successful Gerald Aylmer conference, an annual one-day collaborative event between historians and archivists jointly sponsored by The National Archives, the Royal Historical Society, the Institute of Historical Research, and this year, the University of Leicester. The theme for the conference was 'The Global Archive' and the event was oversubscribed, with more than 125 people attending on the day.

With the National Railway Museum in York we organised a successful conference on how 'Railways Change Lives'. The conference was held on consecutive Saturdays at both organisations, allowing more people to attend. We again took part in the 'Who Do You Think You Are? Live' exhibition at London's Olympia, where our experts answered queries from around 1,100 people.

Finally, as part of the transition from the 30-year rule to the new 20-year rule we made available government papers from 1983 and 1984. We also held press events to highlight the release of MI5 records, the final tranches of the Foreign and Commonwealth Office's 'migrated archives' and the final set of files from the Ministry of Defence's UFO desk.

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## We preserve

Our ability to make the record accessible relies on our work to preserve it and to ensure that The National Archives is the most sustainable and efficient organisation it can be.

Our collection care team treated thousands of documents, to ensure that users of the archive can continue to have access to the record to the fullest possible extent. The team completed work on a number of significant projects, including:

- A major effort to conserve our collection of Victorian and early 20th century photographs in the series COPY 1
- Work with a team of volunteers to preserve and rehouse more than 46,000 photographs of the UK coastline which were created by Operation Sandstone between 1946 and 1966
- A volunteer project to provide new protective folders for 110,000 maps stored in more than 2,000 plan chests.

The National Archives' Knowledge Base status, awarded to us by the Government's Technology Strategy Board, has enabled us to participate in the Knowledge Transfer Partnerships programme. As a result, we have launched a collaboration with the IMC Group Ltd, developers of software that can be used to assess environmental conditions in cultural heritage collections. As part of this project we have pioneered research that will be used to develop a user-friendly computer interface to interpret environmental data in archives.

We continued to develop improved and more efficient ways of allocating, managing and costing document storage at Kew and offsite, ensuring that our plans can deal with the increased volume of records expected to be transferred to us during the transition to the new 20-year rule.

During 2013-14 we continued to build and populate our new Digital Records Infrastructure and we successfully commissioned the production service. We began to take into the system and preserve a

large volume of 'born-digital' records, including files from the Leveson Inquiry. We fully accessioned the records of the London Organising Committee of the Olympic and Paralympic Games and will publish detailed catalogue references for the collection during 2014. And we began preparing digital records considered by the Hillsborough Independent Panel, the 7/7 Inquests and a number of inquiries.

We enjoyed further success in our efforts to drive down the cost of technology in The National Archives. Our initiatives have included:

- Implementing a new, open-source search engine to replace a commercial system
- Replacing desktop personal computers with 'thin clients' which consume less energy and are cheaper to support
- Decommissioning ten per cent of our physical server infrastructure, thereby saving energy and support costs
- Saving on contracts – we achieved savings of £106,000 in 2013-14 and are projected to save £261,000 in 2014-15 compared with the 2012-13 baseline.

We upgraded the software used by our staff and by the public in the public reading rooms and our cyber cafés and upgraded our customer relationship management system. We achieved compliance and certification for the new Public Service Network Infrastructure – the Government's unified secure network for government and public sector organisations.

We continued to promote our wellbeing strategy to support staff in maintaining good health, with a particular focus in 2013-14 on mental wellbeing.

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Our average for sickness absence again compared favourably with those for both the public and private sector, having reduced further to less than five days per employee. For the fourth year we took part in the civil service staff engagement survey, achieving an overall engagement score of 68 per cent – an improvement of two points – and retaining our status as a civil service 'high performer'.

We have further reduced the impact of our operations on the environment, bringing our energy consumption down to the point that we can demonstrate a 50 per cent reduction in carbon emissions compared with 2009-10. We repaired or replaced much of our older plant, including our 21-year-old external cooling towers, which were coming to the end of their useful life.

Finally, in 2013-14 we were successful in gaining Archive Service Accreditation, the new UK-wide standard scheme for archive services, which offers archives a badge of external recognition and an endorsement of their service. The standard defines good practice and identifies agreed standards, thereby encouraging and supporting development.

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## We collect

The millions of documents we preserve and make available were created in hundreds of different government and public bodies. Our support and guidance ensures that they manage their information securely and effectively and that the public record continues to grow.

The ten-year transition to the new 20-year rule began in January 2013 and 2013-14 was the first year in which government departments transferred to The National Archives two years' worth of physical records. We received 70 per cent more records than in 2012-13. During the calendar year 2013 we accessioned twice as many records as during the preceding 12 months.

During 2013-14 we published two iterations of our record transfer report – a biannual stocktake of government departments' progress in meeting the transition timetable and tackling any backlogs. Our collating and publishing of this report has helped departments to identify problems and allocate the resources they need to solve them.

To give departments greater control and The National Archives better oversight of the process of transferring records, we introduced the Series Level Time Plan, an electronic tool which sets out a single, uniform transfer process for all records from selection to accession. The first version of the tool was used by several departments during 2013-14 and in March 2014 we released an online version.

Alongside these changes, we continued to work with government departments to raise standards in information management. During 2013-14, through our information management assessment programme, we carried out full assessments of the Welsh Government, the Cabinet Office, UK Export Finance, and the Department for Business, Innovation and Skills. We also worked closely with departments we have already assessed to ensure that the recommendations we made are implemented and improvements realised.

Through our Information Assurance and Cyber Security Engagement Programme, which we run on behalf of the Cabinet Office, we provided information and training to more than 900 government information professionals. We have also taken on responsibility for training people on the boards of government departments and arm's-length bodies, reaching 150 people in the first seven months of this new programme.

We have continued to maintain and develop our archive of government websites – by far our largest collection and an increasingly important part of the open government record. We collected 400 million URLs and preserved an additional nine terabytes of data. We also expanded our record of government's use of social media, including more than 70,000 tweets and around 12,000 videos.

## First World War 100

At the beginning of 2014 we launched First World War 100, our five-year programme to mark the centenary of the First World War. Our collection of First World War records is among the largest in the world and because of this we feel a strong responsibility to help make the centenary commemorations as informative and inclusive as possible.

First World War  
**100**

The logo for the First World War 100 centenary. It features the words "First World War" in a sans-serif font above the number "100". The number "1" is a solid black block. The number "0" is a black circle with a white silhouette of a soldier in profile, facing right, inside it. The second "0" is a solid black block.

We have begun the programme with a focus on the Western Front and we will widen our perspective over the course of the centenary. We want to help the greatest possible number of people to explore the First World War record and so every aspect of our programme is linked to our collection. Over the next five years the First World War will be the subject of ever-greater discussion and debate. As a nation we will reflect on the geopolitical changes wrought by the War, explore the day-to-day realities of the War as it was fought and gain new insights into the personal impact of the War, both at the front and at home.

To start our programme, in January 2014 we launched the first batch of digitised unit war diaries and an innovative crowdsourcing project called Operation War Diary.

Our unit war diaries are one of the most important sources of information about how the First World War was fought and through 2014 we are putting online over 1.5 million pages of information, previously only available in our Kew reading rooms. This is the largest in-house digitisation project in The National Archives' history.

Operation War Diary involves volunteer 'citizen historians' in tagging online data about the people, places and activities that are recorded in the diaries. The project is a joint initiative with the Imperial War Museum and Zooniverse. Most transcription projects seek only to identify names and places but Operation War Diary is different because it will enable historians to use sophisticated analysis, mapping software and Big Data tools to give new insights into the conflict. Within six weeks of the project's launch, Operation War Diary volunteers had already tagged more than 260,000 named individuals, 330,000 places and nearly 300,000 activities in the 200 diaries published on our website.

The January launch of the unit war diaries and Operation War Diary received blanket coverage in national and international media and we saw an increase of 221 per cent in traffic to our website. In January @UKNatArchives trended for the first time on Twitter and we gained more than 500 new Twitter followers and more than 700 new Facebook 'likes' in just the week after launch.

Also in January, we released the conscription appeals series online bringing further international, national and regional media coverage. In February, we returned to the *Who Do You Think You Are?* Live exhibition at London's Olympia. Our First World War-themed stand attracted more than 600 visitors to sign up to receive our emails and newsletters, at least 300 people heard at least one of our talks and around 1,100 people spoke to our experts.

In March 2014 we held a series of workshops, events and seminars for the public and colleagues working on the centenary commemoration in the wider archives sector, including a lecture by Sir Max Hastings and an afternoon Writer of the Month talk given by Jeremy Paxman.

Activities we have planned for the rest of 2014 include a conference called 'War and Peace: Diplomacy, Espionage and the First World War'. We will also continue to provide talks, podcasts and the popular 'My Tommy's War' series on The National Archives' blog.

The huge public interest in our commemorative projects demonstrates that for most people, the anniversary really isn't about hearing again the same facts and stories they have heard before. It is clear that people want a deeper and richer understanding of the causes, course and experience of the war. Our records, and the records held by archives throughout the country, will be vitally important throughout the next few years.

## Research

Research underpins much of what we do at The National Archives: capturing the historical record of government, preserving digital and paper records and providing effective services to researchers. As an originator and supporter of research, we maintain an innovative programme to develop and test new ideas, for the benefit of government, information and preservation professionals. We are recognised by the Arts and Humanities Research Council as an Independent Research Organisation.

The National Archives had a highly successful year in seeking external academic grants funding. The innovative nature of our work in this area is particularly evident in two grants awarded under the Arts and Humanities Research Council's (AHRC) 'Big Data' call, for projects led by The National Archives:

Our 'Traces though Time' project will develop a methodology to identify and trace individuals across large and diverse historical datasets. The approach will look particularly at 'fuzzy' data (such as incomplete data, spelling variations and errors) which are common features of historical data and which present researchers with particular difficulties in confidently identifying the same individual across different historical sources. Applying the methodology will expose the underlying links and patterns in data, and has the potential radically to transform search and discovery for researchers. It is a tremendously exciting piece of work.

Our 'Legislation Data Research Infrastructure' project will create an entirely new set of Big Data assets, the first ever 'map' of the statute book, enabling research into the content and evolution of UK legislation. The project team will also explore the possibility of a legislation pattern language, and whether certain design patterns help or hinder comprehension of the legal meaning of the text. The project will strengthen The National Archives' reputation as a world leader in legal informatics. It will also enable us to put legislation better into context, removing the barriers people can face in understanding and using it.

This success is the result of a huge amount of productive teamwork across The National Archives, and we were both proud and excited to win both bids in a very competitive field. Research such as this and other work we are pursuing will enable us to pioneer new technologies, and deliver better public services. It is also powerful evidence of external validation of our research leadership in our field.



## Leading the archives sector

We lead the wider archives sector in England and we deliver the responsibilities set out in the Royal Warrant for the Historical Manuscripts Commission.

This was a landmark year. The UK-wide Archives Accreditation scheme, in which The National Archives has been a leading player, delivered its first ten accredited services:

- Cumbria Archive Service
- Exeter Cathedral Library and Archives
- Falkirk Archives
- Media Archive of Central England
- Network Rail Corporate Archive
- Richard Burton Archives, University of Swansea
- The National Archives
- Tyne and Wear Archives
- Unilever Archives and Records Management
- Worcestershire Archive and Archaeology Service

The scheme provides a quality standard for archives, is available to archives of all kinds and was developed through collaboration across the sector. We applied for Archive Service Accreditation as part of our sector leadership role and to demonstrate our commitment to the wider archives sector. Our application was assessed by representatives of two other national assessor bodies, the Scottish Council on Archives and Public Record Office of Northern Ireland, as well as peer reviewers from the wider archive sector. We are the first national body to achieve accreditation.

A second landmark was the completion in March 2014 of the 'Opening Up Archives' traineeship programme. During the three years of the scheme, supported by the Heritage Lottery Fund (HLF), 39 trainees were placed in archives around the country. The programme broadened the base of entry into the archives profession and helped to tackle skills shortages. Having gained experience and developed their skills, many of the trainees are now working full time in the archives sector.

Building on the success of this scheme, we were delighted to secure funding from HLF for a new three-year programme, 'Transforming Archives'. We will run the programme in partnership with the Archives and Records Association and a network of partners across England who will host work placements at archive and heritage services.

We also secured a further grant of nearly £500,000 from HLF to improve fundraising knowledge and skills in the archives sector. The grant was awarded under HLF's Catalyst Umbrella initiative, and received in partnership with the Public Record Office of Northern Ireland, CyMAL: Museums Archives and Libraries Wales, Scottish Council on Archives, the Archives and Records Association and the Institute of Fundraising.

With these partners we will use the grant to run a three-year capacity-building and training programme, 'Giving Value: Fundraising Capacity for the Archive Sector'. Previous research identified a range of skills gaps and development needs within the sector in achieving sustainable services and attracting external fundraising. With this project the sector can begin to address these issues.

Our management of the Cataloguing Grants Scheme, funded by a number of charitable organisations, which in 2013 awarded more than £500,000 to 15 projects across the UK, further demonstrates how we drive resource and investment into the sector and strengthen the unique archival resources of the UK.

We began a major investment to help the wider archives sector make its collections more widely known and accessible. Through our 'Finding Archives' project we will provide access to information on collections throughout the UK through Discovery, our online catalogue. We also launched 'Archiving the Arts', a project to identify important new collections of records relating to the arts, help their owners and archivists to realise the potential of these records and raise public awareness of them.

This year also saw the start of a new campaign, 'Explore Your Archive', covering the UK and Ireland, led jointly by The National Archives and the Archives and Records Association and launched in the UK at an event in Parliament. The campaign provides a toolkit for the use of archives of all kinds and capabilities, to help them find, delight and keep new audiences. It provides archives with the benefits of being part of a coherent overarching brand, linked to a campaign website and social media, but with the flexibility to tell their own stories in the way that best connects with their audiences. Explore Your Archive is, in equal measures, both a national and local campaign, and the many local launches generated huge public interest and significant local media coverage.

Finally, during 2013-14 we commissioned and published an independent review to assess both our progress in the first two years of our sector leadership role and awareness of our investment in the sector. The review was very helpful to us in identifying a range of strengths and areas for improvement and we published our response to its findings, including its recommendations for action, alongside the review.

## Legislation

The National Archives is responsible for the publication of all UK legislation. We maintain [legislation.gov.uk](http://legislation.gov.uk), which provides free online public access to the statute book and we work to make legislation more widely and easily accessible.

In April 2013 we helped to launch the Good Law initiative with the Office of the Parliamentary Counsel, aiming to improve access to legislation, in particular for the millions of users of [legislation.gov.uk](http://legislation.gov.uk).

In November, as part of the Open Government Partnership, the Government made a commitment to bring the revised legislation on [legislation.gov.uk](http://legislation.gov.uk) up to date by the end of 2015. Working with contributors to our Expert Participation Programme – an innovative, and for the taxpayer cost-free, collaboration with legal experts from the private and voluntary sectors – we made substantial strides towards this goal, researching the needs of users of legislation and exploring ways we can make legislation easier for people to understand and use.

We signed a memorandum of understanding with the two Houses of Parliament, the Scottish Parliament, Parliamentary Counsel and Scottish Parliamentary Counsel to develop a new drafting tool for legislation – a groundbreaking collaboration. We developed a working prototype of a tool for drafting legislation that works in a web browser – the first of its kind in the world.

We introduced a secure system, linking government departments, Parliament and The National Archives, for managing the registration and publishing of new legislation. This automates and improves key processes at the heart of government and improves our ability to register and publish legislation quickly and accurately.

Our work continues to have an international impact. With other colleagues in the UK Government we contributed to the European Union project to introduce the new European Legislation Identifier, and hosted visitors from South Korea and Israel, who were keen to see how we manage legislation. Working with the Library of Congress we also helped to judge a legislative data mapping competition, for UK and US legislation.

We remain a world leader in this field and in 2013-14 we forged a new partnership with academics, legal publishers and other parts of government to research law as data, winning funding from the Arts and Humanities Research Council to create a Legislation Data Research Infrastructure.

# Directors' Report

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## 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 five directorates.<sup>1</sup>

Directorate	Role
<b>Public Services and Human Resources</b>	<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>• 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><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>
<b>Customer and Business Development</b>	<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>

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<sup>1</sup> The management structure of The National archives was changed during 2013-14, reducing from six directorates to five from June 2013

Directorate	Role
<b>Information Policy and Services</b>	<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> </ul> <p>Promotes access to, and re-use of public information through the UK Government Licensing Framework, <a href="http://legislation.gov.uk">legislation.gov.uk</a> and supports the delivery of government's Transparency commitments through the use of open standards and linked data</p>
<b>Technology and Preservation</b>	<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> <li>• Preserves, conserves and researches our collection to sustain access and maintain use</li> <li>• Leads on strategic research for the organisation and supports key academic relationships</li> </ul>
<b>Finance and Corporate Services</b>	<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> <li>• Manages and maintains our estate, providing a safe, secure and suitable environment for staff and visitors</li> </ul>

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## Management Board<sup>2</sup>



**Clem Brohier**  
Acting Chief Executive and Keeper



**Mary Gledhill**  
Commercial Director



**Caroline Ottaway-Searle**  
Director, Public Services and  
Human Resources



**David Thomas**  
Director, Technology and  
Preservation and Chief  
Information Officer



**Carol Tullo**  
Director, Information Policy  
and Services



**Professor Lisa Jardine CBE**  
Non-executive Director



**Peter Phippen**  
Non-executive Director



**Fiona Ross**  
Non-executive Director



**Trevor Spires CBE**  
Non-executive Director

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<sup>2</sup> Oliver Morley was Chief Executive and Keeper to 31 October 2013. Jeff James was Director, Operations and Services to 24 June 2013. Clem Brohier was Acting Chief Executive from 1 November 2013, in addition to his role as Director, Finance and Corporate Services.

### **Company directorships and other significant interests held by Board members**

Trevor Spires is a council member at the Arts and Humanities Research Council which has been declared as a Related Party on page 85, note 18.

### **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 4 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.

### **Public sector information**

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

### **Reporting of personal data-related incidents**

Details of our reporting of personal data-related incidents are shown in the Governance Statement on page 51.

### **Published sickness data**

Staff sickness is 4.7 days per member of staff (average).

### **Risks and uncertainties**

Details of our risks and uncertainties are provided in the Governance Statement on pages 48-49.

### **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 3a to the accounts.

### **Review of activities**

A review of our activities during 2013-14 can be found on pages 8-17 of this report.

### **The National Archives' governance**

Details of The National Archives' governance can be found in the Governance Statement on page 45.



**Clem Brohier**  
Accounting Officer  
2 July 2014

# Strategic Report

## 1. Financial approach and results

### 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 2014-15 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 £37.1 million. A copy of our Main and Supplementary estimate is available at <https://www.gov.uk/government/publications/main-supply-estimates-2013-14>.

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 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. We run a very effective delegated budget system where 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 2013-14, The National Archives' net resource outturn was £33.9 million compared with a budget allocation of £34.9 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 achieve maximum value from our available funding. We received approval to carry forward £950,000 of Resource DEL budget into 2014-15. This decision has given us time to further negotiate a contract relating to the replacement of our IT Network, to ensure we secure the best value for money. This reflects the effective financial controls which we continue to exercise.

The ringfenced outturn was £5.1 million compared to the budget of £5.8 million. Ringfenced expenditure is mainly for depreciation and amortisation costs. The £0.7 million surplus is predominantly caused by two major projects that were originally scheduled to complete during 2013-14 having been rescheduled to complete in 2014-15.

The total net capital expenditure was £0.3 million lower than our budgeted allocation of £2.3 million. A key element of our capital expenditure in the year has gone towards developing the infrastructure for a digital repository to enable us meet the challenges of receiving large volumes of digital records into The National Archives. Additionally, The National Archives is in the process of replacing two cooling towers which provide appropriate environmental conditions for our document repositories.

The net cash outturn for the year was £0.1 million lower than our net cash allocation of £31.3 million.

The National Archives has no significant liabilities to report.



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

	2013-14 Estimate £000	2013-14 Outturn £000	2012-13 Estimate £000	2012-13 Outturn £000
<b>Net Resource Outturn (Estimates)</b>	<b>34,823</b>	<b>33,863</b>	<b>36,050</b>	<b>34,717</b>
Consolidated Fund Extra Receipts in the Operating Cost statement	-	-	-	(51)
<b>Net Operating Cost (Accounts)</b>	<b>34,823</b>	<b>33,863</b>	<b>36,050</b>	<b>34,666</b>
<b>Resource Budget Outturn (Budget)</b>	<b>34,823</b>	<b>33,863</b>	<b>36,050</b>	<b>34,666</b>
<i>of which:</i>				
Departmental Expenditure Limits (DEL)	34,863	33,915	36,130	34,748
Annually Managed Expenditure (AME)	(40)	(52)	(80)	(82)

## Contingent Liabilities

There were three contingent liabilities at the reporting date. These relate to staff compensation payments and the estimated liability is £107,000.

## Statement of payment practice

The National Archives operates in line with government's commitment to pay suppliers promptly. During 2013-14, we estimate that 98% were paid within agreed credit periods.

The proportion of the amount owed to suppliers at the end of the reporting period to the total amount invoiced by suppliers during the year, expressed in number of days, represents 30 days, which is normal at the end of the year.

## 2. Performance against our business priorities in 2013-14

### Strategic priority 1: We will define and collect the future record, transparently and seamlessly

Business priority	How we were to achieve this	Status
<b>Archiving government</b>	Develop a project plan to support local archives in taking up the UK Web Archive option.	Superseded. Web Archiving has been absorbed into a broader initiative to develop a guidance framework for the preservation of digital resources.
<b>20-year rule response</b>	Continue to collect and publish data on records held by government departments, and on the rate of transfer to us.	Achieved. Data published on The National Archives website <sup>3</sup>
	Consult and survey wider archives sector to gather evidence on the impact of the 20-year rule and agree an implementation approach.	Achieved. Data from places of deposit and also from transferring bodies gathered and analysed to inform an implementation approach by March 2014.
<b>How we collect digital records</b>	Commission the digitisation of a complete set of Naval Records cards comprising approximately 60,000 naval service records, testing the accession process on a whole series, and identifying and processing closed records through the Fol system.	Partly achieved. Scanning was completed in April 2014. The record cards and register volumes will be accessioned into new series ADM 363 and 364, transcribed and published in Discovery and made available to licensees.
	Complete the development of the Digital Records Infrastructure (DRI) system to enable the automated transfer of all born-digital and digitised records.	Achieved. We have built a production DRI service, which is moving into day-to-day operation. We have begun to ingest into the system both digitised and born digital records.

### Strategic priority 2: We will innovate to ensure optimal physical and digital preservation

Business priority	How we were to achieve this	Status
<b>Accreditation for the archives sector</b>	Launch archives accreditation scheme.	Achieved. The programme documentation went live on the website and was promoted to the sector in late June 2013.
	Invite first 20% of applications.	Achieved. The programme has trained over 130 attendees at eight introductory regional training events, representing around 45% of likely applicants in England during the roll-out period. In addition, direct invitations to participate were sent to over 100 archive services in England with over 80 responses giving a planned application timetable. Thirty-four applications are in the system, and 12 awards have been made.

<sup>3</sup> [www.nationalarchives.gov.uk/about/record-transfer-report.htm](http://www.nationalarchives.gov.uk/about/record-transfer-report.htm)

<b>Archiving the arts</b>	Commence survey of the archives of arts organisations and practitioners to identify collections worthy of preservation and online discovery, and provide advice to owners and custodians about preservation and digitisation of material.	Achieved. A collections survey was initiated in July 2013 and received over 100 responses. We have provided advice to 40 organisations and gathered information on more than 60 collections to be added to the National Register of Archives so far.
<b>Cloud storage for digital archives</b>	Establish standards and requirements for cloud-based management and preservation of digital records held in places of deposit and other public sector archives.	Achieved.
	Investigate current government procurement vehicles to identify a framework contract by which to provide cloud storage services.	Partly achieved. We adapted the approach to better fit the needs of the sector and the available resource. Information on existing relevant framework contracts is now incorporated into the guidance.
<b>How we preserve digital records</b>	Descriptions of London Organising Committee of the Olympic and Paralympic Games (LOCOG) archival records from the London 2012 Olympic and Paralympic Games available to the public via Discovery.	Achieved. Record descriptions for two series (LOC 6 and LOC 7) were published in Discovery before the end of calendar year 2013.
	Descriptions of key inquiry records available to the public via Discovery.	Partly achieved. Descriptions for records of the inquiry into the culture, practices and ethics of the press (Leveson Inquiry) were made available via Discovery.
<b>A more sustainable Kew</b>	Continue to reduce carbon emissions at Kew from 2009-10 baseline levels, balancing the needs of record preservation with environmental concerns.	Achieved. A 15% improvement since 2012-13, bringing us to a 50% reduction in carbon emissions against the 2009-10 baseline.
	Implement the Greening Government Commitments and ensure that sustainable development informs our policy-making.	Achieved. We remain on track to meet the Greening Government Commitments sustainability targets.
	Replace cooling towers at Kew site, delivering this capital project in two phases to timetable and within budget.	Achieved. Despite the fire that occurred in the cooling tower compound on 15 February 2014, the project was only ten days behind programme and all phase one works planned for 2013-14 were completed by 31 March 2014.
	Replace desktop PCs with 'thin client' technology to reduce our environmental impact and simplify our ICT estate.	Partly achieved. The number of thin clients deployed was lower than planned performance issues with running third-party software on the new technology.

### Strategic priority 3: 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>	Develop improved search capability for website and records and achieve a position where we can make 50% saving on costs of public-facing search services from March 2014.	Achieved. Improved search capability developed and available via The National Archives website; cost savings achieved.
	Provide and promote a more effective document download service for institutions including remote access for approved users where appropriate; add new content and develop new products which will enable us to sustain our income from document downloads.	Partly Achieved. An institutional subscriptions model is now in place and being promoted to new customers. All existing subscribers have renewed under the new scheme. We have added significant new content during the year, including records from the First World War, and developed new functionality for roll-out to users in 2014-15.
<b>Improving our IT infrastructure and management</b>	Successfully complete the upgrade of our corporate IT infrastructure to a Windows 7 environment, migrating the majority of corporate users to a 'thin client' desktop device.	Partly achieved. Because of resource constraints an upgrade of the Finance system could not be scheduled until Q1 2014 (the upgrade is needed as the current version is not compatible with Windows 7).
	Develop a clear roadmap and implementation plan for the upgrade of our IT network.	Achieved. Following a successful procurement exercise, we will work with a third-party supplier to install and transition our network by March 2015.
<b>Building research and funding capability and investment</b>	Build and develop skills and capacity across the organisation to deliver a greater number of higher-quality bids to funding and research councils. Secure funding to enable research and results to support delivery across the breadth of the business priorities.	Achieved. The National Archives won substantial grants funding in the reporting year.

## Strategic priority 4: We will be agile and confident, innovative and efficient

Business priority	How we were to achieve this	Status
<b>Our people</b>	Embed our values and use them to guide our behaviour in all that we do.	Achieved. Our Civil Service Engagement Survey score was up two percentage points from the 2012 survey; The National Archives remains a Civil Service Top Performer (sixth out of 99 organisations completing the survey).
	Manage our headcount flexibly and effectively to meet our organisational priorities.	Achieved. Headcount monitored monthly by The National Archives' Executive Team.
	Make financial and commercial thinking a greater part of our culture, setting savings challenges for all and sharing learning and success across the organisation.	Achieved.

## Strategic priority 5: 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>Improve archives sector online resources to further support the sector and improve user experience</b>	Transfer integrated resources to Discovery and create and communicate new opportunities for hosting and presenting data to sector	Partly Achieved. We have successfully migrated data from the National Register of Archives, Access to Archives and ARCHON into Discovery and made this available to the public for beta-testing. Migration of the remaining data sets and finalisation of the user interface will be completed by 31 July 2014.
<b>Best practice digitisation</b>	Let a service concession contract for digitisation of the NHS 1939 Register.	Achieved. The contract was awarded on 14 February 2014.

<b>Meeting the needs of users of legislation.gov.uk</b>	Improve access to legislation by bringing the revised versions of legislation on legislation.gov.uk up to date through expert participation.	Achieved. <sup>4</sup> We operated a successful expert participation programme with substantial contributions from partners in both the private and public sectors.
	Enrich and refine the presentation of statutes and extend the supporting material on legislation.gov.uk	Achieved. Website improvements were made including additional content (an additional 18,000 pieces of older legislation) and incorporating the Defralex <sup>5</sup> system into legislation.gov.uk. We worked with a stakeholder group through Institute of Government Good Law workshops. We developed and user-tested proposals to radically redesign legislation.gov.uk to better meet user needs.
	Improve drafting of legislation by working with partners in government and the parliaments to develop a new drafting tool.	Achieved. A memorandum of understanding was signed between the partners. We completed a prototype alpha version of a new drafting tool for legislation that works in a web browser.
<b>Deliver effective solutions for re-use of public sector information (PSI)</b>	Lead and co-ordinate negotiations on revised Directive and deliver UK implementation and requirements.	Achieved.
	Reinforce regulatory model as part of the PSI negotiations and implementation, ensuring it is aligned to open data, transparency and Freedom of Information.	Achieved. Regulatory options are being considered in the context of the PSI transposition project. These options will form part of a public consultation.
<b>Deliver access to official publications ensuring that the needs of Parliament and users are met</b>	Develop new publishing model drawing on existing cross-government efficiency strategies, aligning official publishing models and delivering consistent and robust choices for users.	Achieved. From February 2014 publications from the Official Documents website were copied over and made available on GOV.UK; Print Vendor Partner contract services to produce Command and House of Commons Papers were in place and Government organisations began publishing papers as web-optimised and print-ready PDFs on GOV.UK.
<b>Improve access to the UK Government Web Archive</b>	Introduce enhanced search facilities through delivery of an application programming interface (API).	Achieved. The API is accessible on request as indicated on our website. <sup>6</sup>

<sup>4</sup> Achievement of this priority was defined as at least 99 per cent of outstanding effects (as at 1 April 2013 and associated with primary legislation only) researched and reviewed by 30 June 2013.

<sup>5</sup> Defralex is an online index of the Department of the Environment, Food and Rural Affairs' legislation. For details see [legislation.gov.uk/defralex](http://legislation.gov.uk/defralex)

<sup>6</sup> [nationalarchives.gov.uk/webarchive/information.htm#finding-what-you-need](http://nationalarchives.gov.uk/webarchive/information.htm#finding-what-you-need)

### 3. Performance against our input indicators

Input indicator	2013-14 Outcome	2012-13 Outcome
Original records delivered to on-site users	674,231	574,351
Electronic records delivered to online users <sup>7</sup>	204,122,320	172,935,129
<b>Staff diversity</b>		
Women	49.3%	49.2%
Top management women	48.6% <sup>8</sup>	41.9%
Black and minority ethnic	20.3% <sup>9</sup>	21.3%
Disabled	11.7% <sup>10</sup>	10.9%
Staff engagement (as reported by the Civil Service People survey)	68%	66%
Time taken to deliver original records to on-site users	96.7% of documents delivered to users within one hour	98.7% of documents delivered to users within one hour
Time taken to respond to Freedom of Information, Data Protection and Environmental Information Regulations requests	98% of enquiries responded to within statutory deadlines	97.8% of enquiries responded to within statutory deadlines
Total departmental spend	£30.7 million <sup>11</sup>	£34.3 million
Staff sick absence	4.7 days per member of staff (average)	5.6 days per member of staff (average)
Outstanding effects <sup>12</sup> on legislation.gov.uk	152,335 outstanding effects	128,648 outstanding effects
	203,900 new effects	178,399 new effects
	142,952 researched effects	99,485 researched effects
	51,569 applied effects	49,852 applied effects
Number of physical records accessioned	65,545 pieces	38,326 pieces
	882 metres	609 metres <sup>13</sup>

<sup>7</sup> These numbers include downloads from our licensed internet associates

<sup>8</sup> This represents the percentage of women at Band G and above

<sup>9</sup> This represents the percentage of the 444 people that declared their ethnicity, rather than of the total staff

<sup>10</sup> This represents the percentage of the 375 people that declared their disability status, rather than of the total staff

<sup>11</sup> Total departmental spending is the sum of the resource outturn and the capital outturn less depreciation

<sup>12</sup> An 'effect' is an individual change made by one piece of legislation on another. Each effect corresponds to a set of editorial tasks that need to be completed to update the legislation on legislation.gov.uk. 'Outstanding' effects are those changes to legislation (since 2002) that still need to be applied in order for legislation.gov.uk to be brought up to date. The figure for 'new' effects is the total number of post-2002 changes, including those outstanding and those applied.

<sup>13</sup> Figure for 2012-13 restated.

## 4. Performance against our impact indicators

Impact indicator	2013-14 Outcome	2012-13 Outcome
Web continuity	310,849,271 redirects <sup>14</sup>	441,417,367 redirects
Sustainable development	<p>Carbon emissions from energy use in our buildings reduced by 15% compared with 2012-13 (a 50% reduction compared with 2009-10)</p> <p>Operational ('business as usual') waste reduced by 5% compared with 2012-13 (a 31% reduction compared with 2010-11)</p> <p>In 2013-14, 54% of our total waste was re-used or recycled</p> <p>Water consumption reduced by 2% compared with 2012-13 (a 14% reduction compared with 2009-10)</p>	<p>Carbon emissions from energy use in our buildings reduced by 16% compared with 2011-12 (a 41% reduction compared with 2009-10)</p> <p>Operational ('business as usual') waste reduced by 10% compared with 2011-12 (a 28% reduction compared with 2010-11)</p> <p>In 2012-13, 73% of our total waste was re-used or recycled</p> <p>Water consumption reduced by 8% compared with 2011-12 (an 8% reduction compared with 2009-10)</p>
Customer satisfaction:		
On site users	94%	93%
Online users	72%	71%
legislation.gov.uk users	72%	79%
Records and information management services used across government	<p>5 Information Management Assessments (IMA) reports published</p> <p>2 action plans published</p> <p>1 annual review report published</p> <p>6 formal review meetings undertaken</p>	<p>6 Information Management Assessments (IMA) reports published</p> <p>5 action plans published</p> <p>5 annual review reports published</p> <p>7 review meetings undertaken</p>

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>14</sup> During 2013-14 the way in which the user is redirected to archived web content has changed, as part of the transition to a single government domain. This redirection figure is no longer directly comparable with those for previous years. Web continuity is now achieved through users accessing the UK Government Web Archive in a variety of ways.



## 5. Core financial tables<sup>15,16</sup>

Table 1: Public spending

£000

	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Plans	2015-16 Plans
<b>Resource Departmental Expenditure Limits (DEL)</b>							
Section A:							
The National Archives DEL	40,395	38,224	37,367	34,799	33,915	35,098	33,570
<b>Total Resource DEL</b>	<b>40,395</b>	<b>38,224</b>	<b>37,367</b>	<b>34,799</b>	<b>33,915</b>	<b>35,098</b>	<b>33,570</b>
<i>of which:</i>							
Pay	27,878	24,789	23,774	24,606	24,249	25,435	24,076
Net current procurement <sup>17</sup>	7,120	7,756	8,160	5,207	4,481	4,003	4,234
Current grants and subsidies to the private sector and abroad	(87)	-	-	-	-	-	-
Depreciation	5,237	5,620	5,030	4,904	5,133	5,600	5,200
Other	247	59	403	82	50	60	60
<b>Resource Annually Managed Expenditure (AME)</b>							
Section B:							
The National Archives (AME)	(71)	(119)	(403)	(82)	(52)	(25)	0
<b>Total Resource AME</b>	<b>(71)</b>	<b>(119)</b>	<b>(403)</b>	<b>(82)</b>	<b>(52)</b>	<b>(25)</b>	<b>0</b>
<i>of which:</i>							
Take up of provisions	92	33	-	-	-	-	-
Release of provisions	(163)	(152)	(392)	(106)	(66)	(25)	0
Other	-	-	(11)	24	14	-	-
<b>Total Resource Budget</b>	<b>40,324</b>	<b>38,105</b>	<b>36,964</b>	<b>34,717</b>	<b>33,863</b>	<b>35,073</b>	<b>33,570</b>
<i>of which:</i>							
Depreciation	5,237	5,620	5,030	4,904	5,133	5,600	5,200
<b>Capital DEL</b>							
Section A:							
The National Archives (DEL)	4,027	5,849	3,819	4,456	2,018	2,030	1,200
<b>Total Capital DEL</b>	<b>4,027</b>	<b>5,849</b>	<b>3,819</b>	<b>4,456</b>	<b>2,018</b>	<b>2,030</b>	<b>1,200</b>
<i>of which:</i>							
Net capital procurement <sup>18</sup>	4,027	5,849	3,819	4,456	2,018	2,030	1,200
<b>Total Capital Budget</b>	<b>4,027</b>	<b>5,849</b>	<b>3,819</b>	<b>4,456</b>	<b>2,018</b>	<b>2,030</b>	<b>1,200</b>
<b>Total departmental spending<sup>19</sup></b>	<b>39,114</b>	<b>38,334</b>	<b>35,753</b>	<b>34,269</b>	<b>30,748</b>	<b>31,503</b>	<b>29,570</b>
<i>of which:</i>							
Total DEL	39,185	38,453	36,156	34,351	30,800	31,528	29,570
Total AME	(71)	(119)	(403)	(82)	(52)	(25)	0

<sup>15</sup> The outturn numbers are based on prior year audited figures however the core financial tables section is not subject to NAO audit

<sup>16</sup> Plan numbers reflect the 2010 and 2013 Spending Review settlements adjusted as per subsequent Budget and Autumn statements. The composition of the plan numbers shown are subject to change as internal plans are further developed

**Table 2: Public spending control**

£000

	2013-14 Outturn	2013-14 Original Budgetary Control Limits	2013-14 Final Budgetary Control Limits
<b>Spending in Departmental Expenditure Limits £000</b>			
Gross Expenditure	44,550	46,263	45,863
Gross income	(10,635)	(9,800)	(11,000)
Net Resources	33,915	36,463	34,863
Gross Capital	2,018	1,670	2,320
<b>Spending in Annually Managed Expenditure £000</b>			
Gross Programme Resources	(52)	(40)	(40)
<b>Total Resource Budget</b>	<b>33,863</b>	<b>36,423</b>	<b>34,823</b>
<b>Total Capital Budget</b>	<b>2,018</b>	<b>1,670</b>	<b>2,320</b>
Less Depreciation	(5,133)	(5,800)	(5,800)
<b>Total Departmental Spending</b>	<b>30,748</b>	<b>32,293</b>	<b>31,343</b>

<sup>17</sup> Net of income from sales of goods and services

<sup>18</sup> Expenditure on tangible and intangible non-current assets net of sales

<sup>19</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

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans
<b>Assets and liabilities on the statement of financial position at the end of year:</b>							
<b>Non-current assets</b>							
Intangible	7,881	29,130	20,613	23,861	21,623	23,000	23,000
Property, plant and equipment	100,298	106,756	134,013	132,333	140,642	137,042	133,042
<i>of which:</i>							
Land	18,200	18,200	18,200	18,200	18,200	18,200	18,200
Buildings	69,479	73,901	101,026	99,626	108,043	104,242	100,242
Plant and machinery	2,009	3,826	5,836	6,139	5,284	5,500	5,500
Furniture and fittings	5,304	5,053	4,907	4,744	4,742	5,000	5,000
Transport equipment	114	98	85	69	51	100	100
Information technology	3,365	2,902	1,930	1,301	2,825	4,000	4,000
Assets under construction	1,827	2,776	2,029	2,254	1,497	-	-
	100,298	106,756	134,013	132,333	140,642	137,042	133,042
<b>Trade receivables falling due after more than one year</b>	111	349	433	550	123	-	-
Current assets	2,819	1,749	3,015	2,802	3,160	2,000	2,000
Creditors (<1 year)	(9,164)	(6,732)	(7,795)	(6,939)	(6,575)	(7,000)	(7,000)
Creditors (>1 year)	-	(823)	(999)	(1,314)	(1,121)	-	-
Provisions	(691)	(592)	(93)	(50)	(25)	-	-
<b>Capital employed within main department</b>	<b>101,254</b>	<b>129,837</b>	<b>149,187</b>	<b>151,243</b>	<b>157,827</b>	<b>155,042</b>	<b>151,042</b>
<b>Total capital employed</b>	<b>101,254</b>	<b>129,837</b>	<b>149,187</b>	<b>151,243</b>	<b>157,827</b>	<b>155,042</b>	<b>151,042</b>

**Table 4: Administration budgets**

£000

	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Plans	2014-15 Plans
<b>Administration costs</b>							
Section A:							
The National Archives DEL	12,960	10,183	8,704	8,489	8,570	9,179	9,540
<b>Total administration budget</b>	<b>12,960</b>	<b>10,183</b>	<b>8,704</b>	<b>8,489</b>	<b>8,570</b>	<b>9,179</b>	<b>9,540</b>
<i>of which:</i>							
Paybill	7,570	5,777	5,242	5,249	5,243	5,344	5,995
Expenditure	5,436	4,444	3,491	3,281	3,358	3,985	3,695
Income	(46)	(38)	(29)	(41)	(31)	(150)	(150)

**Table 5: Staff in post**

	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Plans <sup>21</sup>	2015-16 Plans
<b>Staff numbers (average)<sup>20</sup></b>					
Payroll staff (full-time equivalents)	590	608	594	614	600
Agency staff <sup>15</sup>	9	7	2	-	-
Interim managers	Nil	Nil	Nil	-	-
Specialist contractors	8	15	11	-	-
Consultants	Nil	Nil	Nil	-	-
<b>Total</b>	<b>607</b>	<b>630</b>	<b>607</b>	<b>614</b>	<b>600</b>

<sup>20</sup> Average numbers are based on end of month numbers recorded over the 12-month period

<sup>21</sup> 2014-15 plan numbers include an average of 19 posts that are externally funded/recharged as well as an average of 29 posts for fixed and limited period appointments required for specific projects

## 6. Social, community, environmental and sustainability issues

### Sustainable development

We have continued to reduce the impact of our operations on the environment, further reducing our consumption of energy to the point that we can now demonstrate a 50% reduction in carbon emissions compared with the baseline year of 2009-10. We continue to make steady progress to meet or exceed our obligations under the Greening Government Commitments, delivering further reductions in total waste and water consumption. For further information please see Annex A.

During 2013-14 we undertook a range of projects to reduce our environmental impact, including the replacement of emergency lighting in our building and the replacement of our external cooling towers.

We carried out significant work on our water management, commissioning a study of our consumption of metered water in our ornamental ponds, which also provide flood defence for the local area by providing four hours of surface water buffering. This study showed that consumption of water from evaporation and trees surrounding the ponds was higher than anticipated. Subsequent works to improve the grounds involved the removal of a number of trees that were damaging the pond liner and biodiversity of the ponds. In addition two boreholes were drilled and pumping trials were carried out. These indicated that sufficient groundwater is available from these wells to offset the topping-up of ponds with metered tap water and also water consumed by our cooling towers.

We continued to support the local community in the following ways:

- Maintaining the ground and ornamental ponds at the Kew site (known as the Pocket Park) as a local amenity that is open to the public from dawn till dusk 364 days a year and appears on the London Borough of Richmond upon Thames 'Green space' plan
- Hosting the regular Police Liaison Group meetings with the Metropolitan Police Service Community Policing Team and residents of the Kew ward
- Providing space for the meetings of local residents' associations and groups, including the Neighbourhood Watch

- Providing space for consultation meetings, arranged by the developer of the adjacent former HM Revenue and Customs site, with local residents, neighbours and councillors.

### Employment and staff engagement

The National Archives is committed to equal opportunities for all. Policies are in place to guard against discrimination and to ensure that there are no unfair or illegal barriers to employment or advancement within our organisation. Suitability for employment is based on skills, qualification and experience irrespective of race, age, gender, marital status, disability, sexual orientation, religious or political beliefs or opinions. The National Archives follows the Civil Service Code of Practice on the Employment of Disabled People, which aims to ensure that there is no discrimination on the grounds of disability. The average full-time equivalent staff numbers over the year, as per table 5 on page 34 was 607 (2012-13: 608). On 31 March 2014, there were 620 employees (587 full-time equivalents) on our payroll. These were made up of 555 full-time equivalent permanent staff and 32 full-time equivalent staff on limited-period appointments. Of these, 273 were female and 44 staff (11.7%) declared themselves as disabled and are recognised as having a disability in the context of the Equality Act 2010. Also, 90 staff (20.3%) out of the total who declared ethnicity, declared themselves to be from ethnic minorities. We actively manage sickness absence and the average absence rate remained at 4.7 days (5.6 days in 2012-13). 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 3 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 2013-14 our new Equality and Diversity Co-ordinator was appointed. They will review our equality and diversity strategy and monitor progress against our action plan and the departmental objectives which were set last year through to 2015. Our equality and diversity working group continued to oversee a quarterly review of our action plan and provide updates to The National Archives Executive Team and Management Board through to autumn 2013; and its terms of reference are now being reviewed.

The National Archives is a better and more effective organisation because our staff consciously put equality and diversity at the core of our work, both as a national archive and as the leader of the wider archives sector in England. In 2013-14 we continued to promote and participate in efforts to broaden access to archives and develop archival collections through wider community engagement. In addition to our involvement in initiatives aimed at increasing diversity in the sector, we are represented on the Archives and Records Association's diversity working group, which is looking at improving opportunities for disabled people to enter the archives workforce.

The National Archives has a unique role in promoting equality and diversity and this derives from the records we hold, which offer countless opportunities to examine diverse histories. In 2013-14 our work included extensive outreach and engagement with new audiences linked to our ongoing 'Through a Lens' programme and through the development of our new audience development strategy. Diversity Week remains an established event at The National Archives. We also supported the Flemish Archives Network FARONET in delivering the Mainstreaming Diversity conference in Belgium in March 2014.

## Health and safety

Our Health and Safety Policy describes how we ensure compliance with our legal 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 Trades Unions, as well as senior management. Committee members are also involved in the investigation of any reported accidents or incidents and contribute to recommendations arising from them.

In February 2014, during the decommissioning of our external cooling towers, which are adjacent to but separate from our main building, a fire broke out. There were no injuries and no damage to our main building or any of the documents within it.

The Health and Safety Advisor prepares an annual report on activity relating to health and safety. The report provides statistics on accidents and incidents reportable under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). We made just one report under the RIDDOR process during 2013-14, as a result of an incident in which a reader stumbled, fell and broke a rib.



**Clem Brohier**  
Accounting Officer  
2 July 2014

# 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 on a fixed-term basis until 20 February 2014 with the possibility of extension. Mr Morley left The National Archives on 31 October 2013 to take up the role of Chief Executive at the Driver and Vehicle Licensing Agency.

Clem Brohier was appointed Acting Chief Executive and Keeper with effect from 1 November 2013 and will continue in this role until 28 July 2014.

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.

Peter Phippen and Fiona Ross were appointed as Non-executive Directors on a three-year contract from 6 November 2012 to 5 November 2015.

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

## 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: Lisa Jardine (Chair), Trevor Spires, Peter Phippen and Fiona Ross. 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 and Keeper. 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.

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

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 2013-14 relate to performance in 2012-13 and the comparative bonuses reported for 2012-13 relate to performance in 2011-12.

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

Name	Salary 2013-14	Salary 2012-13	Bonus 2013-14	Bonus 2012-13	Benefits in kind 2013-14	Benefits in kind 2012-13	Pension Benefits (to nearest £1,000) 2013-14	Pension Benefits (to nearest £1,000) 2012-13	Total 2013-14	Total 2012-13
	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£ (to nearest £100)	£ (to nearest £100)	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000
<b>Oliver Morley</b> Chief Executive and Keeper (to 31 October 2013)	60-65 (100-105 full year equivalent)	95-100	-	5-10	-	-	(4)	33	55-60	135-140
<b>Clem Brohier</b> Acting Chief Executive and Keeper (from 1 November 2013) and Director, Finance and Corporate Services	95-100 (105-110 full year equivalent)	90-95	5-10	5 - 10	-	-	24	35	130-135	135-140
<b>Mary Gledhill</b> Commercial Director	75-80	70-75	5-10	0 - 5	-	-	33	53	115-120	130-135
<b>Jeff James</b> Director, Operations and Services (to 24 June 2013)	20-25 (85-90 full year equivalent)	85-90	5-10	-	-	-	4	33	30-35	120-125



Name	Salary 2013-14	Salary 2012-13	Bonus 2013-14	Bonus 2012-13	Benefits in kind 2013-14	Benefits in kind 2012-13	Pension Benefits (to nearest £1,000) 2013-14	Pension Benefits (to nearest £1,000) 2012-13	Total 2013-14	Total 2012-13
	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£ (to nearest £100)	£ (to nearest £100)	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000
<b>Caroline Ottaway-Searle</b> Director, Public Services and Human Resources	80-85	80-85	-	-	-	-	32	42	110-115	120-125
<b>David Thomas</b> Director, Technology and Preservation and Chief Information Officer	90-95	85-90	-	-	-	-	(4)	58	85-90	145-150
<b>Carol Tullo</b> Director Information Policy and Services	90-95	90-95	-	5 - 10	-	-	14	14	105-110	110-115
<b>Mark Addison CB</b> Non-executive Director (to 30 September 2012)	N/a	5-10	N/a	N/a			N/a	N/a	N/a	5-10
<b>Professor Lisa Jardine CBE</b> Non-executive Director	10 - 15	10-15	N/a	N/a	-	-	N/a	N/a	10-15	10-15
<b>Peter Phippen</b> Non-executive Director	10 - 15	0 - 5 (full year equivalent 10 - 15)	N/a	N/a	-	-	N/a	N/a	10 - 15	0 - 5 (full year equivalent 10-15)
<b>Fiona Ross</b> Non-executive Director <sup>19</sup>	10 - 15	0 - 5(full year equivalent 10 - 15)	N/a	N/a	2,500	1,100	N/a	N/a	10-15	5-10 (full year equivalent 10-15)
<b>Trevor Spires CBE</b> Non-executive Director	10 - 15	10 - 15	N/a	N/a	900	1,400	N/a	N/a	10-15	10-15

Name	Accrued pension at pension age as at 31/03/14 and related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31/03/14	CETV at 31/03/13	Employee contributions and transfer in	Real increase in CETV
	£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 (to 31 October 2013)	10-15	(0-2.5)	96	93	0	(1)
<b>Clem Brohier</b> Acting Chief Executive and Keeper (from 1 November 2013) and Director, Finance and Corporate Services	15-20	0-2.5	270	231	8	18
<b>Mary Gledhill</b> Commercial Director	5-10	0-2.5	53	29	10	12
<b>Jeff James</b> Director, Operations and Services (to 24 June 2013)	10-15	0-2.5	185	176	2	6
<b>Caroline Ottaway-Searle</b> Director, Public Services and Human Resources	10-15	0-2.5	153	121	7	19
<b>David Thomas</b> Director, Technology and Preservation and Chief Information Officer	50-55 plus 100-105 lump sum	0-2.5 plus 2.5-5 lump sum)	1,099	1,087	7	(4)
<b>Carol Tullo</b> Director Information Policy and Services	15-20 plus 55-60 lump sum	0-2.5 plus 2.5-5 lump sum	416	376	6	13
<b>Professor Lisa Jardine</b> CBE Non-executive Director	N/a	N/a	N/a	N/a	N/a	N/a
<b>Peter Phippen</b> Non-executive Director	N/a	N/a	N/a	N/a	N/a	N/a
<b>Fiona Ross</b> Non-executive Director <sup>19</sup>	N/a	N/a	N/a	N/a	N/a	N/a
<b>Trevor Spires</b> CBE Non-executive Director	N/a	N/a	N/a	N/a	N/a	N/a

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

## Pay multiples

	2013-14	2012-13
Band of highest paid director's remuneration (£)	110-115	105-110
Median total remuneration (£)	26,574	26,515
Ratio	4.2	4.1

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in an 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 2013-14 was £110k - £115k (2012-13: £105k - £110k). This was 4.2 times the median remuneration of the workforce, which was £26,574 (2012-13: £26,515). This is 0.1 higher than the previous year as the Director, Finance and Corporate Services has received a responsibility allowance to reflect his role of Acting Chief Executive and Keeper, which was in addition to his duties as Director, Finance and Corporate Services.

In 2013-14, nil (2012-13: 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 and the cash equivalent transfer of pensions.

### 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 joining since October 2002 may opt for

either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 6.25% of pensionable earnings for Classic and 3.5% and 8.25% for Premium, Classic Plus and Nuvos. Increases to employee contributions will apply from 1 April 2014. 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 initial 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 the Classic scheme, 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 worked out 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 the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) a pension for a lump sum up to the limits set by the Finance Act 2004.

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

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the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension 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.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. 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 which the member 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 worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 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 that is funded by the employer. It does not include the increase in accrued pension due to inflation, 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.

## Review of tax arrangements of public sector appointees

Table 1: For off-payroll engagements as of 31 March 2014, for more than £220 per day and that last longer than six months

<b>Number of existing engagements as of 31 March 2014</b>	<b>12</b>
<b>of which:</b>	
Number that have existed for less than one year at time of reporting.	2
Number that have existed for between one and two years at time of reporting.	6
Number that have existed for between two and three years at time of reporting.	3
Number that have existed for between three and four years at time of reporting.	1
Number that have existed for four or more years at time of reporting.	0

All of the above off-payroll engagements have been subject to a risk based assessment as to whether assurance is required that the individual is paying the correct amount of tax and, where necessary, assurance has been sought.

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2013 and 31 March 2014, for more than £220 per day and that last longer than 6 months

<b>Number of new engagements, or those that reached six months in duration between 1 April 2013 and 31 March 2014</b>	<b>6</b>
Number of new engagements, or those that reached six months in duration between 1 April 2013 and 31 March 2014	6
Number of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	6
Number for whom assurance has been requested	6
<b>of which:</b>	
Number for whom assurance has been received	6
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being given	0

Table 3: For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2013 and 31 March 2014

Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	7



**Clem Brohier,**  
Accounting Officer, 2 July 2014

## 1 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 Clem Brohier, Acting 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*.

## 2 Governance statement

The National Archives Management Board consists of the Chief Executive, five Directors and up to four Non-executive Directors<sup>22</sup>. The Management Board meets at least ten times a year and is the main governance board for The National Archives.

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 three additional governance bodies: the Executive Team, the Audit Committee and the Remuneration Committee.

The Executive Team is the executive decision-making body of the organisation. It consists of the Chief Executive and five Directors<sup>23</sup>. The Head of the Chief Executive's Office also attends Executive Team meetings which are normally held weekly. The role of the Executive Team was reviewed and updated in February 2014, and is to:

- Fulfil the National Archives' statutory responsibilities and deliver its strategic and business priorities
- Drive and manage improvements in business and financial performance
- Drive innovation, transparency and efficiencies that support delivery of strategic objectives and give value for money

- Identify high-level risks, ensuring their effective mitigation and business continuity
- Review and agree corporate policies
- Direct and support managers to deliver key investments and major projects
- Lead strategic staff management and resourcing.

Directors are responsible for cascading summaries of Executive Team business to the rest of the organisation.

The business of the Executive Team is managed in a way that is inclusive, regularly inviting business updates from the staff members responsible for delivery. Informal challenge encourages staff to bring real issues to the Team's attention. In addition, Executive Team members attend 'Question Time' sessions. These events are usually chaired by a Non-executive Director and are held quarterly. All members of staff are invited to attend and may ask any question about the running of the organisation or current concerns. Questions may be submitted anonymously.

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 an 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 latterly the Acting Chief Executive, and representatives from The National Archives' internal auditors (Baker Tilly Business Services Ltd) attend each meeting. These meetings are usually attended by our external auditors from the National Audit Office. Other Directors and senior staff members may be invited to attend particular meetings or for discussions of individual agenda items.

<sup>22</sup> Prior to 24 June 2013 the Board consisted of the Chief Executive, six directors and up to four Non-executive directors. From 1 November 2013 the Board consisted of the Acting Chief Executive (also Director, Finance and Corporate Services), four directors and up to four Non-executive directors.

<sup>23</sup> Prior to 24 June 2013 the Executive Team consisted of the Chief Executive and six directors. From 1 November 2013 the Team consisted of the Acting Chief Executive (also Director, Finance and Corporate Services) and four directors.

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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 the 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 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

Challenge on performance of the Board is provided by the Non-executive Directors and other Board members. In this the Board is informed by findings of the latest internal audit of The National Archives' governance structures. The board also completes an annual self-assessment. During the year the Board worked with independent facilitators to review how it works together as a board, and to look at how it could continue to improve its effectiveness. Subsequently it has begun to act on the outcomes of those discussions. Examples include a process to challenge and review our risk management processes, changes to agenda setting for the board, more opportunities for non-executives to confer, outside of formal board meetings, and broadening the opportunities to utilise the skills of the Non-executive directors in the organisation.

### 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
- Sustainability and carbon management
- Equality and diversity.

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

At its late Spring meeting, the Audit Committee agrees its agenda for the following year.

Reports and updates received during 2013-14 included:

- Draft Annual Report and Accounts
- National Audit Office Management Letter
- 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
- Governance Statement for 2013-14
- Audit Committee Annual Report
- Fraud assessment
- Security (physical, information assurance and data handling)
- Health and safety
- Environment and sustainability
- Audit Committee effectiveness
- Whistle-blowing
- Business continuity.



## 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.

The Board met formally eight times during 2013-14, with slots for two of the usual ten meetings given over to discussion of strategic planning and risk management. The Chief Executive, Acting Chief Executive, directors and Non-executive directors attended the following numbers of formal Management Board meetings (for which they were eligible to attend) during the year:

Oliver Morley	Chief Executive and Keeper <sup>24</sup>	4 out of 4
Clem Brohier	Acting Chief Executive and Keeper <sup>25</sup> Director, Finance and Corporate Services <sup>26</sup>	8 out of 8
Mary Gledhill	Commercial Director	8 out of 8
Jeff James	Director, Operations and Services <sup>27</sup>	2 out of 2
Caroline Ottaway-Searle	Director, Public Services and Human Resources <sup>28</sup>	8 out of 8
David Thomas	Director, Technology and Preservation and Chief Information Officer <sup>29</sup>	7 out of 8
Carol Tullo	Director, Information Policy and Services	8 out of 8
Prof Lisa Jardine CBE	Non-executive Director	4 out of 8
Peter Phippen	Non-executive Director	7 out of 8
Fiona Ross	Non-executive Director	7 out of 8
Trevor Spires CBE	Non-executive Director	8 out of 8

The Audit Committee met four times during 2013-14. Representatives from our internal and external auditors attend all 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. For the reporting year, the Internal Audit

annual report has indicated that, taking account of any issues identified, the Board can take substantial assurance that the controls on which the organisation relies to manage the areas of governance, risk management and control are suitably designed and consistently applied, and are effective. The internal auditors also conduct an annual review to follow up their recommendations, which provides further

<sup>24</sup> Resigned 31 October 2013.

<sup>25</sup> Acting Chief Executive from 1 November 2013.

<sup>26</sup> Director, Finance and Performance prior to 1 June 2013.

<sup>27</sup> Resigned 24 June 2013.

<sup>28</sup> Director, Human Resources and Organisational Development prior to 1 June 2013.

<sup>29</sup> Director, Technology and Chief Information Officer prior to 1 June 2013.

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.

The National Archives' internal audit services are provided by Baker Tilly Business Services Ltd<sup>30</sup> and 2013-14 was the fourth and final year of a programme of audit work for which they were contracted. A full competitive tender exercise carried out towards the end of 2013 selected Baker Tilly Business Services Ltd to provide a four-year programme of audit work for us from 1 April 2014.

At the start of each Audit Committee meeting the Committee meets with Internal and External Audit representatives first in advance of other regular attendees joining the meeting. This is an opportunity for confidential issues to be raised with the Committee.

## Managing our risks

The National Archives has a well-established approach to the management of risk at all levels and encourages risk management as an enabling tool to balance risk and innovation across the organisation. On 7 January 2014 the Management Board attended an independently facilitated workshop that looked at refreshing our approach to risk management. Emerging from that workshop was a view that The National Archives' appetite for risk taking is set at the right level for some types of risk, but for others we should consider being more open to taking calculated risks. In addition, the way some strategic risks were described was considered to need refreshing in order to more accurately reflect threats the organisation faces in certain business areas and our associated controls and assurance sources. The aim is to make the descriptions less generic and therefore more meaningful to staff.

The Executive Team has taken forward outputs from the 7 January workshop and will develop The National Archives' risk maturity matrix and strategic risk descriptions further in 2014-15. Views of the new Chief Executive and Keeper will inform those discussions and decisions.

For 2013-14 The National Archives' risks fell under the following categories:

- Financial
- Operational
- Reputational: general
- Reputational: ministers, MPs and 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 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 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 carried over from the previous year were:

- Economy and funding
- External changes to our strategy and positioning
- Staff leadership and culture

<sup>30</sup> The National Archives contracted audit services for 2010-2014 from RSM Tenon. RSM Tenon was acquired by Baker Tilly Business Services Ltd in September 2013.

- Our effectiveness in government
- Information assurance, security and management
- Response to national Civil Service-wide industrial action
- Our effectiveness in the archive sector
- Acquiring near-contemporary records
- Unexpected and unfunded responsibilities for records not currently in the public records system

Of these, the risks of greatest concern to us are:

1. Economy and funding – to mitigate this risk we work to continuously improve our planning, budgeting and forecasting. This ensures that we can adjust as necessary to the changing economic and funding context.
2. Our effectiveness in government – to mitigate this risk we take actions to enhance our intelligence of and engagement with other government departments. This ensures that we continue to deliver our public task.
3. Information assurance, security and management – to mitigate this risk we monitor our compliance with best practice and seek accreditation where available for our systems and processes. Continuous assessment and monitoring of potential threats ensures that we have the earliest possible intelligence on them and are able to take timely and appropriate preventative action.

During 2013-14 a risk relating to barriers to income generation was added to the Strategic Risk Register in response to new arrangements concerning overseas transcription of records introduced by the government's Senior Information Risk Owner.

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.

Risks below the strategic level are 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 levels, 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
- Conflict of interest policy
- Complaints policy;

and are aware of routes for confidential reporting (whistle-blowing).

Short- and medium-term additional governance structures are introduced for high-value projects and programmes.

## Other assurance sources

As Acting Chief Executive of The National Archives from 1 November 2013 I was provided with a handover Governance Statement by my predecessor.

In addition I obtain additional assurance from internal reporting, external validation and successful grant funding applications. During 2013-14 this has provided me with assurance on:

- Our response to the 20-year rule change: challenges of this major business change, which came into force on 1 January 2013, have been handled efficiently
- Financial management: we continued to manage resources efficiently and effectively to meet the continuing challenges of the Comprehensive Spending Review 2010 and subsequent funding cuts
- Commercial Digitisation: The National Archives' participation in a £1 million project to digitise BT's historical collection of over 500,000 photographs, reports and correspondence preserved by BT since 1846
- Significant Big Data funding from the Arts and Humanities Research Council (AHRC) for 'Transforming the study of UK law', which will support the Legislation Data Research Infrastructure Project and 'exploring historical datasets', which will support the Traces Through Time Project
- Heritage Lottery Fund grant of nearly £0.5 million awarded under the Catalyst Umbrella Initiative to improve fundraising knowledge and skills in the archives sector
- Customer satisfaction: results of customer surveys assure me that our public offering (both online and on site) continues to be of high quality and highly valued by our users
- Staff engagement: staff were invited to participate in the Civil Service People Survey that involved organisations across the Civil Service. A key element of the survey was the Employee Engagement Index. This is a measure of how engaged employees are with their work and it is calculated from responses

to five of the key statements in the survey:

- I am proud when I tell others I am part of The National Archives
- I would recommend The National Archives as a great place to work
- I feel a strong personal attachment to The National Archives
- The National Archives inspires me to do the best in my job
- The National Archives motivates me to help it achieve its objectives

Research in the private and public sector suggests that organisations with high levels of engagement are more efficient and effective. The National Archives' Employee Engagement Index was calculated at 68% this year, an improvement on the 66% scored last year. I am pleased that with this score The National Archives remains a Civil Service High Performer, especially in another year of constraints on pay and recruitment.

- Environmental improvements: monitoring provides me with assurance that we are on track to achieve mandatory environmental reductions by 31 March 2015
- Transparency: we continue to proactively publish information and data about the way that The National Archives is run, what we spend our budgets on and how well we achieve against a number of indicators. We publish over and above what is required for a government body of our size.

In addition The National Archives' response to the fire incident on 15 February 2014 provided me with assurance that our plans for dealing with major incidents and for business recovery and continuity are robust and fit for purpose. While lessons may be learned from the incident, our response to it demonstrated the value of the Major Incident Management Team planning and simulation exercises carried out during the year.

## 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 continue to work

hard to demonstrate that we are an exemplar in the field of information risk within UK government.

## Lapses in data security

There were no lapses in data security in The National Archives during 2013-14.

## Reporting of personal data-related incidents

TABLE 1: SUMMARY OF PROTECTED PERSONAL DATA RELATED INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2013-14

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
September 2013	The National Archives discovered that around 10% of the records of BT 377/7 (Royal Naval Ratings' Records of Service (1908-1958) available through Documents Online were for people less than 100 years old	Microfiche and digital image copies of service record cards of Royal Naval Reserve ratings, mainly covering men who served during the First World War, but including men who served up to the 1960s	3,000. This initial estimated figure represents the number of those 12,700 people whose birthdates fall within the 100 year period and are statistically likely to still be alive	The Information Commissioner was formally notified on 7 October 2013. The Information Commissioner's Office (ICO) replied on 22 January 2014 requesting further background information. The National Archives supplied this information on 17 February 2014. We await further response from the ICO.
<b>Further action on information risk</b>	<p>All records in BT377/7 with a date of birth of less than 100 years ago were removed from Documents Online in accordance with The National Archives' Takedown Policy</p> <p>The microfiche version of the records was removed from its entirety from the public reading room at The National Archives site at Kew, and its status reviewed at the National Archives Reclosure Panel on 7 February 2014. The panel decision was that, as the microfiche cannot physically be redacted, it will be closed in full under section 40 of the Freedom of Information Act until 2039.</p> <p>A review of other records available through Documents Online was initiated: 288 records were taken down as a result.</p> <p>The National Archives is revising its procedures for processing online content</p>			

TABLE 2: SUMMARY OF OTHER PROTECTED PERSONAL DATA RELATED INCIDENTS IN 2012-13

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the Department are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	Nil
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	Nil
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	Nil
IV	Unauthorised disclosure	1 <sup>31</sup>
V	Other	Nil



Clem Brohier  
Accounting Officer  
2 July 2014

<sup>31</sup> A member of staff accidentally used the 'To' field instead of the 'Bcc' field when emailing conference attendees, thereby exposing their email addresses to each other. Seventy one addresses were exposed in this way, of which forty one had not previously consented to sharing their email address. A requirement to prevent this happening has been added to our replacement booking system



The National Archives

## 3 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 for the year ended 31 March 2014 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. 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 2014 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 2014 and of its 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 Strategic Report and Directors' 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.

**Sir Amyas C E Morse**  
**Comptroller and Auditor General**  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria, London,  
SW1W 9SP

3 July 2014

## 4 Accounts summary

### Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (Frem) requires The National Archives to prepare a Statement of Parliamentary Supply and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit.

#### Summary of resource and capital outturn 2013-14

				2013-14				2013-14	2012-13		
				Estimate				Outturn	Outturn		
				Voted	Non-	Total	Voted	Non-	Total	Voted outturn compared with Estimate: saving/(excess)	Net Total
				£000	voted	£000	£000	£000	£000	£000	£000
Note	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Departmental Expenditure Limit</b>											
- Resource	SOPS 2.1	34,863	-	34,863	33,915	-	33,915	948	34,799		
- Capital	SOPS 2.2	2,320	-	2,320	2,018	-	2,018	302	4,456		
<b>Annually Managed Expenditure</b>											
- Resource	SOPS 2.1	(40)	-	(40)	(52)	-	(52)	12	(82)		
- Capital	SOPS 2.2	-	-	-	-	-	-	-	-		
<b>Total</b>		<b>37,143</b>	<b>-</b>	<b>37,143</b>	<b>35,881</b>	<b>-</b>	<b>35,881</b>	<b>1,262</b>	<b>39,173</b>		
<b>Total Resource</b>	SOPS 2.1	<b>34,823</b>	<b>-</b>	<b>34,823</b>	<b>33,863</b>	<b>-</b>	<b>33,863</b>	<b>960</b>	<b>34,717</b>		
<b>Total Capital</b>	SOPS 2.2	<b>2,320</b>	<b>-</b>	<b>2,320</b>	<b>2,018</b>	<b>-</b>	<b>2,018</b>	<b>302</b>	<b>4,456</b>		
<b>Total</b>		<b>37,143</b>	<b>-</b>	<b>37,143</b>	<b>35,881</b>	<b>-</b>	<b>35,881</b>	<b>1,262</b>	<b>39,173</b>		

#### Net Cash Requirement

				2013-14				2013-14	2012-13
				Estimate				Outturn	Outturn
				£000				£000	£000
Note	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Net Cash Requirement</b>	SOPS 4			<b>31,323</b>			<b>31,213</b>	<b>110</b>	<b>34,658</b>

#### Administration Costs

				2013-14				2013-14	2012-13
				Estimate				Outturn	Outturn
				£000				£000	£000
Note	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Administration Costs</b>	SOPS 2.1			<b>8,819</b>			<b>8,570</b>		<b>8,489</b>

Figures in the areas outlined in bold are voted totals or other totals subject to Parliamentary Control. Explanations of variances between Estimate and Outturn are given in Note 2 and in the management commentary.

The notes on pages 66 to 85 form part of these accounts.

## Notes to the Departmental Resource Accounts (Statement of Parliamentary Supply)

### SOPS1. Statement of accounting policies

The Statement of Parliamentary Supply and supporting notes have been prepared in accordance with the 2013-14 *Government Financial Reporting Manual* (FReM) issued by Her Majesty's Treasury (HMT). The Statement of Parliamentary Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2013-14 *Consolidated Budgeting Guidance* and *Supply Estimates Guidance Manual*.

#### SOPS1.1 Accounting convention

The Statement of Parliamentary Supply and related notes are presented consistently with Treasury budget control and Supply Estimates. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Parliamentary Supply and related notes, have different objectives to IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Parliamentary authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high-quality public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the Charter for Budget Responsibility. These are to:

- Ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy; and
- Support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

#### SOPS1.2 Comparison with IFRS-based accounts

Many transactions are treated in the same way in National Accounts and IFRS-based accounts, but there are a number of differences.

##### SOPS1.2a Capital Grants

Grant expenditure used for capital purposes is treated as a capital (CDEL) item in the Statement of Parliamentary Supply. Under IFRS, as applied by the FReM, there is no distinction between capital grants and other grants, and they score as an item of expenditure in the Consolidated Statement of Comprehensive Net Expenditure. The National Archives has not received any capital grants in the reporting period.

##### SOPS1.2b Prior Period Adjustments (PPAs)

PPAs resulting from an error in previous recording, or from an accounting policy change initiated by the department, need to be voted by Parliament in the current year, whereas in IFRS-based accounts (IAS 8) they are treated as adjustments to previous years. (PPAs resulting from a change in accounting policy brought in by a new or modified accounting standard are not included in Estimates, so there is no misalignment). The National Archives has had no prior period adjustments in the reporting period.

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### **SOPS1.2c Receipts in excess of HM Treasury agreement**

This applies where HM Treasury has agreed a limit to income retainable by the department, with any excess income scoring outside of budgets, and consequently outside of the Statement of Parliamentary Supply. IFRS-based accounts will record all of the income, regardless of the budgetary limit. This situation may arise in the following areas: (i) profit on disposal of assets; (ii) income generation above department Spending Review settlements; and (iii) income received above netting-off agreements. The National Archives receipts were not in excess of agreed HM Treasury income limits during the reporting period.

### **SOPS1.2d Provisions - Administration and Programme expenditure**

Provisions recognised in IFRS-based accounts are not recognised as expenditure for national accounts purposes until the actual payment of cash (or accrual liability) is recognised. To meet the requirements of both resource accounting and national accounts, additional data entries are made in the Statement of Parliamentary Supply across AME and DEL control totals, which do not affect the Statement of Comprehensive Net Expenditure. As the Administration control total is a sub-category of DEL, Administration and Programme expenditure reported in the Statement of Parliamentary Supply will differ from that reported in the IFRS-based accounts. A reconciliation is provided in SoPS note 3.2.

## SOPS2. Net outturn

### SOPS 2.1 Analysis of net resource outturn by section

	Administration			Programme			2013-14 Outturn	2013-14 Estimate Net Total outturn compared with Net Total Estimate	2012-13 Total	
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000			
Spending in Departmental Expenditure Limit										
- Voted	8,601	(31)	8,570	35,949	(10,604)	25,345	33,915	34,863	948	34,799
Annually Managed Expenditure										
- Voted	-	-	-	(52)	-	(52)	(52)	(40)	12	(82)
<b>Total</b>	<b>8,601</b>	<b>(31)</b>	<b>8,570</b>	<b>35,897</b>	<b>(10,604)</b>	<b>25,293</b>	<b>33,863</b>	<b>34,823</b>	<b>960</b>	<b>34,717</b>

### SOPS 2.2 Analysis of net capital outturn by section

	2013-14 Outturn			2013-14 Estimate Net Total compared with Net Estimate	2012-13 Net	
	Gross £000	Income £000	Net £000			
Spending in Departmental Expenditure Limit						
- Voted	2,375	(357)	2,018	2,320	302	4,456
Annually Managed Expenditure						
- Voted	-	-	-	-	-	-
<b>Total</b>	<b>2,375</b>	<b>(357)</b>	<b>2,018</b>	<b>2,320</b>	<b>302</b>	<b>4,456</b>

## SOPS3. Reconciliation of outturn to net operating cost and against Administration budget

### SOPS 3.1 Reconciliation of net resource outturn to net operating cost

	2013-14 Outturn £000	2012-13 Outturn £000
Total resource outturn in Statement of Parliamentary Supply	33,863	34,717
Less income payable to the Consolidated Fund	-	(51)
<b>Net Operating Cost in the Statement of Comprehensive Net Expenditure</b>	<b>33,863</b>	<b>34,666</b>

### SOPS 3.2 Outturn against final Administration budget and Administration net operating cost

	2013-14 Outturn £000	2012-13 Outturn £000
Estimate - Administration costs limit	8,819	8,750
Outturn - Gross administration costs	8,601	8,530
Outturn - Gross income relating to Administration costs	(31)	(41)
<b>Outturn - Net Administration costs</b>	<b>8,570</b>	<b>8,489</b>
Reconcillation to operating costs:		
less other	-	-
<b>Administration Net Operating Costs</b>	<b>8,570</b>	<b>8,489</b>

## SOPS4. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/(excess)
<b>Resource Outturn</b>		34,823	33,863	960
<b>Capital Outturn</b>		2,320	2,018	302
<b>Accruals to cash adjustments:</b>				
<i>Adjustments to remove non-cash items:</i>				
- Depreciation and amortisation	4/5	(5,800)	(5,133)	(667)
- New provisions and adjustments to previous provisions		-		
- Other non-cash items	4/5	(60)	(61)	1
<i>Adjustments to reflect movements in working balances:</i>				
- Increase/(decrease) in stock		-	(71)	71
- Increase/(decrease) in debtors		-	(57)	57
- (Increase)/decrease in creditors	14	-	588	(588)
- Use of provisions	15	40	66	(26)
<b>Net Cash Requirement</b>		<b>31,323</b>	<b>31,213</b>	<b>110</b>

## SOPS5. Analysis of income payable to the consolidated fund

### SOPS 5.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the department, the following income relates to the department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Outturn 2013-14		Outturn 2012-13	
	£000 Income	£000 <i>Receipts</i>	£000 Income	£000 <i>Receipts</i>
Excess cash surrenderable to the Consolidated fund	-	-	51	<i>51</i>
<b>Total income payable to the Consolidated Fund</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b><i>51</i></b>

## Statement of Comprehensive Net Expenditure

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values on non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

for the year ended 31 March 2014

	Note	2013-14 £000	2012-13 £000
<b>Administration costs:</b>			
- Staff costs	3	5,243	5,249
- Other costs	4	3,358	3,281
- Income	6	(31)	(41)
<b>Programme costs:</b>			
- Staff costs	3	19,006	19,357
- Other costs	5	16,891	15,710
- Income	6	(10,604)	(8,890)
<b>Net Operating Cost for the year ended 31 March 2014</b>		<b>33,863</b>	<b>34,666</b>
Total Expenditure		44,498	43,597
Total Income		(10,635)	(8,931)
<b>Net Operating Cost for the year ended 31 March 2014</b>		<b>33,863</b>	<b>34,666</b>
<b>Other Comprehensive Expenditure</b>			
Net (gain)/loss on:			
- revaluation of property, plant and equipment	7	(11,457)	1,163
- revaluation of intangibles	8	2,270	(3,181)
Receipt of donated asset		1	2
<b>Total comprehensive expenditure for the year ended 31 March 2014</b>		<b>24,677</b>	<b>32,650</b>

The notes on pages 66 to 85 form part of these accounts.



## Statement of Financial Position

This statement presents the financial position of The National Archives. It comprises: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

as at 31 March 2014

	Note	31 March 2014		31 March 2013	
		£000	£000	£000	£000
<b>Non-current assets:</b>					
Property, plant and equipment	7	140,642		132,333	
Intangible assets	8	21,623		23,861	
Trade receivables falling due after more than one year	14	123		550	
<b>Total non-current assets</b>			<b>162,388</b>		<b>156,744</b>
<b>Current assets:</b>					
Inventories		90		161	
Trade and other receivables	14	411		584	
Other current assets	14	2,549		2,045	
Cash and cash equivalents	13	110		12	
<b>Total current assets</b>			<b>3,160</b>		<b>2,802</b>
<b>Total assets</b>			<b>165,548</b>		<b>159,546</b>
<b>Current liabilities</b>					
Trade and other payables	15	(510)		(1,816)	
Provisions		(27)		(55)	
Other liabilities	15	(6,038)		(5,068)	
<b>Total current liabilities</b>			<b>(6,575)</b>		<b>(6,939)</b>
<b>Non-current assets less net current liabilities</b>			<b>158,973</b>		<b>152,607</b>
<b>Non-current liabilities:</b>					
Other liabilities	15	(1,121)		(1,314)	
Provisions		(25)		(50)	
<b>Total non-current liabilities</b>			<b>(1,146)</b>		<b>(1,364)</b>
<b>Total assets less liabilities</b>			<b>157,827</b>		<b>151,243</b>
<b>Taxpayers' equity and other reserves:</b>					
General fund			69,079		70,258
Donated asset reserve			10		11
Revaluation reserve			88,738		80,974
<b>Total equity</b>			<b>157,827</b>		<b>151,243</b>



Clem Brohier, Accounting Officer

2 July 2014

The notes on pages 66 to 85 form part of these accounts.

## Statement of Cash Flows

for the year ended 31 March 2014

The Statement of Cash Flows shows the changes in cash and cash equivalents of the department during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the departments' future public service delivery. Cash flows arising from financing activities include Parliamentary Supply and other cash flows, including borrowing.

	Note	2013-14 £000	2012-13 £000
<b>Cash flows from operating activities</b>			
Net operating cost		(33,863)	(34,666)
Adjustments for non-cash transactions	4,5	5,551	4,975
(Increase)/decrease in trade and other receivables	14	57	103
<i>Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		-	-
(Increase)/decrease in inventories		71	(26)
Increase/(decrease) in trade and other payables	15	(588)	(482)
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		-	-
Use of provisions		(66)	(106)
<b>Net cash outflow from operating activities</b>		<b>(28,838)</b>	<b>(30,202)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(2,285)	(4,309)
Purchase of intangible assets	8	(90)	(148)
Proceeds of disposal of property, plant and equipment		-	1
<b>Net cash outflow from investing activities</b>		<b>(2,375)</b>	<b>(4,456)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		31,311	34,600
<b>Net financing</b>		<b>31,311</b>	<b>34,600</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>98</b>	<b>(58)</b>
Payments of amounts due to the Consolidated Fund		-	-
<b>Cash and cash equivalents at the beginning of the period</b>	13	<b>12</b>	<b>70</b>
<b>Cash and cash equivalents at the end of the period</b>	13	<b>110</b>	<b>12</b>

The notes on pages 66 to 85 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2014

	Note	General Fund £000	Revaluation Reserve £000	Donated Asset Reserve £000	Total Reserves £000
<b>Balance at 31 March 2012</b>		<b>69,134</b>	<b>91,547</b>	<b>13</b>	<b>160,694</b>
Prior period adjustments					
- Valuation of revenue generating databases		-	1,158	-	1,158
- Valuation of licenses issued		-	(12,665)	-	(12,665)
<b>Restated balance at 1 April 2012</b>		<b>69,134</b>	<b>80,040</b>	<b>13</b>	<b>149,187</b>
<b>Changes in taxpayers' equity for 2012-13</b>					
Net Parliamentary funding - drawn down		34,600	-	-	34,600
Net Parliamentary funding - deemed		19	-	-	19
Supply payable reclassified as CFER		51	-	-	51
Supply (payable)/receivable adjustment		39	-	-	39
CFERS payable to the Consolidated Fund		(51)	-	-	(51)
Comprehensive net expenditure for the year		(34,666)	2,018	(2)	(32,650)
Non-cash charges - auditors remuneration	4	48	-	-	48
Transfers between reserves		1,084	(1,084)	-	-
<b>Balance at 31 March 2013</b>		<b>70,258</b>	<b>80,974</b>	<b>11</b>	<b>151,243</b>
<b>Changes in taxpayers' equity for 2013-14</b>					
Net Parliamentary funding - drawn down		31,311	-	-	31,311
Net Parliamentary funding - deemed		(39)	-	-	(39)
Supply payable reclassified as CFER		-	-	-	-
Supply (payable)/receivable adjustment	15	(59)	-	-	(59)
CFERS payable to the Consolidated Fund	15	-	-	-	-
Comprehensive net expenditure for the year		(33,863)	9,187	(1)	(24,677)
Non-cash charges - auditors remuneration	4	48	-	-	48
Transfers between reserves		1,423	(1,423)	-	-
<b>Balance at 31 March 2014</b>		<b>69,079</b>	<b>88,738</b>	<b>10</b>	<b>157,827</b>

The notes on pages 66 to 85 form part of these accounts.

## 5 Notes to the Departmental Resource Accounts

### 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2013-14 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy that 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 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. Appropriate indices are used in intervening years for buildings. As the Land has planning restrictions it is considered

inappropriate to index the land in the intervening years between professional valuations. Professional valuation was last carried out in 2011-12. 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).

The minimum level for capitalisation of an individual tangible non-current asset is £5,000. Where bulk purchases are made for individual assets whose unit costs are below the threshold, but in aggregate exceed £30,000 within a financial year, the assets are capitalised.

Directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating are also capitalised. This includes the costs of external contractors who deliver on IT projects as well as salaries of internal staff working 100% of their time on particular capital projects.

#### 1.3 Heritage assets

The National Archives holds more than 11 million physical records and artefacts. We also hold a significant and growing digital archive classed as non-operational heritage assets. These 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, Discovery, 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.

Certain items within the overall collection are of particular significance. These include the Domesday Book (one of our most prized national treasures, which has been preserved for over nine centuries and is now cared for at Kew); a 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 10 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 licences issued to third parties and internal revenue generating databases (such as our Document Download and Image Library services) as intangible assets with indefinite lives, reflecting the underlying nature of the supporting public records. The valuation adopted in each case is based on 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 and amortisation

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 40 years <sup>32</sup>
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
Licences issued	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 organisations, including 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.

<sup>32</sup> Following a professional valuation at the end of 2011-12, the building life has been revised from 50 years to 40 years

## 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

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 3.

## 1.11 Early departure costs

Under the previous Civil Service Compensation Scheme (in place until 22 December 2010) the Department was required to meet 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.

Under the new Civil Service Compensation Scheme the Department pays over a lump sum to PCSPS to cover these costs in full following agreement of the departure rather than on an ongoing basis and therefore these transactions are expensed when they occur rather than being recognised as provisions.

The provision recognised for early retirement therefore reflects costs associated with staff who retired before the transition to the new Civil Service Compensation Scheme. The National Archives provided in full for this cost when the early retirement programme became binding by establishing a provision for the estimated payments discounted by the HM Treasury discount rate (currently 1.80% 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 of 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 2014 the value of those cash assets was £28,338. 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 Prior-period adjustments

There are no prior-period adjustments.

### 1.17 New and revised standards issued but not effective

The following standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective at the reporting date. These standards and interpretations have been adopted by the EU:

- IFRS 10 definition of control (investor power and ability to direct activities of an investee) requires more judgement, notably of agency-principal relationships. Clarity on investor exposure or rights to variable returns (e.g. cost savings) may result in new consolidations, notably asset and fund managers. This standard is not expected to have a material impact on The National Archives' future accounts.
- IFRS 11 provides a principles-based definition of joint arrangements (joint operations or joint ventures) based on rights and obligations. Proportional consolidation accounting for joint ventures is no longer permitted (only equity accounting). This standard is not expected to have a material impact on The National Archives' future accounts.
- IFRS 12 requires more disclosure of the financial effects on, and risks to, the consolidating entity. This standard is not expected to have a material impact on The National Archives' future accounts.
- Investment entities. IASB updated the reporting requirements effective on or after 1 January 2014, providing guidance on exceptions to consolidation. Instead, investment entities (entities whose business purpose is to make investments for capital appreciation and/or investment income) are required to present investments in subsidiaries as a net investment at fair value. This requirement is not expected to have a material impact on The National Archives' future accounts.
- IFRS 13 has been prepared to provide consistent guidance on fair-value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise). The standard defines fair value, provides guidance on fair-value measurement techniques, and sets out the disclosure requirements. The standard requires

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fair value to be measured using the most reliable data and inputs available to determine the exit price for an asset / liability. This exit price is taken to be the price that two market participants (a buyer and seller) would settle on. Until the standard is further reviewed by HM Treasury and the other Relevant Authorities The National Archives is uncertain as to the impact this standard will have on future accounts.



## 2. Statement of Operating Costs by Operating Segment

International Financial Reporting Standard 8: Operating segments (IFRS8) 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 18 to 19. 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; and providing public access.

In accordance with IFRS8, below is a schedule of income and expenditure against each identified segment. Overheads are allocated proportionally based on the direct income/costs identified.

	2013-14			Total £000
	Government Information management £000	Preservation and protection £000	Public access £000	
Income	(2,238)	(611)	(7,786)	(10,635)
Operating expenditure	8,519	11,587	19,259	39,365
Depreciation and amortisation	1,111	1,511	2,511	5,133
<b>Net operating cost</b>	<b>7,392</b>	<b>12,487</b>	<b>13,984</b>	<b>33,863</b>

	2012-13			Total £000
	Government Information management £000	Preservation and protection £000	Public access £000	
Income	(1,362)	(520)	(7,049)	(8,931)
Operating expenditure	7,805	11,004	19,884	38,693
Depreciation and amortisation	989	1,395	2,520	4,904
<b>Net operating cost</b>	<b>7,432</b>	<b>11,879</b>	<b>15,355</b>	<b>34,666</b>

Reconciling differences between the segmental analysis above and the net resource outturn are shown in SOPS 3.

### 3. Staff numbers and related costs

Staff costs comprise:

			2013-14	2012-13
	Permanently Employed Staff	Others	Total	Total
	£000	£000	£000	£000
Wages and salaries	18,648	1,085	19,733	20,124
Social Security costs	1,510	-	1,510	1,542
Other pension costs	3,295	-	3,295	3,237
<b>Sub total</b>	<b>23,453</b>	<b>1,085</b>	<b>24,538</b>	<b>24,903</b>
Less recoveries in respect of outward secondments	(289)	-	(289)	(297)
<b>Total net costs</b>	<b>23,164</b>	<b>1,085</b>	<b>24,249</b>	<b>24,606</b>
<b>of which:</b>	<b>Charged to Administration budgets</b>	<b>Charged to Programme budgets</b>	<b>Total</b>	
	£000	£000	£000	
<b>Total</b>	<b>5,243</b>	<b>19,006</b>	<b>24,249</b>	

Zero staff costs were capitalised during the year

- a) 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)). An actuarial valuation of the PCSPS is currently underway, with an effective date of 31 March 2012. This valuation is being conducted in line with Directions made by HM Treasury, made under the Public Service Pensions Act 2013. Provisional results of the valuation indicate that there will be an increase of 2.2 percentage points in the average employer contribution rate paid to the scheme from 1 April 2015, with the average employer contribution rising from 18.9% to 21.1%. The full results of the valuation, which will also set an employer cost cap for the scheme, will be published in the coming months.
- b) For 2013-14, employers' contributions of £3,199k were payable to the PCSPS (2012-13: £3,147k) at one of four rates in the range 16.7 to 24.3% (2012-13: 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 salary bands and contribution rates are set to meet the cost of the benefits accruing during 2013-14 to be paid when the member retires and not the benefits paid during this period to existing pensioners.
- c) Employees can opt to open a partnership pension account – a stakeholder pension with an employer contribution. During 2013-14, employers' contributions of £91k (2012-13: £84k) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and

range from 3% to 12.5% of pensionable pay. Employers also match employee contributions of up to 3% of pensionable pay. In addition, employer contributions of £6k (2012-13: £6k), 0.8% (2012-13: 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 £12k (2012-13: £10k). Contributions pre-paid at that date were nil.

### Average full-time equivalent number of persons employed

	Permanently Employed Staff	Others <sup>33</sup>	2013-14 Total	2012-13 Total
Government information management	103	23	126	122
Preservation and protection	102	11	113	120
Public access	323	45	368	387
Staff engaged on capital projects	-			1
<b>Total</b>	<b>528</b>	<b>79</b>	<b>607</b>	<b>630</b>

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

(Numbers in brackets are comparatives for 2012-13)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	- (-)	- (2)	- (2)
£10,000 - £24,999	- (-)	2 (4)	2 (4)
£25,000 - £49,999	- (-)	2 (-)	2 (-)
£50,000 - £99,999	- (-)	- (-)	- (-)
£100,000 - £149,999	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
<b>Total number of exit packages by type</b>	<b>- (-)</b>	<b>4 (6)</b>	<b>4 (6)</b>
<b>Total resource cost - £</b>	<b>- (-)</b>	<b>95,084 (70,539)</b>	<b>95,084 (70,539)</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.

<sup>33</sup> Others includes staff on fixed-term appointments, limited-period appointments as well as agency staff and any specialist contractor.

#### 4. Other administration costs

	2013-14		2012-13	
	£000	£000	£000	£000
<b>Non-cash items:</b>				
Depreciation and amortisation				
- Civil Estate	640		572	
- Other non current assets	386		409	
Auditor's remuneration - audit work	48		48	
		1,074		1,029
<b>Other expenditure</b>				
IT maintenance	706		836	
Accommodation and building maintenance	339		324	
Recruitment and training	251		234	
Minor software and hardware	119		210	
Telecommunications	177		191	
Internal audit	48		49	
Travel, subsistence and hospitality	27		34	
Legal expenses	24		27	
Consultancy	14		-	
Other contracted services	39		7	
Postage	10		6	
Grants paid	20		20	
Subscriptions	39		36	
Other expenditure	471		278	
		2,284		2,252
		3,358		3,281

## 5. Programme costs

	2013-14		2012-13	
	£000	£000	£000	£000
<b>Rentals under operating leases:</b>				
Hire of plant and machinery	89		54	
		<b>89</b>		<b>54</b>
<b>Non-cash items:</b>				
Depreciation and amortisation				
- Civil Estate	2,562		2,287	
- Other non current assets	1,545		1,636	
Loss on disposal of non current assets	357		1	
Provisions:				
- Borrowing costs (unwinding of discounts)	13		22	
- Provided/(released) in year - other provisions	-		-	
		<b>4,477</b>		<b>3,946</b>
<b>Other expenditure</b>				
Accommodation and building maintenance	6,254		5,843	
Public access	1,019		945	
IT maintenance	681		616	
Travel, subsistence and hospitality	299		291	
Recruitment and training	26		49	
Digitisation & scanning	145		399	
Shop stores	159		160	
Conferences	47		41	
Minor software and hardware	95		216	
Record copying materials	2		7	
Legal expenses	122		160	
Website hosting	360		321	
Film and internet archiving	958		588	
Conservation & preservation materials	51		58	
Other contracted services	622		426	
Minor furniture, equipment & related maintenance	200		297	
Postage, stationery and store supplies	229		285	
Grants paid	393		371	
Subscriptions	95		95	
Royalties	84		175	
Other expenditure	484		367	
		<b>12,325</b>		<b>11,710</b>
		<b>16,891</b>		<b>15,710</b>

## 6. Income

	2013-14	2012-13
	£000	£000
<b>Operating income analysed by classification and activity, is as follows:</b>		
Income		
Fees and charges to external customers	9,972	8,226
Fees and charges to other government departments	655	705
EU Funding income	8	-
	<b>10,635</b>	<b>8,931</b>

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

	2013-14	2013-14	2013-14
	Income	Full cost	(Deficit)/Surplus
	£000	£000	£000
Reprographic services	870	807	63
Information and Publishing	7,031	3,872	3,159
Externally funded projects	993	1,045	(52)
Other	1,741	1,741	-
	<b>10,635</b>	<b>7,465</b>	<b>3,170</b>

	2012-13	2012-13	2012-13
	Income	Full cost	(Deficit)/Surplus
	£000	£000	£000
Reprographic services	897	970	(73)
Information and Publishing	5,566	4,211	1,355
Externally funded projects	1,134	1,115	19
Other	1,334	1,334	-
	<b>8,931</b>	<b>7,630</b>	<b>1,301</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*.

## 7. 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>								
<b>At 1 April 2013</b>	18,200	102,484	9,024	7,659	177	11,640	2,254	151,438
Additions	-	131	89	153	-	415	1,497	2,285
Donations	-	-	-	-	-	-	-	-
Reclassification	-	31	-	41	-	2,132	(2,204)	-
Disposals	-	-	(431)	(144)	(16)	(5,021)	(50)	(5,662)
Revaluation	-	11,786	-	-	-	-	-	11,786
<b>At 31 March 2014</b>	<b>18,200</b>	<b>114,432</b>	<b>8,682</b>	<b>7,709</b>	<b>161</b>	<b>9,166</b>	<b>1,497</b>	<b>159,847</b>
<b>Depreciation</b>								
<b>At 1 April 2013</b>	-	2,858	2,885	2,915	108	10,339	-	19,105
Charged in year	-	3,202	701	182	15	987	-	5,087
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	(188)	(130)	(13)	(4,985)	-	(5,316)
Revaluation	-	329	-	-	-	-	-	329
<b>At 31 March 2014</b>	<b>-</b>	<b>6,389</b>	<b>3,398</b>	<b>2,967</b>	<b>110</b>	<b>6,341</b>	<b>-</b>	<b>19,205</b>
<b>Net Book Value at</b>								
<b>31 March 2014</b>	<b>18,200</b>	<b>108,043</b>	<b>5,284</b>	<b>4,742</b>	<b>51</b>	<b>2,825</b>	<b>1,497</b>	<b>140,642</b>
<b>Net Book Value at</b>								
<b>31 March 2013</b>	<b>18,200</b>	<b>99,626</b>	<b>6,139</b>	<b>4,744</b>	<b>69</b>	<b>1,301</b>	<b>2,254</b>	<b>132,333</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 2012</b>	18,200	101,026	7,990	7,653	184	11,280	2,029	148,362
Additions	-	1,248	1,057	6	-	261	1,737	4,309
Donations	-	-	-	-	-	-	-	-
Reclassification	-	1,375	-	-	-	137	(1,512)	-
Disposals	-	-	(23)	-	(7)	(38)	-	(68)
Revaluation	-	(1,165)	-	-	-	-	-	(1,165)
<b>At 31 March 2013</b>	<b>18,200</b>	<b>102,484</b>	<b>9,024</b>	<b>7,659</b>	<b>177</b>	<b>11,640</b>	<b>2,254</b>	<b>151,438</b>
<b>Depreciation</b>								
<b>At 1 April 2012</b>	-	-	2,154	2,746	99	9,350	-	14,349
Charged in year	-	2,858	754	169	16	1,026	-	4,823
Disposals	-	-	(23)	-	(7)	(37)	-	(67)
Revaluation	-	-	-	-	-	-	-	-
<b>At 31 March 2013</b>	<b>-</b>	<b>2,858</b>	<b>2,885</b>	<b>2,915</b>	<b>108</b>	<b>10,339</b>	<b>-</b>	<b>19,105</b>
<b>Net Book Value at 31 March 2013</b>	<b>18,200</b>	<b>99,626</b>	<b>6,139</b>	<b>4,744</b>	<b>69</b>	<b>1,301</b>	<b>2,254</b>	<b>132,333</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>

#### Notes

- a) 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 was carried out in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. In years where there is no professional valuation exercise, revaluation is derived from the relevant indices as appropriate except for land for the reasons stated in the accounting policy 1.2.
- b) All non-current assets are implicitly owned by The National Archives. There are no leased assets.



## 8. Intangible assets

	Software licences £000	Revenue generating databases £000	Licenses issued £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2013	1,833	2,065	21,631	106	25,635
Additions	10	-	-	80	90
Reclassifications	97	-	-	(97)	-
Disposals	(1,173)	-	-	(9)	(1,182)
Impairments	-	-	-	-	-
Revaluation	-	1,077	(3,348)	-	(2,271)
<b>At 31 March 2014</b>	<b>767</b>	<b>3,142</b>	<b>18,283</b>	<b>80</b>	<b>22,272</b>
<b>Amortisation</b>					
At 1 April 2012	1,774	-	-	-	1,774
Charged in year	46	-	-	-	46
Disposals	(1,171)	-	-	-	(1,171)
Revaluation	-	-	-	-	-
<b>At 31 March 2014</b>	<b>649</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>649</b>
<b>Net Book Value at 31 March 2014</b>	<b>118</b>	<b>3,142</b>	<b>18,283</b>	<b>80</b>	<b>21,623</b>
<b>Net Book Value at 31 March 2013</b>	<b>59</b>	<b>2,065</b>	<b>21,631</b>	<b>106</b>	<b>23,861</b>
	Software licences £000	Revenue generating databases £000	Licenses issued £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>					
At 1 April 2012	1,916	2,059	18,456	-	22,431
Additions	41	-	-	106	147
Disposals	(124)	-	-	-	(124)
Impairments	-	-	-	-	-
Revaluation	-	6	3,175	-	3,181
<b>At 31 March 2013</b>	<b>1,833</b>	<b>2,065</b>	<b>21,631</b>	<b>106</b>	<b>25,635</b>
<b>Amortisation</b>					
At 1 April 2011	1,818	-	-	-	1,818
Charged in year	80	-	-	-	80
Disposals	(124)	-	-	-	(124)
Impairments	-	-	-	-	-
<b>At 31 March 2013</b>	<b>1,774</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,774</b>
<b>Net Book Value at 31 March 2013</b>	<b>59</b>	<b>2,065</b>	<b>21,631</b>	<b>106</b>	<b>23,861</b>
<b>Net Book Value at 31 March 2012</b>	<b>98</b>	<b>2,059</b>	<b>18,456</b>	<b>-</b>	<b>20,613</b>

## 9. Impairments

There were no impairments in 2013-14.

## 10. Further information on heritage assets

### 10a. Preservation and management

Acquisition of heritage assets is through government bodies selecting records for permanent preservation and transferring these records to The National Archives. In January 2013 central government began a ten-year transition, during which the age at which records would usually be transferred to The National Archives and released to the public is being reduced, from 30 years to 20 years (however, many are transferred early) The records held by The National Archives span over 1,000 years and fill around 200 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 computer disks and digital media. 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.

In the year to March 2014, we received records covering 882 metres of shelving (612 metres in 2012-13). During the year we took 1,076 snapshots of websites for the UK government web archive (1,857 in 2012-13).

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 preventative 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 accessioned.

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 2013-14 £1,590k was recognised (2012-13: £1,678k).

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.

#### Note 10b: 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 60 minutes of the request being made and we consistently perform favourably against this. For documents kept at our off-site storage facility in Cheshire, documents requested are made available for on site viewing within three working days if ordered by 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.

## 11. Capital and other commitments

### 11.1 Capital commitments

Contracted capital commitments at 31 March 2014 not otherwise included in these financial statements

	2013-14 £000	2012-13 £000
Property, plant and equipment	150	50

### 11.2.2 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:

	2013-14 £000	2012-13 £000
Not later than one year	1,402	914
Later than one year and not later than five years	1,051	-
	2,453	914

## 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.

### Market risk

The intangible asset valuations of revenue generating databases and licences issued 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. The growth rate applied to the forecasting model is a weighted average of the final three years of the five-year actual forecast royalty income. Below is a sensitivity analysis of the effects of changes in the forecast assumptions on the amounts disclosed in the accounts.

Market risk - assumptions tested	Impact on 2013-14 valuation £000
2013-14 income 10% less than forecast for revenue generating databases	(320)
2013-14 income 10% higher than forecast for revenue generating databases	320
2013-14 income 10% less than forecast for licenses	(1,923)
2013-14 income 10% higher than forecast for licenses	1,923

### 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 royalty income received from some of its licences issued. 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, the reduction in the valuation would be taken against the revaluation reserve.

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

## 13. Cash and cash equivalents

	2013-14 £000	2012-13 £000
Balance at 1 April	12	70
Net change in and cash equivalents	98	(58)
<b>Balance at 31 March 2014</b>	<b>110</b>	<b>12</b>

The following balances at 31 March are held at:

Government Banking Service	103	5
Cash in hand	7	7
<b>Balance at 31 March 2014</b>	<b>110</b>	<b>12</b>

## 14. Trade receivables, financial and other assets

	2013-14	2012-13
	£000	£000
<b>Amounts falling due within one year:</b>		
VAT	-	51
Trade receivables	411	584
Other receivables	7	14
Deposits and advances	65	58
Prepayments and accrued income	2,477	1,883
Amounts due from the Consolidated fund in respect of supply	-	39
	<b>2,960</b>	<b>2,629</b>
<b>Amounts falling due after one year:</b>		
Prepayments and accrued income	123	550
	<b>123</b>	<b>550</b>
<b>Total receivables</b>	<b>3,083</b>	<b>3,179</b>

### 14.1 Intra-government balances

	2013-14	2012-13
	£000	£000
<b>Intra-government balances falling within one year</b>		
Balances with other central government bodies	301	90
Balances with local authorities	-	4
Balances with NHS bodies	-	-
Balances with public corporations and trading funds	-	109
<b>Intra-government balances</b>	<b>301</b>	<b>203</b>
Balances with bodies external to government	2,659	2,426
<b>Total receivables and current assets at 31 March 2014</b>	<b>2,960</b>	<b>2,629</b>

	2013-14	2012-13
	£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	123	550
<b>Total non-current receivables at 31 March 2014</b>	<b>123</b>	<b>550</b>
<b>Total receivables</b>	<b>3,083</b>	<b>3,179</b>

## 15. Trade payables and other current liabilities

	2013-14 £000	2012-13 £000
<b>Amounts falling due within one year</b>		
Other Taxation, Social Security and Pension	955	802
Trade payables	510	1,816
Accruals and deferred income	4,137	3,446
Short-term staff benefits (Earned leave liability)	836	769
Amounts issued from the Consolidated Fund for supply but not spent at year end	59	-
Consolidated Fund extra receipts and other amounts due to be paid to the Consolidated Fund		
- received	51	51
- receivable	-	-
	<b>6,548</b>	<b>6,884</b>
<b>Amounts falling due after one year:</b>		
Deferred income	1,121	1,314
	<b>1,121</b>	<b>1,314</b>
<b>Total payables</b>	<b>7,669</b>	<b>8,198</b>

### 15.1 Intra-government balances

	2013-14 £000	2012-13 £000
<b>Intra-government balances falling within one year</b>		
Balances with other central government bodies	1,757	1,296
Balances with local authorities	41	1
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	8	2
<b>Intra-government balances</b>	<b>1,806</b>	<b>1,299</b>
Balances with bodies external to government	4,742	5,585
<b>Total payables and other current liabilities</b>	<b>6,548</b>	<b>6,884</b>
<b>Intra-government balances falling due after one year</b>		
Balances with other central government bodies	40	-
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	1,081	1,314
<b>Total non-current payables at 31 March 2014</b>	<b>1,121</b>	<b>1,314</b>
<b>Total payables</b>	<b>7,669</b>	<b>8,198</b>

## 16. Contingent liabilities disclosed under IAS37

There were three contingent liabilities at the reporting date. These relate to staff compensation payments and the estimated liability is £107,000.

## 17. Losses and special payments

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

## 18. 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. The National Archives has had a number of transactions with other government departments and other central government bodies.

During the year, The National Archives entered into new transactions with the Arts and Humanities Research Council (AHRC) The grant will fund two "Big Data" projects. During 2013-14 The National Archives received £18,500 of grant funding from AHRC for these projects and anticipates receiving around £700,000 of further funding in 2014-15. Trevor Spires also acts as AHRC's Chair of Audit Committee and was not in attendance at meetings where the National Archives discussed its bid for funding from ARHC.

No other management board member, key managerial staff or other related parties has undertaken any material transactions with The National Archives during the year.

## 19. Third party assets

The National Archives held short-term monetary assets valued at £28,338 on behalf of other government departments at the end of the reporting period (£10,830 at 31 March 2013).

	31 March 2013	Gross inflows	Gross outflows	31 March 2014
	£000	£000	£000	£000
Bank balance	11	93	76	28
	11	93	76	28

## 20. Events after the reporting period date

There are no non-adjusting or adjusting events after the reporting period.

# Annex A

## Sustainability accounting and reporting

This report describes our approach to sustainability, the targets we are working towards, and the progress we have made during 2013-14 and our plans for the new financial year. Further information relating to our sustainability performance, plans and policies may be found on our website.

This report was prepared in accordance with *HM Treasury Financial Reporting (FRM)* requirements and the operational information presented aligns with our performance reporting in respect of our Greening Government Commitments - the targets and requirements set by Cabinet Office to ensure that all Central Government Departments meet the overarching vision for sustainability.

The National Archives is firmly committed to embedding the principles of sustainable development throughout its plans, policies and operations. Challenging sustainability targets are incorporated into our business plans and our performance is subject to regular internal and external scrutiny.

### Governance and reporting

Our key sustainability targets are summarised within business plans and performance is regularly reviewed throughout the year. Our Director-led Sustainable Development Board oversees progress and comprises representatives of key business functions. Our Management Board and Audit Committee review our sustainability performance at six-monthly intervals, ensuring that progress is scrutinised and challenged where appropriate.

As a non-ministerial government department, and an executive agency of the Ministry of Justice, The National Archives is committed to meeting, and exceeding where practical, the Greening Government Commitments. Our performance is fed quarterly via the Ministry of Justice to Cabinet Office, who in turn prepare an annual report for central government.

Information on our sustainability performance is made available on the transparency pages of our website, and summarised in this annex to our annual report and accounts.

The National Archives is an active participant in the cross-Whitehall Sustainability Group, sharing best practice and benefiting from lessons learnt from other private and public sector organisations.

### Accuracy

While we improve our data capture processes year on year, and have made considerable progress in doing so, there will always be aspects of our data that involve some estimation or conversions that introduce the potential for error. For example, in order to calculate the weight of food waste we recycle each year, we multiply the number of collections by a typical bin weight. It is not practical for each consignment to be weighed before collection.

### Our Sustainability strategy and targets

As a central government department, we play our part in achieving the Greening Government Commitments – a set of targets and outcomes that together help ensure that central government meets the Vision for Sustainability, which was published by the Government in 2011. Our business plan *'For the record. For good'* cites the Greening Government Commitments – and our aspiration to meet or exceed them. In addition, we intend to embed best practice sustainability through adopting best practices and approaches set out in the Government's Greening Government ICT Strategy, and through sustainability appraisals of key projects and procurement activities.



## Summary of performance

We are on track to meet or exceed the Greening Government Commitments targets. A summary of our performance is shown in the table below.

Indicator	Reduction target %	Baseline	Improvement on baseline %	Improvement compared with 2012-13 %
Greenhouse gas emissions	25	2009-10	50	14
Waste produced	25	2010-11	31	5
Water used	20	2009-10	14	2
Domestic flights taken	20	2009-10	32	-29

## Our performance in detail

Indicator	2013-14	2013-14 per FTE employee	2012-13	2013-14 per FTE employee
Greenhouse gas emissions - scopes 1-3 tCO <sub>2</sub> e	3,974	6.8	4,645	7.9
Energy used: Mwh	10,226	16.8	12,434	20.5
Waste produced*	120	0.2	126	0.2
Water used m <sup>3</sup>	22,316	36.8	22,823	37.5
Domestic flights taken	62	0.1	48	0.1

\* Excludes construction and refurbishment projects waste to enable meaningful comparison.

## Greenhouse gas emissions

Our target is to reduce greenhouse gas emissions from building energy use and domestic business travel by 25 per cent, against the 2009-10 baseline levels, by April 2015 and to continue to reduce emissions year on year. With one year of the target period still to go, we have reduced emissions by 50 per cent.

Indicator		2013-14	2012-13 (restated)*
Greenhouse gas emissions: tonnes CO <sub>2</sub> e	Gross emissions for scope 1 and 2	3,692	4,330
	Gross emissions for scope 3	282	315
Buildings energy consumption: MWh	Electricity: non-renewable	0	5,500
	Electricity: renewable	0	733
	Electricity: good-quality combined heat and power	6,383	1,100
	Natural gas	3,843	5,101
Financial indicators: £	Energy	821,168	899,806
	Carbon Reduction Commitment allowances	47,521	57,249
	Business travel	141,844	122,268

\* All carbon figures have been restated in accordance with recent changes to Defra's methodology for company reporting.

We continue to reduce emissions through effective management of our buildings and travel. We achieved our greatest savings through cross-cutting collaborative working between key business units including Estates and Facilities, Collection Care and Information and Communications Technology. High-level support for our emissions reduction activities, from both the Management Board and the Sustainable Development Board has ensured that all aspects of the organisation have contributed to this significant achievement. By ensuring that emissions and other sustainability considerations are taken into account from the conception of business change, procurement and projects, we have achieved substantial progress while ensuring greater long-term value for money.

## Waste minimisation and management

Indicator		2013-14	2012-11
Operational waste: tonnes	<b>Total</b>	<b>120.2</b>	<b>126.4</b>
	Recycled and reused	45.1	63.5
	Energy from waste incineration	50.9	45.0
	Food and catering: anaerobic digestion	12.3	14.4
	Composted	1.0	2.7
	Landfill	10.9*	0.8
Construction projects waste: tonnes	<b>Total</b>	<b>72.1</b>	<b>137.0</b>
	Recycled	57.7	129.2
	Landfill	14.4	7.8
Operational waste expenditure: £ <sup>#</sup>	<b>Total</b>	<b>30,728</b>	<b>34,683</b>
	Recycled and reused	8,758	13,522
	Energy from waste incineration	9,834	10,035
	Food and catering: anaerobic digestion	1,602	1,648
	Landfill	2,356	542

\* Organic waste from grounds maintenance – not suitable for composting.

<sup>#</sup> Spend data obtained from our Facilities Management contract provider. Total includes the cost of storage and containment.

We continue to reduce our waste output and remain on track to meet our challenging target. This year we have worked with our key suppliers to ensure that packaging and deliveries to our site are minimised and materials used are recycled and environmentally responsible.

## Use of finite resources

Indicator	2013-14	2012-13
Water consumption: m <sup>3</sup>	22,316	22,823
Water supply costs: £k	36,779	46,511
Paper use: reams A4 equivalent	3,760	3,070

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We use substantial amounts of water, primarily because of our need to preserve our collection. Our cooling towers use water for evaporative cooling, which is necessary in order to control temperature and humidity in our repositories. During 2013-14 we embarked on a project to replace our ageing cooling towers with high-efficiency equivalents. Our reduction in the energy we use for cooling has enabled us to reduce the size of the towers, further reducing their consumption of water.

An ongoing water management project, aiming to deliver our ambition to reduce mains water consumption by 20 per cent by 2015, has led to the drilling of two wells on-site – to provide water for use in the cooling towers and grounds. We evaluated the viability of using groundwater for non-potable uses within our buildings and we hope to take this forward during 2014-15. If successful, we anticipate a reduction in consumption of mains drinking water of 50 per cent or more compared with our 2009-10 baseline. In addition to reducing our demand for mains water, the use of relatively low-carbon groundwater abstracted from our wells will significantly reduce expenditure and mitigate risks to our collection associated with mains water supply interruption.

### **Sustainable procurement**

Drawing on our Sustainable Procurement Action Plan published in 2013, we now ensure that we take into account the whole-life cost of goods and services - environmental, social and economic. We continue to work collaboratively with our supply chain ensuring sustainable practices are followed.

### **Food, catering and cleaning**

Our food and catering service achieves the requirements set for government departments within the Greening Government Commitments. Our catering provider supports local suppliers and where practical, meat and poultry is sourced from UK Farm Assured suppliers. All fish is sourced from sustainable fishing sources. Frozen and dry products are transported using a one-stop approach that reduces transportation mileage.

Cleaning services use cleaning products with minimal impact on the environment, minimising energy and water use and using consumables that meet EU Ecolabel standards.

### **Greening Information and Communications Technology (ICT)**

We made considerable progress during the year to progress the sustainability aspirations set out in our ICT Strategy, which aligns with aspects of the Government's Greening ICT Strategy. We continued to roll out smart metering of our ICT infrastructure and devices, enabling better monitoring, more efficient energy consumption and reduced carbon emissions. As a result of both this work and other efforts to improve the efficiency of the technology we use, we are realising considerable economic and environmental benefits.

A comprehensive energy efficiency audit of our data centre has resulted in significant reductions in energy use and has helped to shape our operating strategy. Our forthcoming refresh of network infrastructure, servers and storage gave us an opportunity to follow the best practices set out in the Government's Greening ICT workbook. Energy efficiency and sustainability considerations were embedded into the specification for, and appraisal of, prospective suppliers. This will help ensure that our future IT services are delivered cost-effectively while minimising their impact on the environment.

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## Biodiversity

Since we published our Biodiversity Action Plan in 2010 we have transformed the biodiversity value of our Kew site. In 2013-14 we completed several significant biodiversity enhancements – including landscaping for biodiversity using plants and shrubs from the Royal Horticultural Society’s Perfect for Pollinators list. We also created loggeries and refuges for small mammals and invertebrates and we have planted a number of native tree species. We have sown wildflower meadows in areas that were previously lawns of low biodiversity value. We plan to further improve the appearance and habitats offered by our ponds by introducing a variety of native aquatic plants.

## Climate change adaptation

The National Archives contributes to the Ministry of Justice’s departmental climate change adaptation plan. We have evaluated the likely impact of climate change on our ability to maintain our collection at Kew. The likelihood of flooding and temperature extremes present the greatest risks to our operations. Over recent years we have taken steps to improve the thermal integrity of our buildings, while enhancing the capability of the heating, ventilation and air conditioning systems to maintain appropriate environmental conditions.

Ongoing work to reduce our energy consumption and improve energy efficiency will help ensure that our energy use remains financially sustainable in the years to come.



# Annex B

## Advisory Council on National Records and Archives: Eleventh Annual Report 2013-14

### To the Right Honourable Chris Grayling MP, Lord Chancellor, Secretary of State for Justice:

The Advisory Council on National Records and Archives (hereafter the 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 more than 30 years old (reducing to 20 years), 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, in his capacity as Historical Manuscripts Commissioner, on matters relating to historical archives outside the public records system.

### The 20-year rule

On 31 December 2013, central government completed the first year of its ten-year transition from the 30-year rule to the new 20 year rule. As part of this transition The National Archives again collated and published on its website information from departments on their current holdings and their progress in identifying and tackling any backlogs in appraisal, selection and transfer.

At the Council's February meeting, The National Archives gave a presentation to members on the current position within the major government departments. The Council noted the positive impact made by the transparent approach to monitoring the transition. While the picture painted by the records transfer report is mixed, with some departments clearly making stronger progress than others, it is evident that the requirement to report on their progress has focussed the minds of departments on the transition in particular and their records management more generally. The Council looks forward to further progress in the coming year, particularly from those departments reporting substantial backlogs.

### Engagement with departments

An important part of the Council's role is to consider and provide a robust challenge to departments that request permission to retain records beyond the point at which they would usually be transferred to The National Archives. Before taking a view on, such requests, the Council seeks to reassure itself that the department has provided a sufficient justification for retaining these records. Where departments are asking for permission to retain records because they have a backlog of files waiting for review, the Council also wants to be satisfied that they have workable plans in place for the review and transfer of these records in place, and that, as far as possible, these plans will have no, or minimal, impact on their on-going annual transfers.

During the past year, the Council has invited representatives from the Cabinet Office, Crown Prosecution Service (CPS), Home Office and the Foreign and Commonwealth Office (FCO) to its meetings to explain their review and transfer plans. In the course of these meetings, members have been able to discuss areas of concern with the departments, explore possible solutions and suggest amendments to their proposals. The Council has also continued to take a keen interest in departments' progress against the milestones set out in these plans.

### The Foreign and Commonwealth Office

In 2013-14 the Foreign and Commonwealth Office (FCO) concluded its work to transfer the Colonial Administration Files – also known as the 'Migrated Archive' – to The National Archives. The eighth and final tranche of these records was released in November 2013. The Council is glad that this longstanding issue, in which it has taken a detailed interest for several years, has finally been resolved.

During 2013-14 we continued to scrutinise the work FCO is undertaking to resolve the problem of its 'special collections' – an accumulation of records in its archive that are outside the FCO departmental file series. Some

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of these records date back to the 19th century and they cover a wide range of subjects. FCO's current estimate is that the special collections include around 600,000 files. Officials from FCO were invited to attend two meetings of the Council during 2013-14 to discuss their plans for the review and transfer of these records. The Council looks forward to continuing this dialogue during 2014-15.

The Council is grateful to the Foreign and Commonwealth Office for hosting our meeting in November 2013.

### **Triennial Review of the Council**

During 2013-14, as a non-departmental public body, the Council was subject to a review of its purpose, status and functions. Such reviews are required to take place once every three years. Members of the Council and external stakeholders were invited to provide information and comment to the review team.

The final report of the review was published on 20 March 2014. It concluded that there remains a need for the Council to continue its current functions, in its current form and that it meets all three of the tests set by the Government for the delivery of functions by a non-departmental public body (NDPB). The review made a number of recommendations concerning the Council's governance structures, its recruitment processes and its reporting arrangements in respect of wider archives sector responsibilities, which we will act upon in the coming year.

### **Public records**

The Council is responsible for advising the Lord Chancellor on the application of the Freedom of Information Act 2000 (FOIA) to historical public records. The Council has this year convened 17 panels of members to consider the public interest in the release of closed information held in The National Archives, when this is requested as part of a FOIA request, with 145 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 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 meeting of the full Council. In many cases, having been provided with more detail, the Council accepted departments' arguments for closure. The Council in some instances – around one per cent of the cases considered – concluded that the public interest lay in disclosure and therefore the documents were made available at The National Archives.

The Council also considers applications from departments for the extended closure of public records, that is when a government department wishes to close historical information contained in records which are being transferred to The National Archives because it attracts certain exemptions under the Freedom of Information Act (FOIA).

Decisions on these requests have been delegated to the Council by the Lord Chancellor. It is usual practice for members to have sight of applications around two weeks before their quarterly meetings to give them sufficient time to consider them before raising any concerns or questions when they meet. This year the Council considered over 3,600 applications and queried 69 of these (two per cent). It has, wherever possible, asked departments to consider the redaction of the sensitive information rather than the closure of whole files.

Additionally the Council reviews applications from departments to the Lord Chancellor for the retention of public records under the Public Records Act 1958. This year it considered almost 460 applications and raised substantive queries in four instances (one per cent).

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As in all its work, the Council will make its recommendations only once it is fully satisfied that a department has made a convincing argument for closure or retention. With this in mind, and with the assistance of The National Archives, the Council has continued to encourage departments to be as consistent and thorough as possible in the information they provide regarding their applications, and the Council has been pleased to note a marked improvement in the quality of the applications it has received. Where members agree that the information on which they are being asked to base their judgment is inadequate or unclear the Council will decline to approve the application until sufficient detail has been provided. In most instances, a department will be asked to submit a revised application ensuring it answers the queries that members have raised. However, the Council can and will, ask departmental representatives to attend a Council meeting to discuss the matter if it thinks that this is necessary for it to reach a view.

The Council is grateful to departments and The National Archives for handling its queries constructively and in a timely fashion, and for providing it with detailed information on issues relating to freedom of information and access.

### **The Advisory Council's members and meetings**

The Council currently has a membership of 17. 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, 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, Change Manager, North Ayrshire Council
- Dr 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, King's 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

The Secretary of the Council was Ms Beth Watson.



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In October 2013 Mr Oliver Morley, Chief Executive and Keeper, left The National Archives to take up the post of Chief Executive at the Driver and Vehicle Licensing Agency. The Council would like to thank Mr Morley for his contribution as Keeper of Public Records and Historical Manuscripts Commissioner and wishes him well for the future. The Council was pleased to welcome Mr Clem Brohier, Acting Chief Executive of The National Archives, to our subsequent meetings.

Mr Morley, or subsequent to his departure Mr Brohier, attended all our meetings accompanied variously by Ms Carol Tullo, Director of Information Policy and Services; Ms Julia Jones, Head of Information Management and Practice; Mr Stuart Abraham, Freedom of Information Centre Manager; Ms Helen Potter, Freedom of Information Manager; Ms Victoria Davies, Access at Transfer Manager; Mr Ian Cross, Transfer and Accessions Manager; and Ms Julie Lennard, Head of the Chief Executive's Office.

### **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 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. As Master of the Rolls I am the chair of this 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 6 June 2013, 31 October 2013 and 6 March 2014. The Forum is grateful to NM Rothschild for hosting its meeting on 31 October.

During these meetings the Forum considered the following issues:

- The work of the Centre for Scientific Archives
- 'Archiving the Arts'
- Archive Service Accreditation
- The National Archives' leadership of the archive sector
- The strategic advisory and casework role of The National Archives' Archive Sector Development department
- The national 'Explore Your Archives' campaign
- Research and Academic Liaison at The National Archives

The Forum also discussed 'Export Stops' and the preservation of the UK's archival heritage. The Forum was particularly disappointed to see the papers of Major James Wolfe leave the country and would be keen for archives and manuscripts to be given the same profile as paintings and other cultural artefacts in public discussions of such issues. It has raised its concerns with the Reviewing Committee on the Export of Works of Art.

The Forum was consulted on draft recommendations by the Historical Manuscripts Commissioner for the allocation of the papers of the 13th, 14th and 15th Earls of Derby and the papers of Robert Falcon Scott, previously accepted in lieu of tax. These deliberations were reported to the Council for any further comment.

The Forum also very much welcomes the publication in 2013 of The National Archives' report 'A Year in Archives', as suggested by the Forum the previous year. This publication is a showcase for the many examples of creative work and best practice in the wider archives sector and the Forum is pleased that it has met with such a positive reception.

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## 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 Clive Field OBE, Dr Bendor Grosvenor, Ms Elizabeth Lomas and Professor Michael Moss. The remaining members of the Forum are:

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

As an ex-officio member, Mr Oliver Morley attended the meetings in June 2013 and October 2013, accompanied on both occasions by Mr Nick Kingsley, Head of Archives Sector Development; Dr Norman James, Senior Manager (Private Archives) and Dr Valerie Johnson, Head of Research. Also as an ex-officio member, Mr Clem Brohier attended the meeting in March 2014. Mr Kingsley, Dr James and Dr Johnson attended all of the meetings and Ms Julie Lennard attended the meetings in October 2013 and March 2014. The Secretary to the Forum was Ms Trish Humphries.

Summary minutes for the 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 Dyson**

Master of the Rolls

Chairman

2 June 2014



## Annual Report of the Independent Complaint Reviewer for 2013-14

Jodi Berg OBE is the Independent Complaints Reviewer (ICR) for The National Archives. She has a background as a solicitor and a mediator, and is a Fellow of the Chartered Institute of Arbitrators. She is Chair of the Administrative Justice Forum.

### The ICR service

The ICR service is free to complainants. My role is to review complaints that The National Archives has been unable to resolve internally. Once I have ascertained what the complaint is about, I see whether it is amenable to settlement by agreement between The National Archives and its customer. Where this is not possible, I carry out a thorough review of the issues and consider whether The National Archives has met reasonable standards of customer service. Where appropriate, I can recommend action to put things right for the person concerned or to improve the future quality of The National Archives' service. I also maintain an overview of the way in which The National Archives itself responds to customer feedback and complaints and seeks to learn from them. This report comments both on The National Archives and ICR complaint activity during the year.

This year The National Archives dealt with over 38,000 telephone enquiries and over 35,000 written enquiries. It supplied over 650,000 documents to customers. In the overall scheme of this extensive customer contact, complaints are very few in number and referrals to the ICR are rare. It is clear from this that The National Archives is a customer-focused organisation which takes an outward-looking approach. As a consequence, most people are pleased with the service they get from The National Archives. However, there are exceptions and, in those few cases where The National Archives cannot resolve complaints, it is important that people can turn to someone independent to settle matters by taking a fresh and impartial view. The National Archives is committed to implementing my recommendations wherever practicable.

### ICR Standards

When people complain to the ICR's office they can expect to be treated with:

- Respect - We treat people as individuals and take their concerns seriously
- Courtesy - We communicate in an open and friendly manner and expect similar courtesy from complainants
- Honesty - We are clear about the limitations of our role from the outset and discuss the likely outcomes that can be achieved from review
- Objectivity - The ICR reaches decisions after careful consideration of the evidence, comparing what happened against The National Archives' own service standards and rules of natural justice
- Flexibility - We tailor our service to meet people's legitimate needs
- Plain Language - We use straightforward language to ensure our messages are understood.

We also live up to the Ombudsman Association's Principles of Good Complaint Handling.

Again this year I am pleased to record that the ICR Office was successful in retaining the BSI award for the quality of our Complaint Management System.

### Overview of complaint activity and examples

As always, this year we have had several enquiries and requests for assistance from people who have not yet been through The National Archives' internal complaints procedure. These customers have been referred on to The National Archives. Where we can, we offer general advice or assistance that they have been unable to obtain through initial contact with The National Archives. This year we responded to people who were looking

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for help and information about a variety of issues:

- Difficulties in obtaining information from The National Archives about an ancestor's marriage
- Lost correspondence at The National Archives relating to the family history of a Canadian with roots in the UK
- An enquiry about the acquired British citizenship of an ancestor born in Aden, Yemen.

Between 1 April 2013 and 31 March 2014, The National Archives itself recorded 85 complaints, a decrease from 102 last year. Most of these were resolved without the complainant needing to escalate their concerns to Internal Review, where their complaint will be investigated independently of the operational department concerned with the original handling of the complaint and a report on the investigation considered by the Chief Executive and Keeper. Only one of these complaints resulted in referral to the ICR Office. The National Archives also recorded 188 compliments, which is confirmation that people appreciate the service they receive.

### Case example

Mr A contacted The National Archives in 2009 to enquire about the merchant navy records of his late grandfather and paid the fee for a search of the records. The records showed a gap in his grandfather's service record between 1940 and 1944. Mr A believed that his grandfather had been in war service during this time, and asked for an internal review of the information given. Following communication with The National Archives' Service Quality and Complaints Manager in 2012, Mr A asked that further research be carried out and paid another fee. This search was equally unsuccessful in shedding further light on Mr A's grandfather's war service. Mr A complained about this to the Manager and tried several other routes within The National Archives to take matters forward with someone else, but in every case he was referred back to the same Manager. Mr A requested that his complaint be escalated under The National Archives' Internal Review process, and his complaint was investigated by a member of staff in the Chief Executive's Office. His complaint was not upheld by the Chief Executive and Keeper. As a consequence he referred his complaint to the ICR.

Following review, I found that The National Archives had carried out further research as requested to the best of the ability of the experts involved in this work. I did not find that The National Archives misunderstood what information Mr A was trying to obtain and so did not uphold this particular aspect of his complaint. It was clear that it was not possible for The National Archives to carry out a search in the way that Mr A would have preferred and, although this had been explained to him by The National Archives, he had not fully understood this when he paid his additional fee. Noting this misunderstanding, I recommended that The National Archives make a small consolatory payment to acknowledge the efforts he made to elicit information and to pursue his complaint.

Whilst I was satisfied that a thorough review of his complaint was carried out by the Service Quality and Complaints Manager and later by the Chief Executive's Office, I noted that Mr A had made several unsuccessful attempts to take other steps to request information but was disappointed when on each occasion he was referred back to the same Manager. Whilst it is not unusual for one officer to hold a number of different roles, I noted that this can feel to a service user as though they are in a revolving door situation, which should be avoided wherever possible. I recommended that The National Archives take steps to manage this situation better so as to avoid further dissatisfaction or complaint. The National Archives accepted my recommendations and implemented appropriate changes in practice.

"Our family would like to thank you for all you have done" - Complainant

Finally, I record my thanks to The National Archives' Public Services Development Team for their assistance with referrals and ICR review. 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.

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## Contact the ICR

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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