

Annual Report
and Accounts **2012-13**

Annual Report and Accounts of The National Archives **2012-13**

including the Annual Report of the Advisory Council on National Records and Archives 2012-13
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This is part of a series of departmental publications which, along with the Main Estimates 2013-14 and the document *Public Expenditure: Statistical Analyses 2013*, present the Government's outturn for 2012-13 and planned expenditure for 2013-14.

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Any enquiries regarding this document should be sent to us at:

The National Archives
Kew
Richmond
Surrey
TW9 4DU
+44 (0) 20 8876 3444
nationalarchives.gov.uk

You can download this publication from our website at www.nationalarchives.gov.uk

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Introduction from the 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 2012-13.

We are now two years into our four-year business plan. Both the plan and our work since we published it have been informed by a thorough understanding of the climate in which we are working and a realistic view of what we can achieve. But for us, 'realistic' has never been synonymous with 'unambitious'.

We have made huge strides towards assuring the future of the government record and the sustainability of The National Archives as its custodian. We have no special immunity from the financial restraint applied to all government departments, but nonetheless we have continued to improve our performance across most aspects of our work. The National Archives is at its most efficient, innovative and effective.

We have kept tight control of our resources, managing our funding and commercial income to every pound and investing wisely in our infrastructure. We have kept our headcount under constant review, always ensuring that we have the right balance between back-office and the front line.

And we have continued to look critically at each of our services, understanding which are essential to our public task and which genuinely add value: to our users, to The National Archives as an institution and to the taxpayer.

We know that institutions in the wider archive sector are facing similar pressures. We have been working constructively with them to ensure that quality services will be accredited and that they too will be able to demonstrate clearly the value of their work.

As you will read, we have delivered well against our priorities for 2012-13 and we have done much else besides. That we have been able to do so much is due to the resilience, creativity and commitment of our staff and I offer them my thanks.

Over the first two years of the current Spending Review period the quality and breadth of what we do has not diminished. But as we look ahead, we know that we will need to make further and more difficult choices.



The National Archives delivers excellent services that are valued by government and the public alike. It is a world-leader in several different fields and through its work the historical record of the UK Government is better protected and more widely available than ever before. In short, it is a national asset and it works for the record, for good.



Oliver Morley
Chief Executive and Keeper
10 June 2013

Who we are

Our remit

The National Archives is a non-ministerial government department and an executive agency of the Ministry of Justice. As the official archive of the UK government, and for England and Wales, we are the guardians of some of our most iconic national documents, dating back more than 1,000 years. Our 21st-century role is to collect and secure the future of the record, both digital and physical, to preserve it for generations to come, and to make it as accessible and available as possible. We work **For the Record. For Good.**

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

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

As the leaders of the wider archive sector, we develop and promote standards and best practice in all aspects of archive management. Our support and advice help archives nationwide to develop and enhance their services, facilities and collections.

We innovate to ensure optimal physical and digital preservation.

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

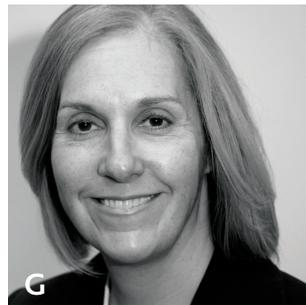
and practice to meet the different preservation demands of these different types of record. We recognise the importance of sustainability in our work; reducing our carbon footprint and making the right investments for the future in our infrastructure, our organisation and the skills of our staff.

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

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

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

Management Board



A **Oliver Morley**
Chief Executive and Keeper

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Finance and Performance

C **Mary Gledhill** Director,
Commercial Services

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I **Peter Phippen**
Non-executive Director

J **Fiona Ross**
Non-executive Director

K **Trevor Spires CBE**
Non-executive Director

What we do

The growing record

The National Archives ensures that this nation's matchless collection of historical records continues to grow and thrive.

The government record: more relevant, better collected, more secure

On 1 January 2013 the new 20-year rule came into effect, reducing the period after which government records are normally opened to the public here at Kew. The change from 30 years to 20 years will be gradual, with a ten-year transition during which government departments will, each year, transfer to The National Archives two years' worth of records rather than one. We have led the detailed planning for this transition, and in 2012-13 we:

- Overhauled our collection policy, our processes for transferring records, and our guidance and training. The new arrangements give us a much clearer view of what records to expect and when, and they give departments clarity on what to do at each stage of the transfer process
- Published, for the first time, data from government departments on the volume of records they hold, including the size of any backlogs and estimates of the number of records they expect to transfer to us. We will continue to publish this data twice a year until the transition has been completed and departments are compliant with the new rule
- Started planning for a second ten-year transition, expected to begin in 2015, for bodies holding public records of local interest.

Alongside this work we continued to guide government in keeping its information secure and well-managed and ensuring that the record worthy of permanent preservation survives. This included:

- Publishing six information management assessments of government departments
- Developing training and guidance on the management of digital information
- Providing training and online learning resources in cyber security and information assurance for

senior information risk owners, government non-executives and the wider civil service.

Our UK Government Web Archive continues to grow in size, usability and relevance. It now contains more than 2.5 billion pages and it received more than 1.4 billion hits this year. During 2012-13 we continued our work to capture the online public record in all its forms and make it more accessible than ever before. We archived more than 40 government sites prior to their closure. This enabled the Government Digital Service to build the new GOV.UK service without inconveniencing users or diminishing the record.

The wider historical record: better supported, more diverse, increasingly capable

2012-13 was our first full year as sole leader of the archives sector in England. We worked with national and local partners to improve standards and build capacity in the sector, and we supported and advised private owners of archives across the UK. In 2012-13 we:

- Revised the national action plan for archives. *Archives for the 21st century – refreshed* identifies opportunities for institutions in the sector and describes how we will support them
- Established a new team of engagement managers to work with, and support, the major collecting institutions in the sector
- Published a memorandum of understanding with Arts Council England for joint working in the regions and at national level.

Stronger leadership, increased capacity and a more responsive and skilled workforce in the sector are all priorities. In 2012-13 we

- Worked with partners across the sector on the new accreditation scheme for archives. Using an innovative form of online collaboration, we created together the new accreditation standard, which has subsequently been piloted in 20 services across

the UK, including The National Archives. The aim of the scheme is to help archives to become more adaptable, resilient and sustainable. We expect to launch the scheme in summer 2013

- Ran, for the second year, the Heritage Lottery Fund-supported 'Opening Up Archives' scheme, which provided 13 traineeships in the sector for people from diverse personal, professional or academic backgrounds. The scheme is hugely popular – last year there were 1,100 applicants – and we have secured its extension into a third year
- Supported two archive fellowships in the Clore Leadership Programme and offered two bursaries providing financial support to postgraduate students studying in archival-related fields
- Conducted an important piece of collaborative research on funding in the sector, which showed the extent to which the sector relies on core funders and demonstrated clear potential for diversification of funding sources. We continued to administer the National Cataloguing Grants Programme for Archives, supporting 13 cataloguing projects in archives across the country
- Collaborated with the Historic Houses Association on a successful one-day seminar for the owners of landed-estate archives. The seminar explored the ways in which archives can support the viability of estates and the ways in which owners can make more accessible a vital component of our archival heritage.

The official record transformed

The London, Belfast and Edinburgh Gazettes are government's official journals of record, publishing statutory notices and official advertisements. We are responsible for official publishing across the UK and in 2012 we awarded a new concessionary contract to publish the Gazettes, in print and online. The new contract will provide better financial returns, new investment to develop the service and millions

of pounds a year in direct savings for government departments. Technical improvements mean that it will be easier for organisations to put official information permanently on the public record. The new online service will be delivered using open standards and open-source software, and the information in the Gazettes will be easier to find, link to and re-use.

The record of London 2012 secured

We concluded, successfully, our negotiations for The National Archives to collect and preserve the record of the London Organising Committee of the Olympic and Paralympic Games (LOCOG). In the short period following the Games before LOCOG was wound down, we confirmed the selection of material for permanent preservation and completed its transfer. London 2012 was the first truly digital Games and so the preservation and eventual release of its records will present challenges, but ones we are well placed to meet.

The Games in 2012 were an unforgettable experience. Our historic agreement with the International Olympic Committee, the first of its kind for a summer Games, means that once London 2012 passes from living memory the UK will retain a comprehensive record of the planning and delivery of the Games.

The sustained record

We pioneer new approaches to environmental management and conservation and ensure that the record in all formats survives for future generations.

Sustaining The National Archives: innovation and infrastructure

Our collection spans more than 1,000 years and many different formats and media. But no matter what form the record takes – parchment, paper, celluloid, electronic or any other – our responsibility to the record is to preserve it for the long term as carefully and sympathetically as possible. To meet this responsibility we are delivering a structured programme of work and investment.

We have continued to play a leading role in developing new protocols for sustainable environmental management. We continuously refine our own approach, using research evidence to assess how the collection is likely to change or degrade over time.

Our Collection Care team treats thousands of documents each year, ensuring that they stay in usable condition for as long as possible. The team balances its work to restore records found by our users to be in poor repair with a programme that takes a systematic approach to particular record series, and conducts and supports cutting-edge research. During 2012-13 we:

- Re-housed just under 6,000 maps
- Responded to 900 conservation enquiries from our users
- Launched two one-year research fellowships, exploring key conservation risks and challenges
- Enhanced the preservation of and access to records from the Board of Trade Design Register, using innovative technology to capture and present images from the collection, which includes more than 10,000 volumes and several million designs.

We have made huge progress in building our new Digital Records Infrastructure, which will become the home of the future digital government archive. During 2012-13 we installed 34 physical servers and

in addition to these began running a further 45 virtual servers; we built a new and higher-capacity secure network to protect our digital assets; and we increased by more than 70 times the speed of our digital archive.

Our investment in our buildings at Kew has continued to deliver greater efficiency and savings. In Autumn 2012 we completed the replacement of our glazed roof. This was a 12-month project involving 34,000 working hours, the installation of 777 glazed panels and close to 1 million individual components. We also upgraded our humidification and building management systems. These initiatives have ensured our compliance with key standards for the storage and exhibition of archival materials and have also helped to reduce our water and energy consumption. We are well ahead of the milestones set in our carbon management plan and our Display Energy Certificate rating has again improved, from D to B. This represents a huge achievement: as recently as 2010-11 our energy rating was G. In three years we have reduced our carbon emissions by more than 40%.

Sustaining The National Archives: our people

Beyond systems, processes and infrastructure, the long-term preservation of the record depends on a wide range of people. We benefit from the skills of our staff, the commitment of our volunteers, regular input from our users and the continuing support of The Friends of The National Archives.

It is vital to our future, and the future of the record, that we have the right people and skills in place. In 2012-13 we carried out a skills audit across The National Archives, to identify where we need to focus to build our organisational capacity. We have also finalised a comprehensive action plan to address key issues such as career progression for specialists, leadership development (at all levels) and the skills we need for our digital future, in line with the Government's civil service Reform Plan.

We met our headcount target for the year and at the same time ensured that the right levels of resource and capability were exactly where they were needed. We maintained a balance of 86% of staff in front-line operations and 14% in back-office support functions.

For the third year we took part in the civil service-wide staff engagement survey. Again our results were very good and we remained a civil service 'high performer':

- We achieved an overall engagement score of 66%
- Ninety per cent of staff agreed that they were interested in their work
- Eighty five per cent agreed that they understood how their work contributed to The National Archives' objectives.

Our average for sickness absence remained below six days per employee, comparing favourably with the public and private sector averages. We continued to promote our wellbeing strategy, supporting staff to maintain good health.

In 2012-13, in collaboration with Volunteering England and the National Trust, we reviewed and redefined our approach to volunteering and user participation. Through this we have built new relationships – and strengthened existing ones – with communities and partners.

Many of our most high-profile and successful projects involve volunteers. In 2012-13 this included:

- Preparing documents for conservation and digitisation work from two key series relating to the First World War: Unit Diaries (document series WO 95) and the Central Military Service Tribunal and Middlesex Appeal Tribunal papers (MH 47) – a project funded in partnership with the Friends of The National Archives and the Federation of Family History Societies;

- The 'Caribbean through a Lens' project, which focused on using and re-using digitised images from the Caribbean for exhibitions, events and educational workshops. Through a national community engagement project, 50 regional partnerships have now been established with 34 local projects delivered. Some 68,000 people have visited exhibitions and workshops.
- The 'Gold Coast' project, focusing on the cataloguing of records from Ghana during the Ashanti war of 1899–1902 (CO 96). This opened up an under-used area of The National Archives' collection, creating a re-usable model for improving access to diverse collections using on site volunteer resources.
- The Board of Trade Design Register project, which harvested text written with design representations, making it easier to search online and access a particularly rich and colourful collection. As a result of this work more than 5,500 new pieces of information about the records have been made more readily available to researchers, along with three innovative films.

Our User Advisory Group continues to provide support and constructive challenge and was strengthened in 2012-13 with representation from local historians, students and online users. We also established an online user community – which now has around 500 active users – giving us a better understanding of how and why people use our website, and how we can make it even better.

The public record

The public record is more readily accessible than ever before. The National Archives works to bring the record to wider public notice and understanding. It leads the world in making public information available for re-use.

The public record: meeting demand

Public demand for the record is enormous and satisfaction with our services remains high. Even in 2012-13, a year in which the Olympic Games impacted on the number of visitors, we still delivered more than 570,000 documents to people on site at Kew. This fairly small reduction compared with 2011-12 was offset by an increase to more than 170 million downloads of the records we have made available online. We advised thousands of visitors in our reading rooms and supported others through our range of remote contact services, and in 2012-13:

- We answered 42,448 telephone enquiries and responded to 37,613 written enquiries
- We launched our new Live Chat service, which lets users talk to our experts online. This service has grown steadily since its full launch in late 2012.

Our work to enhance Discovery, our online catalogue, has made it easier than ever before to explore our collection. The development of Discovery has been a long journey, and ever since we launched a test version of the tool more than two years ago we have used extensive feedback from our users to identify and fix problems, and to develop new and useful functions in the tool. Discovery now incorporates digital downloads, providing a seamless experience from finding a record to downloading it. We have added improved tools to recognise and support the different ways our users utilise the collection. Users have added around 5,000 tags to catalogue entries for our documents, directly improving the description of our records. We have increased the use of open-source technologies within Discovery and continued to trial further uses for future rollout. We have engaged with academics and developers to encourage data re-use through the Discovery application programming interface (API) and will be extending these partnerships in 2013-14.

During 2012-13 we uploaded to Discovery 1,609,495 new or improved catalogue descriptions – an increase of almost 400,000 compared with 2011-12. This includes 1,178 catalogue amendments requested through Discovery by members of the public.

There is worldwide interest in our records, particularly those collections that are rich in individual names and therefore invaluable for family researchers. One of the ways we meet this interest is through licensing commercial organisations to digitise our records and put them online. This does not cost the UK taxpayer and any record digitised in this way can still be seen for free at Kew, but it generates much-needed income for The National Archives and creates value for the wider economy. It also represents a valuable export market. Where UK content is used in global online genealogical research, around 80% of this originates from The National Archives. During 2012-13 these releases included:

- Kilmainham Pensioners' records
- Crime, Prisons and Punishment records from 1817 to 1931
- Divorce records and articles of clerkship.

In 2012-13 we added five new collections and other material to our digital microfilm collections, including more than 650,000 images.

The public record: wider awareness and deeper understanding

We stimulate interest in, and deeper engagement with, the record through education and research.

Our award-winning education services are central to our approach. In 2012-13 we taught more than 13,000 school students, with more than half taught off site using our virtual classroom and videoconference services. More than 5,000 students, in 216 groups, visited our purpose-built classroom at Kew.

These services are offered to schools free of charge and through them we are able to give students, aged from 6 to 18, the same access to documents as professional historians, deepening their understanding of historical events and the practice of history. Each year we set ourselves demanding targets for reaching students from diverse ethnic and social backgrounds, and in 2012-13 we again exceeded these targets. We also worked with more than 800 teachers and trainee teachers on a variety of programmes ranging from half-day workshops through to three-month masters-level programmes.

Through our focused and strategic approach to leading and partnering research we have continued to attract funding for projects to enhance the record and the wider archives sector. In 2012 we secured more than £1.15 million in grants and research funding. Our successes included:

- Funding from the Wellcome Trust to digitise and catalogue MH 13 – General Board of Health correspondence 1848-1871
- An award from the Arts and Humanities Research Council (AHRC) to provide training for postgraduates and those in the early years of their careers as researchers
- As part of a consortium with the National Portrait Gallery and the National Maritime Museum, a successful application to the AHRC for a number of doctoral studentships.

We have taken every opportunity available to us to bring our collection to wider notice, through exhibitions, events and innovative use of social media. In 2012-13 this included:

- The Keeper's Gallery – our remodelled and refurbished on site museum, made brighter and more inviting and with a new regularly changing exhibition at its heart featuring Domesday Book, the Act of Supremacy and other iconic documents

- Our online exhibition of Jubilee tributes to Queen Victoria
- The Olympic Record – our online showcase of digitised records of the history of the Games
- Titanic 2012 – a one-day conference, attended by 100 delegates, to commemorate the centenary of RMS Titanic. The event was supported by findmypast.co.uk, A&C Black, the List and Index Society and the Friends of The National Archives
- The National Archives' return to Who Do You Think You Are? Live, where at least 300 people attended our talks and around 1,100 spoke to our experts
- Our blog, now established as a valuable public window onto our collection and the archives sector more widely. Our blog series 'My Tommy's War', through which staff at The National Archives share their personal experiences of researching family members who fought in the First World War, proved to be especially popular
- Extensive press coverage for the release of records from 1982 – the year of the Falklands crisis – and the first four releases of the Foreign and Commonwealth Office's colonial administration records.

We continued to hold weekly talks at Kew, and in 2012, podcasts of these talks by our own records experts and guest speakers were downloaded more than 900,000 times. At the start of 2013 we began a year-long programme called 'Writer of the Month' in which high-profile authors talk about using original records in their writing. The first three talks in the series, given by Ben Macintyre, Gus Casely-Hayford and Anthony Beevor, were well attended and all have since been made available as podcasts.

Public sector information and transparency: leading for the UK

As officials, we are leading the UK negotiating team on the European Commission's proposal to amend the current directive on the re-use of public sector information. This is a significant piece of work, coordinating a range of interested parties, including central government, the devolved governments, and the wider public and cultural sectors. As the Government's experts in stimulating and facilitating the re-use of public sector information, as our much-emulated Open Government Licence attests, we are well placed to ensure that the UK's interests are recognised and protected.

In 2012-13 we made significant progress towards delivering the ministerial priority of a fully up-to-date online statute book, available for free at legislation.gov.uk:

- We launched our Expert Participation Programme, a collaboration with the private sector which so far has researched and captured information on around 100,000 changes to legislation
- We introduced new processes and new tools for revising legislation, using the latest linked-data technology
- We developed new tools for registering and publishing statutory instruments, linking together government departments, Parliaments and Assemblies, our legislation team and our contractor.

We are working closely with the Office of the Parliamentary Counsel in the Cabinet Office on the 'good law' initiative, to better understand how people use legislation and what can be done to make it clearer and easier to understand.

Our performance in 2012-13

Performance against our business priorities

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

Business priority	How we were to achieve this	Status
Archiving government	We will develop a strategy for the UK Government Web Archive which will deliver the following:	
	Greater accessibility for our users, enabling us to reach out to new audiences	Achieved. Full text search has been greatly improved, with a new interface and an up-to-date index. Tools such as an application programming interface (API) and Memento are now in place
	Improved capture of, and access to, social media tools and websites	Achieved. The technical solutions for a range of social media tools have now been developed
	A web archiving model for local authority archive services	Achieved. We have researched options for a web archiving model for local authority archive services
20-year rule response	Develop, implement and communicate an improved, more efficient process for paper record selection and transfers	Achieved. From 1 January 2013, new work processes were put in place and are applied to all record transfers
	Develop increasingly transparent reporting on the ability of public record bodies to comply with the 20-year rule, publishing data on record transfers and departmental readiness collected from government departments on our website	Achieved. Data was collected in late 2012 and published on our website in January 2013
	Consult with the wider archives sector to understand the impact of the 20-year rule change on places of deposit and agree an implementation approach	Achieved
How we collect digital records	Develop a new digital transfer and accession process	Achieved. A new digital transfer and accession process has been developed and published
	Run a competitive and open tender for a concessionary contract for the operation of the official Gazettes	Achieved. Contract awarded on 31 August 2012

Implement the new contract for the Gazettes from the beginning of 2013, ensuring quality of service and a reasonable return on investment for concessionaire and contractor alike	Achieved. Contract took effect on 1 January 2013
Strengthen our relationship with policy departments for the placing of statutory notices, agreeing memoranda of understanding with key service users in the public sector	Achieved. Agreements are in place with all key service users

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

Business priority	How we were to achieve this	Status
How we preserve digital records	Unify, update and extend our capability for accessioning, preserving and presenting born-digital and digitised records	Achieved. The capability to ingest born-digital records (into safe custody) using the new Digital Records Infrastructure was demonstrated with records from the 'Transfer of Knowledge' collection from LOCOG
A more sustainable Kew	Continue to reduce carbon emissions at Kew from 2009-10 baseline levels, balancing the needs of record preservation with environmental concerns	Achieved. Continued reduction in carbon emissions was achieved. Emissions from buildings and business travel have been cut by 41% against the 2009-10 baseline
	Implement the Greening Government Commitments and ensure that sustainable development informs our policy-making	Achieved. The headline Greening Government Commitments targets were reviewed quarterly by our Sustainable Development Board. The National Archives is on track to meet or exceed the April 2015 targets
	Deliver estates maintenance and capital projects to agreed timetable and budget	Achieved. Glazed roof replacement, humidification upgrade and building management system upgrade completed to agreed programme and budget
	Replace desktop PCs with thin client technology to reduce our environmental impact and simplify our ICT estate	Partly Achieved. Due to other business priorities and constraints, rollout was limited to approximately 20% of suitable users. Work will continue into 2013-14
Accreditation for the archive sector	Publish draft accreditation standard	Achieved. The draft standard was published in July 2012
	Complete pilot assessment exercises	Achieved

Strategic priority 3: We will widen our funding base to guarantee support in tough times

Business priority	How we were to achieve this	Status
Better online capabilities	Add more content and develop new tools and services, including an improved image library and e-commerce experience, to make our commercial online services more attractive and useful to users	Partly Achieved. Although we did not re-launch the Image Library, we have appointed a contractor and we anticipate a launch in Quarter 2 of 2013-14. Our e-commerce platforms were developed and simplified during the year
New revenue sources	Promote the capability of our commercial delivery team to provide digitisation services to a range of third party organisations	Achieved

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

Business priority	How we were to achieve this	Status
Our people	Our values: we will continue to embed the values and use them to guide our behaviour in all that we do	Achieved. We have delivered a programme of communications and activities to keep the values fresh and alive
	Our future workforce: we will use the information collated from our skills survey to inform our people plans and proposals for the future	Achieved. An action plan to deliver the recommendations from the skills analysis has been developed
Better public services for less	Improve access to records by converting paper indexes and finding aids to online data, and where appropriate removing the paper version	Achieved
	Digitise selected library holdings to make their contents more widely accessible, while enhancing their protection	Partly Achieved. Some of the work we had planned to deliver was not completed fully during 2012-13, and this will now be concluded during Quarter 1 of 2013-14
	Exploit and implement new technologies and/or approaches, such as web chat, building on piloted services	Achieved. Web chat is now established as a core service delivered to the public via The National Archives website. We have also trialled a new 'webinar' service

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
Best practice digitisation	Digitise key records (including First World War regimental diaries)	Partly Achieved. By the end of the year our digitisation contractor had delivered approximately 95% (1,987 pieces) of divisional records from the western front (France and Flanders). The project is on target to complete the remainder of the collection by the end of May 2013
	Assuming successful completion of the pilot to digitise a sample of Home Guard records, appoint a commercial partner to digitise the full collection and release open records online	Achieved. The pilot data analysis showed that half of those in the sample were born less than 100 years ago and therefore their records remain closed under data protection legislation. This falls short of the proportion of open records required to make a release with a commercial partner financially viable. The open records are available through Discovery downloads. The pilot study has provided proof of concept
	Undertake trials to establish a secure methodology for digitising the 1939 National Register	Achieved. A sample of 40,000 records from the 1939 Register has been transcribed – proving that between 73% and 88% of individuals’ records can be opened on accession in digital form. A conservation survey of the collection based on a statistically sound sample of volumes has also established the extent of the preparation required to make the Register safe to scan
More participation for communities and volunteers	Implement new approach to user participation to bring in new volunteers, communities and partners	Achieved. We updated our webpages and associated guidance documents for volunteers and staff, thereby increasing our reach and ability to retain volunteers and professionalising the way we work with them. In 2012-13 volunteers contributed approximately 10,000 hours of on site volunteering and around 5,000 document tags were added to Discovery by 1,400 individuals

	Make available best practice and lessons learned to the wider archives sector	Partly Achieved. In 2012-13 we initiated the Communication of Good Practice (CGP) project, taking examples of good practice in volunteering and sharing with our stakeholders into the wider archives sector. CGP is due to be completed by September 2013
Improve archives sector online resources to further support the sector and improve user experience	Streamline, integrate and extend functionality of selected online archival resources	Achieved
Deliver process for Olympic digital record collection	Acquire and maintain the LOCOG archival material from the London 2012 Olympic and Paralympic Games	Achieved
Meet the needs of users of legislation.gov.uk	Through the expert participation programme, apply 20,000 unapplied effects to the legislation database	Achieved
	Improve the experience of users of legislation.gov.uk, through increasing availability of up-to-date legislation and other enhancements to the online service	Achieved. Improvements to legislation.gov.uk included additional content filling gaps in the collection, clearer signposting of up-to-date legislation and better support for Impact Assessments
	Enable Bill teams to use legislation.gov.uk to create proposed versions of current legislation	Achieved. Proposed versions of current legislation were created showing changes made by the Financial Services Bill and the Police and Fire Reform (Scotland) Bill
Deliver effective solutions for re-use of public sector information	Lead and coordinate negotiations on revised Directive and deliver UK implementation and requirements	Achieved. Text of the Public Sector Information Directive has been agreed by the member states ahead of formal adoption, which is expected in June 2013. The final text reflects UK departmental policy interests, including those of the devolved governments
	Reinforce regulatory model aligned to wider information strategies in government	Achieved. Support for the UK regulatory model has been reinforced ahead of adoption of the final text

Performance against our input indicators

Input indicator	2012-13 Outcome	2011-12 Outcome
Original documents delivered to on site users	574,351	603,570
Electronic records delivered to online users ¹	172,935,129	126,889,792
Staff diversity		
Women	49.2%	47.9%
Top management women ²	41.9%	46.4%
Black and minority ethnic	21.3% ³	21.3%
Disabled	10.9% ⁴	6.3%
Staff engagement (as reported by the Civil Service People survey)	66%	68%
Time taken to deliver original records to on site users	98.7% of documents delivered to users within one hour	97.7% of documents delivered to users within one hour
Time taken to respond to Freedom of Information, Data Protection and Environmental Information Regulations requests	97.8% of enquiries responded to within statutory deadlines	99.3% of enquiries responded to within statutory deadlines
Total departmental spend ⁵	£34.3 million	£35.8 million
Staff sick absence	5.6 days per member of staff (average)	5.6 days per member of staff (average)
Outstanding effects ⁶ on legislation.gov.uk	128,648 outstanding effects 178,399 new effects 99,485 researched effects 49,852 applied effects	New for 2012-13

¹ These numbers include downloads from our licensed internet associates

² This represents the percentage of women at Band G and above

³ This represents the percentage of the 456 people who declared their ethnicity, rather than of the total staff

⁴ This represents the percentage of the 366 people who declared their disability status, rather than of the total staff

⁵ Total departmental spending is the sum of the resource outturn and the capital outturn less depreciation

⁶ 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

Performance against our impact indicators

Impact indicator	2012-13 Outcome	2011-12 Outcome
Web continuity	441,417,367 redirects	590,235,052 redirects
Sustainable development	<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>	<p>Carbon emissions from energy use in our buildings reduced by 14% compared with 2010-11 (a 27% reduction compared with 2009-10)</p> <p>Operational ('business as usual') waste reduced by 20.4% compared with 2010-11</p> <p>In 2011-12, 71% of our total waste was re-used or recycled</p> <p>Water consumption reduced by 21.4% compared with 2010-11</p>
Customer satisfaction:		
On site users	93%	94%
Online users	71%	76%
legislation.gov.uk users	79%	74%
Records and information management services used across government	<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>	<p>5 IMAs completed</p> <p>5 IMA reports agreed</p> <p>2 annual review meetings completed with departments concerned showing improvement against 6 headings</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 and on our Transparency pages at nationalarchives.gov.uk/about/transparency.htm

Core financial tables^{7,8}

Table 1: Public spending

£000

	2008-09 Outturn	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Projected outturn	2013-14 Plans	2014-15 Plans
Resource Departmental Expenditure Limits (DEL)							
Section A:							
The National Archives DEL	41,889	40,395	38,224	37,367	34,799	36,463	35,288
Total Resource DEL	41,889	40,395	38,224	37,367	34,799	36,463	35,288
<i>of which:</i>							
Pay	26,609	27,878	24,789	23,774	24,606	23,173	23,375
Net current procurement ⁹	10,757	7,120	7,756	8,160	5,207	7,430	6,253
Current grants and subsidies to the private sector and abroad	-	(87)	-	-	-	-	-
Depreciation ¹⁰	4,441	5,237	5,620	5,030	4,904	5,800	5,600
Other	82	247	59	403	82	60	60
Resource Annually Managed Expenditure (AME)							
Section B:							
The National Archives (AME)	200	(71)	(119)	(403)	(82)	(40)	(25)
Total Resource AME	200	(71)	(119)	(403)	(82)	(40)	(25)
<i>of which:</i>							
Take up of provisions	272	92	33	-	-	-	-
Release of provisions	(72)	(163)	(152)	(392)	(106)	(40)	(25)
Other	-	-	-	(11)	24	-	-
Total Resource Budget	42,089	40,324	38,105	36,964	34,717	36,423	35,263
<i>of which:</i>							
Depreciation ¹⁰	4,441	5,237	5,620	5,030	4,904	5,800	5,600
Capital DEL							
Section A:							
The National Archives (DEL)	3,248	4,027	5,849	3,819	4,456	1,670	1,230
Total Capital DEL	3,248	4,027	5,849	3,819	4,456	1,670	1,230
<i>of which:</i>							
Net capital procurement ¹¹	3,248	4,027	5,849	3,819	4,456	1,670	1,230
Total Capital Budget	3,248	4,027	5,849	3,819	4,456	1,670	1,230
Total departmental spending¹²	40,896	39,114	38,334	35,753	34,269	32,293	30,893
<i>of which:</i>							
Total DEL	40,696	39,185	38,453	36,156	34,351	32,333	30,918
Total AME	200	(71)	(119)	(403)	(82)	(40)	(25)

Table 2: Public spending control

£000

	2012-13 Outturn	2012-13 Original Budgetary Control Limits	2012-13 Final Budgetary Control Limits
Spending in Departmental Expenditure Limits £000			
Gross Expenditure	43,730	46,000	45,180
Gross income	(8,931)	(9,050)	(9,050)
Net Resources	34,799	36,950	36,130
Gross Capital	4,456	3,680	4,500
Spending in Annually Managed Expenditure £000			
Gross Programme Resources	(82)	(80)	(80)
Total Resource Budget	34,717	36,870	36,050
Total Capital Budget	4,456	3,680	4,500
Less Depreciation	(4,904)	(5,900)	(5,900)
Total Departmental Spending	34,269	34,650	34,650

⁷ The outturn numbers are based on prior year audited figures however the core financial tables section is not subject to NAO audit

⁸ Plan numbers reflect the 2010 Spending Review settlement 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

⁹ Net of income from sales of goods and services

¹⁰ Includes impairments

¹¹ Expenditure on tangible and intangible non-current assets net of sales

¹² 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

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn (restated)	Outturn (restated)	Projected outturn	Plans	Plans
Assets and liabilities on the statement of financial position at the end of year:							
Non-current assets							
Intangible	8,651	7,881	29,130	20,613	23,861	23,000	23,000
Property, plant and equipment	94,335	100,298	106,756	134,013	132,333	128,100	123,100
<i>of which:</i>							
Land	18,200	18,200	18,200	18,200	18,200	18,200	18,200
Buildings	65,223	69,479	73,901	101,026	99,626	95,000	90,000
Plant and machinery	1,502	2,009	3,826	5,836	6,139	5,800	5,800
Furniture and fittings	5,332	5,304	5,053	4,907	4,744	5,000	5,000
Transport equipment	133	114	98	85	69	100	100
Information technology	3,185	3,365	2,902	1,930	1,301	4,000	4,000
Assets under construction	760	1,827	2,776	2,029	2,254	-	-
	94,335	100,298	106,756	134,013	132,333	128,100	123,100
Trade receivables falling due after more than one year	13	111	349	433	550	-	-
Current assets	4,366	2,819	1,749	3,015	2,802	2,000	2,000
Creditors (<1 year)	(10,644)	(9,164)	(6,732)	(7,795)	(6,939)	(7,000)	(7,000)
Creditors (>1 year)	-	-	(823)	(999)	(1,314)	-	-
Provisions	(762)	(691)	(592)	(93)	(50)	(250)	(150)
Capital employed within main department	95,959	101,254	129,837	149,187	151,243	145,850	140,950
Total capital employed	95,959	101,254	129,837	149,187	151,243	145,850	140,950

Table 4: Administration budgets

£000

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn	Outturn	Projected outturn	Plans	Plans
Administration costs							
Section A:							
The National Archives DEL	13,729	12,960	10,183	8,704	8,489	9,619	9,879
Total administration budget	13,729	12,960	10,183	8,704	8,489	9,619	9,879
<i>of which:</i>							
Paybill	7,495	7,570	5,777	5,242	5,249	6,322	6,344
Expenditure	6,248	5,436	4,444	3,491	3,281	3,447	3,685
Income	(14)	(46)	(38)	(29)	(41)	(150)	(150)

Table 5: Staff in post

	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Projected outturn	Plans ¹³	Plans
Staff numbers (average)¹⁴					
Payroll staff (full-time equivalents)	581	590	608	611	577
Agency staff ¹⁵	17	9	7	-	-
Interim managers	-	Nil	Nil	-	-
Specialist contractors	-	8	15	-	-
Consultants	-	Nil	Nil	-	-
Total	598	607	630	611	577

¹³ 2013-14 plan numbers include an average of 35 posts that are externally funded/recharged as well as an average of 14 posts for fixed and limited period appointments required for specific projects

¹⁴ Average numbers are based on end of month numbers recorded over the 12-month period

¹⁵ A breakdown of non payroll staff was not available for 2010-11 as such details have been provided against agency staff only.

Accounts 2012-13

1 Management commentary

About The National Archives

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

Management and structure

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

Directorate	Role
Operations and Services	<ul style="list-style-type: none">• Delivers and develops services for all our visitors, ensuring that our on site, online and remote services work together effectively, following best practice and complying with relevant standards• Manages and maintains our Kew site, providing a safe, secure and suitable environment for staff and visitors• Preserves, conserves and researches our collection to sustain access and maintain use• Provides expert advice, document production and other services using different channels: online; through letters, emails and by telephone; and face-to-face on site at Kew• Provides online and on site educational services to teachers and students and develops new audiences, particularly with those at risk of exclusion
Customer and Business Development	<ul style="list-style-type: none">• Generates income for The National Archives through its commercial services and develops new business opportunities• Raises awareness of the records we hold and the services we provide, using a combination of traditional and new media• Digitises our records, often working with external partners, to improve availability and access• Protects our reputation and brand
Information Policy and Services	<ul style="list-style-type: none">• Provides professional leadership across government in information management and policy• Guides government and public bodies on selecting records for preservation and transfer to The National Archives• Delivers The National Archives' leadership responsibilities for the wider archives sector in England• Advises government, public bodies and local archives on information and archive policy• Investigates complaints under Public Sector Information Regulations and delivers standards through the Information Fair Trader Scheme• Promotes access to, and re-use of, public information through the UK Government Licensing Framework and legislation.gov.uk, and supports the delivery of government's Transparency commitments through the use of open standards and linked data• Leads on strategic research for the organisation and supports key academic relationships

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

Social, community, environmental and sustainability issues

This year, we succeeded in further reducing our greatest environmental impact – the use of energy to operate our buildings and safely maintain our collection. Through the ongoing optimisation of our building control systems, and the replacement of end-of-life plant and equipment with more efficient alternatives, we have cut emissions from energy use in our buildings by 16% compared with last year, and by 41% on 2009-10. We are well ahead of the milestones set out in our Carbon Management Plan, in which we commit to a 25% reduction on 2009-10, by April 2015. Our building Display Energy Certificate has improved this year from D to B – reflecting the ongoing improvements in energy efficiency.

Our Biodiversity Action Plan sets out the actions we have taken and have planned to improve the biodiversity value of our site, which is a haven for wildlife and an attractive amenity for visitors and local residents. With the support of the Woodland Trust, we recently planted native hedgerows and saplings, including a Royal Oak to commemorate the Jubilee. We engage with third sector organisations such as Pond Conservation, The Swan Sanctuary, and the British Beekeepers Association to ensure that our ponds and grounds are managed responsibly and effectively to benefit biodiversity. We maintain close relationships with our neighbours, and local community and environmental groups – providing support through making our facilities available for their meetings.

For further information on our sustainability performance, including against our Greening Government Commitments, please refer to Annex A or our website nationalarchives.gov.uk.

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, or 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 25, was 608 (2011-12: 590). On 31 March 2013, there were 630 employees (599 full-time equivalents) on our payroll. These were made up of 611 permanent staff and 19 staff on limited-period appointments. Of these 301 were female and 40 staff (6.3%) declared themselves as disabled and were recognised as having a disability in the context of the Equality Act 2010. Also, 97 staff (15.4%) declared themselves to be from ethnic minorities. We actively manage sickness absence and the average absence rate remained at 5.6 days (5.6 days in 2011-12). 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 7 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 a Whitley Council, the Health and Safety Committee and the Staff Forum.

Equality and diversity

In 2012-13 we continued to deliver our equality and diversity strategy and monitor progress against our action plan. We have set new objectives for the next two years and these have been informed by local department-led initiatives within The National Archives. Our equality and diversity working group continues to oversee a quarterly review of our action plan and provides updates to The National Archives Executive Team and Management Board. We are making good progress, but recognise that there is much more to be done, particularly to increase diversity in our on site and online user communities.

We believe that The National Archives is a better and more effective organisation when 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 2012-13 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 2012-13 our work included extensive outreach and engagement with new audiences linked to our 'Through a Lens' programme and reminiscence workshops with Ugandan Asian elders. We continued our work to unearth in our collection lesbian, gay bisexual and transgender (LGBT) histories, with support from Archus (our LGBT Staff Forum) and the LGBT History Project. During LGBT History Month in February we launched our revised Gay and Lesbian History Research Guide and staff from The National Archives have presented at a range of conferences on LGBT history on issues relating to language, terminology and user tagging.

Diversity Week is now an established event at The National Archives and again this year it featured a well-attended programme of public talks highlighting the diversity of our records. We also began a series of diversity campaigns focusing on key topics. The first, on mental health, was launched in January 2013.

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 trade 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. We have effective arrangements for first aid, and this was recognised in 2012-13 through our shortlisting for a St John Ambulance Award.

The Health and Safety Advisor prepares an annual report on activity relating to health and safety during the calendar year. The report provides statistics on accidents and on incidents reportable under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995 (RIDDOR). We were not required to make any reports under the RIDDOR process during 2012. More widely, the project to replace our glazed roof was completed with just one minor injury during the 34,000 hours worked by the contractors involved.

Our financial, performance and risk management approach

Preparation of the accounts

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

Going concern basis

The National Archives is financed by amounts drawn from the UK Consolidated Fund, approved annually by Parliament to meet the Department's Net Cash Requirement for the year. As with other government departments, the ongoing financing of The National Archives' activities and related liabilities is met by future grants from the UK Consolidated Fund and the application of future income, both to be approved annually by Parliament. Such approval for amounts required for 2013-14 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 £36.1 million.

Cash requirements are forecast on a monthly basis and we liaise with HM Treasury to enable these funds to be made available through the Government Banking Service (which incorporates the Office of HM Paymaster General), 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. 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 2012-13, The National Archives' net resource outturn was £34.7 million compared with a budget allocation of £36.1 million. The non-ringfenced element, which is the controllable element of our expenditure, was managed to within £0.4 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 re-prioritised our projects in order to enhance maximum value from our available funding. This reflects the effective financial controls which we continue to exercise.

The ringfenced outturn was £4.9 million compared with the budget of £5.9 million. Ringfenced expenditure is mainly for depreciation and amortisation costs and the £1.0m million surplus is predominantly due to the effect of a major project that was originally scheduled to complete during the year now being scheduled to complete in 2013-14.

The total capital expenditure matched our budgeted allocation of £4.5 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.

The net cash outturn for the year was £34.7 million, which matched our approved net cash allocation.

Statement of payment practice

In line with the Government's commitments to pay suppliers promptly, The National Archives operates a policy of paying all suppliers within five days of receipt of goods or services, or receipt of the invoice (whichever is later). During 2012-13, 98% of invoices 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.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2012-13 Estimate £000	2012-13 Outturn £000	2011-12 Estimate £000	2011-12 Outturn £000
Net Resource Outturn (Estimates)	36,050	34,717	37,739	36,964
Consolidated Fund Extra Receipts in the Operating Cost statement	-	(51)	-	-
Net Operating Cost (Accounts)	36,050	34,666	37,739	36,964
Resource Budget Outturn (Budget)	36,050	34,666	37,739	36,964
<i>of which:</i>				
Departmental Expenditure Limits (DEL)	36,130	34,748	38,140	37,367
Annually Managed Expenditure (AME)	(80)	(82)	(401)	(403)

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 8 to the accounts). The National Audit Office did not provide any non-audit services during the year.

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

Risks and uncertainties

Details of our risks and uncertainties are provided in the Governance Statement on page 40.

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. The National Archives is a voluntary member of the IFTS, and was re-verified against the

principles of the scheme in August 2012. We were successfully re-accredited to the scheme, and remain committed to its principles. The re-verification report has been published, and we have drawn up an action plan to address the recommendations for improvements made in the report.

Reporting of personal data-related incidents

Details of our reporting of personal data-related incidents are shown in the Governance Statement, on page 45.

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 7 to the accounts.

Review of activities

A review of our activities during 2012-13 can be found on pages 8-14 of this report.

The National Archives' governance

Details of The National Archives' governance can be found in the Governance Statement on page 40.

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



Oliver Morley
Accounting Officer

10 June 2013

2 Remuneration report

Senior Civil Service grades

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

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

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

Service contracts

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

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

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

Mark Addison CB was first appointed as Non-executive Director on 1 January 2007 for a period of three years to 31 December 2010. His contract was

renewed on 1 January 2011 for a further three-year period to 31 December 2013; however, he stepped down as a Non-executive Director with effect from 30 September 2012.

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

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

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

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. Performance against these objectives, and against The National Archives' values, forms the basis of their formal appraisal and subsequent pay and bonus recommendations. This information is used by the Remuneration Committee to determine pay awards according to the Review Body on Senior Salaries' annual recommendations.

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

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses paid in a year relate to performance in the preceding year; as such, bonuses reported in 2012-13 relate to performance in 2011-12 and the comparative bonuses reported for 2011-12 relate to performance in 2010-11.

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

Name	Salary 2012-13	Bonus 2012-13	Salary 2011-12	Bonus 2011-12	Accrued pension at pension age at 31/03/13 and related lump sum	Real increase / (decrease) in pension and related lump sum at pension age	CETV at 31/03/13	CETV at 31/03/12 ¹⁶	Employee contributions and transfer in	Real increase in CETV
	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £2,500	Nearest £000	Nearest £000	Nearest £000	Nearest £000
Oliver Morley Chief Executive and Keeper	95 - 100	5 - 10	95 - 100	-	10 - 15	2.5 - 5	128	96	4	25
Clem Brohier Director	90 - 95	5 - 10	90 - 95	-	10 - 15	0 - 2.5	231	189	6	26
Mary Gledhill Director	70 - 75	0 - 5	20 - 25 (full year equivalent 70 - 75)	-	0 - 5	2.5 - 5	39	10	4	24
Jeff James Director	85 - 90	-	85 - 90	5 - 10	10 - 15	0 - 2.5	176	144	5	19
Caroline Ottaway-Searle Director	80 - 85	-	80 - 85	5 - 10	10 - 15	0 - 2.5	167	126	5	25
David Thomas Director	85 - 90	-	85 - 90	-	50 - 55 plus 100 - 105 lump sum	2.5 - 5 plus 2.5 - 5 lump sum	1,087	1,023	5	56
Carol Tullo Director	90 - 95	5 - 10	90 - 95	-	15 - 20 plus 50 - 55 lump sum	0 - 2.5 plus 0 - 2.5 lump sum	376	342	4	13

¹⁶ The actuarial factors used to calculate CETVs were changed in 2012-13. The CETVs at 31/03/13 and 31/03/12 have both been calculated using the new factors, for consistency. The CETV for 31/03/12 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors

Name	Salary 2012-13	Bonus 2012-13	Salary 2011-12	Bonus 2011-12	Accrued pension at 31/03/13 and related lump sum	Real increase /(decrease) in pension and related lump sum at pension age	CETV at 31/03/13	CETV at 31/03/12 ¹⁶	Employee contributions and transfer in	Real increase in CETV
	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £2,500	Nearest £000	Nearest £000	Nearest £000	Nearest £000
Mark Addison CB¹⁷ Non-executive Director	5 - 10	N/a	10 - 15	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Professor Lisa Jardine CBE Non-executive Director	10 - 15	N/a	0 - 5 (full year equivalent 10 - 15)	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Peter Phippen Non-executive Director ¹⁸	0 - 5 (full year equivalent 10 - 15)	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Fiona Ross Non-executive Director ¹⁹	0 - 5 (full year equivalent 10 - 15)	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Trevor Spires CBE Non-executive Director	10 - 15	N/a	10 - 15	N/a	N/a	N/a	N/a	N/a	N/a	N/a
Band of highest- paid director's total remuneration (£000)	105 - 110		95 - 100							
Median total remuneration (£)	26,515		26,435							
Ratio	4.1		3.7							

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

¹⁷ Mark Addison was a Non-executive Director until 30 September 2012

¹⁸ Peter Phippen was a Non-executive Director with effect from 6 November 2012

¹⁹ Fiona Ross was a Non-executive Director with effect from 6 November 2012

Pay multiples

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

The banded remuneration of the highest-paid director in The National Archives in the financial year 2012-13 was £105k–£110k (2011-12: £95k–£100k). This was 4.1 times (2011-12: 3.7) the median remuneration of the workforce, which was £26,515 (2011-12: £26,435). The increase is due to a performance-related bonus payment made in 2012-13.

In 2012-13, nil (2011-12: nil) employees received remuneration in excess of the highest-paid director.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind as well as severance payments. It does not include employer pension contributions and the Cash Equivalent Transfer Value of pensions.

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

Civil Service pensions

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

Employee contributions are salary-related and range between 1.5% and 3.9% of pensionable earnings for Classic and 3.5% and 5.9% for Premium, Classic Plus and Nuvos. Increases to employee contributions will apply from 1 April 2013. 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 Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic, and benefits for service from October 2002 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, immediately after the scheme year end, the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) their pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

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

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

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme, or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

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

Benefits in kind

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

Reporting of Civil Service and other compensation schemes – exit packages

Details of exit packages for Civil Service and other compensation schemes are shown in note 7.2 of the accounts on page 63.

Review of tax arrangements of public sector appointees

Table 1: For off-payroll engagements at a cost of over £58,200 per annum that were in place as of 31 January 2012

Number in place on 31 January 2012	7
of which:	
Number that have since come onto the organisation's payroll	-
of which:	
Number that have since been re-negotiated/re-engaged, to include contractual clauses allowing the department to seek assurance as to their tax obligations	3
Number that have not been successfully re-negotiated, and therefore continue without contractual clauses allowing the department to seek assurance as to their tax obligations	-
Number that have come to an end	4
Total	-

Table 2: For all new off-payroll engagements between 23 August 2012 and 31 March 2013, for more than £220 per day and more than 6 months

Number of new engagements	-
of which:	
Number of new engagements which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	-
of which:	
Number for whom assurance has been requested and received	-
Number for whom assurance has been requested but not received	-
Number that have been terminated as a result of assurance not being received	-
Total	-



Oliver Morley
Accounting Officer
10 June 2013

3 Statement of Accounting Officer's responsibilities

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

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

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

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

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

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

4 Governance Statement

The governance framework

The National Archives Management Board consists of the Chief Executive, the six Directors and up to four Non-executive Directors. The Management Board meets 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 two additional governance bodies: the Executive Team and the Audit Committee.

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

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

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 staff are invited to attend and may ask any question about the running of the organisation or current concerns. Questions may be submitted anonymously in order to encourage openness.

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 representatives from The National Archives' internal auditors (RSM Tenon) attend each meeting. These meetings are usually attended by our external auditors, the National Audit Office. A number of Directors and senior staff also attend each meeting.

The main purpose of the Audit Committee is to:

- Review the effectiveness of the assurance framework
- Provide an opinion on how well the Board and 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

The Management Board assesses the effectiveness of each of its meetings as an agenda item. Challenge is provided by the Non-executive Directors and other Board members. In this the Board is informed by findings of the latest internal audit of The National Archives' governance structures. Towards the end of 2012-13 the Board carried out a review of its effectiveness using a self-assessment questionnaire. The results of the survey will be analysed in detail to better understand the issues highlighted and to develop an action plan in response.

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

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

Reports and updates received during 2012-13 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 2011-12
- 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.

During 2012-13 the Board filled vacancies by appointing Non-executive Directors from cultural and commercial sectors, thereby ensuring that it continued to have an appropriate mix of skills and expertise to meet the challenges facing The National Archives.

The Board met ten times during 2012-13. The Chief Executive, Directors and Non-executive Directors attended the following numbers of Management Board meetings during the year:

Oliver Morley	Chief Executive	10
Clem Brohier	Director, Finance and Performance	10
Mary Gledhill	Director, Commercial Services	8
Jeff James	Director, Operations and Services	9
Caroline Ottaway-Searle	Director, Human Resources and Organisational Development	8
David Thomas	Director, Technology	7
Carol Tullo	Director, Information Policy and Services	8
Mark Addison CB	Non-executive Director ²⁰	5
Prof Lisa Jardine CBE	Non-executive Director	6
Peter Phippen	Non-executive Director ²¹	3
Fiona Ross	Non-executive Director ²²	4
Trevor Spires CBE	Non-executive Director	10

The Audit Committee met four times during 2012-13. Representatives from our internal and external auditors attend all quarterly Audit Committee meetings.

The Audit Committee monitors the implementation of recommendations made by the internal auditors, taking reports and evidence of progress as a standing agenda item. 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 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' audit services are provided by RSM Tenon. 2012-13 was the third year of a four-year programme of audit work for which they are contracted.

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 uses risk management as an enabling tool to balance risk and innovation across the organisation. Risks facing The National Archives fall under the following categories:

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

²⁰ Resigned 30 September 2012

²¹ Appointed 6 November 2012

²² Appointed 6 November 2012

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 categories and their residual risk scores are formally reviewed each year by the Executive Team.

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

The strategic risks identified for 2012-13 were:

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

Two new strategic risks were identified during the year:

- Organisational pressures in our relationship with information suppliers, technology advances and the burden of handling more closed records, all associated with the risk in the increasing move to acquire near-contemporaneous records
- Unexpected and unfunded responsibilities for records not currently in the public records system (this risk being identified in response to high-profile cases).

Identifying and managing risk is not a barrier to efficiency, effectiveness or innovation, and managing our strategic risks has a minimal impact on our activities unless additional controls need to be introduced. As far as possible we incorporate risk mitigations into our 'business as usual' activities, reinforcing the message that risk management is the responsibility of all staff.

During the year we built on the changes made the previous year to our approach to managing risks below the strategic level, which introduced more frequent (but less bureaucratic) reporting and clearer accountability. The new approach was embedded across the organisation during 2012-13 with outcomes demonstrating buy-in to the process.

Risks below the strategic level are now recorded, reviewed and managed by Directors and their management teams. A directorate's risk register captures what are considered exceptional risks. These will normally:

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

We expect that over time most directorate risks will be managed as 'business as usual', but exceptionally, directorate risks may be escalated to The National Archives' strategic risk register. At operational 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. During 2012-13, for example, additional governance was applied to the project to replace the roof and vertical glazing in part of the Kew building, which cost a total of £2.9 million over two years

Other assurance sources

I obtain additional assurance from internal reporting and external validation sources. During 2012-13 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
- 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 took place during October 2012 and involved 97 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 66% this year, which was a slight decline on the 68% scored last year. I am pleased that this still classes The National Archives as a Civil Service High Performer, especially in a year of continued constraints on pay and recruitment.

- Environmental improvements: monitoring provides me with assurance that significant progress has been made towards our carbon reduction targets and indeed allowed our Display Energy Certificate rating to improve to B (the Kew building had been rated G in 2010-11)
- Customer service: The National Archives achieved Customer Service Excellence re-accreditation in August 2012
- Transparency: we 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.

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 2012-13 and therefore none were reported.

Reporting of personal data-related incidents

TABLE 1: SUMMARY OF PROTECTED PERSONAL DATA RELATED INCIDENTS FORMALLY REPORTED TO THE INFORMATION COMMISSIONER'S OFFICE IN 2012-13

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
August 2012 (date of contact by ICO following receipt of a complaint)	Complaint regarding alleged unauthorised and unnecessary disclosure	Internal management assessment; organisation intent impacting on an individual	1	The National Archives cooperated with the ICO's investigation into the incident
Further action on information risk	<p>The complaint to the ICO had four parts:</p> <p>The ICO found that TNA was not in breach of the Data Protection Act on two parts</p> <p>The ICO found that TNA was in breach of the Data Protection Act on one part</p> <p>The ICO found that TNA was in breach of the Data Protection Act for one of two elements of one part</p> <p>The ICO recommended that procedures were improved and guidance issued, based on lessons learned.</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	Nil
V	Other	1 ²³



Oliver Morley
Accounting Officer
10 June 2013

²³ This relates to a complaint regarding inaccurate registration on Discovery (our online search tool) for use of the system to order copies

5 Audit Certificate and Report

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

I certify that I have audited the financial statements of The National Archives for the year ended 31 March 2013 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. 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 2013 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 2013 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 Management Commentary and unaudited part of the Remuneration Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

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

27 June 2013

6 Accounts summary

Statement of Parliamentary Supply

Summary of resource and capital outturn 2012-13

	2012-13 Estimate			2012-13 Outturn			2012-13 Outturn compared with Estimate: saving/(excess)	2011-12 Outturn
	Voted	Non- voted	Total	Voted	Non- voted	Total		Net Total
Note	£000	£000	£000	£000	£000	£000	£000	£000
Departmental Expenditure Limit								
- Resource	36,130	-	36,130	34,799	-	34,799	1,331	37,367
- Capital	4,500	-	4,500	4,456	-	4,456	44	3,819
Annually Managed Expenditure								
- Resource	(80)	-	(80)	(82)	-	(82)	2	(403)
- Capital	-	-	-	-	-	-	-	-
Total	40,550	-	40,550	39,173	-	39,173	1,377	40,783
Total Resource	3a 36,050	-	36,050	34,717	-	34,717	1,333	36,964
Total Capital	4,500	-	4,500	4,456	-	4,456	44	3,819
Total	40,550	-	40,550	39,173	-	39,173	1,377	40,783

Net Cash Requirement

	2012-13 Estimate		2012-13 Outturn		2012-13 Outturn compared with Estimate: saving/(excess)	2011-12 Outturn
Note	£000		£000		£000	£000
Net Cash Requirement	4	34,670	34,658	12	36,319	

Administration Costs

	2012-13 Estimate		2012-13 Outturn		2011-12 Outturn
Note	£000		£000		£000
Administration Costs	3b	8,750	8,489	8,704	

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 53 to 77 form part of these accounts.

Statement of Comprehensive Net Expenditure

for the year ended 31 March 2013

	Note	2012-13 £000	2011-12 (Restated) £000
Administration costs:			
- Staff costs	7	5,249	5,242
- Other costs	8	3,281	3,491
- Income	10	(41)	(29)
Programme costs:			
- Staff costs	7	19,357	18,532
- Other costs	9	15,710	18,034
- Income	10	(8,890)	(8,306)
Net Operating Cost for the year ended 31 March 2013		34,666	36,964
Total Expenditure		43,597	45,299
Total Income		(8,931)	(8,335)
Net Operating Cost for the year ended 31 March 2013		34,666	36,964
Other Comprehensive Expenditure			
Net (gain)/loss on:			
- revaluation of property, plant and equipment		1,163	(28,263)
- revaluation of intangibles		(3,181)	8,342
- revaluation of intangibles		2	(13)
Total comprehensive expenditure for the year ended 31 March 2013		32,650	17,030

The notes on pages 53 to 77 form part of these accounts.

Statement of Financial Position

as at 31 March 2013

	Note	31 March 2013		31 March 2012 (Restated)		31 March 2011 (Restated)	
		£000	£000	£000	£000	£000	£000
Non-current assets:							
Property, plant and equipment	11	132,333		134,013		106,756	
Intangible assets	12	23,861		20,613		29,130	
Trade receivables falling due after more than one year	16	550		433		349	
Total non-current assets			156,744		155,059		136,235
Current assets:							
Inventories	15	161		135		114	
Trade and other receivables	16	584		456		270	
Other current assets	16	2,045		2,354		1,313	
Cash and cash equivalents	17	12		70		52	
Total current assets			2,802		3,015		1,749
Total assets			159,546		158,074		137,984
Current liabilities							
Trade and other payables	18	(1,816)		(388)		(1,073)	
Provisions	19	(55)		(96)		(400)	
Other liabilities	18	(5,068)		(7,311)		(5,659)	
Total current liabilities			(6,939)		(7,795)		(7,132)
Non-current assets less net current liabilities			152,607		150,279		130,852
Non-current liabilities:							
Other liabilities	18	(1,314)		(999)		(823)	
Provisions	19	(50)		(93)		(192)	
Total non-current liabilities			(1,364)		(1,092)		(1,015)
Total assets less liabilities			151,243		149,187		129,837
Taxpayers' equity and other reserves:							
General fund			70,258		69,134		68,820
Donated asset reserve			11		13		-
Revaluation reserve			80,974		80,040		61,017
Total equity			151,243		149,187		129,837



Oliver Morley
Accounting Officer

10 June 2013

The notes on pages 53 to 77 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2013

	Note	2012-13 £000	2011-12 £000
Cash flows from operating activities			
Net operating cost	3a	(34,666)	(36,964)
Adjustments for non-cash transactions	8,9	4,975	5,427
(Increase)/decrease in trade and other receivables	16	103	(1,311)
<i>Less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		-	-
(Increase)/decrease in inventories	15	(26)	(21)
Increase/(decrease) in trade and other payables	18	(482)	1,126
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		-	(209)
Use of provisions	19	(106)	(393)
Net cash outflow from operating activities		(30,202)	(32,345)
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(4,309)	(3,953)
Purchase of intangible assets	12	(148)	(21)
Proceeds of disposal of property, plant and equipment		1	-
Net cash outflow from investing activities	4	(4,456)	(3,974)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		34,600	36,337
Net financing		34,600	36,337
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund			
		(58)	18
Payments of amounts due to the Consolidated Fund		-	-
Cash and cash equivalents at the beginning of the period	17	70	52
Cash and cash equivalents at the end of the period	17	12	70

The notes on pages 53 to 77 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2013

	Note	General Fund (Restated) £000	Revaluation Reserve (Restated) £000	Donated Asset Reserve £000	Total Reserves £000
Balance at 31 March 2011		76,116	35,162	-	111,278
Prior period adjustments:					
- Valuation of revenue generating databases		(1,808)	768	-	(1,040)
- Valuation of licenses issued		(5,488)	25,087	-	19,599
Restated balance at 1 April 2011		68,820	61,017	-	129,837
Changes in taxpayers' equity for 2011-12					
Net Parliamentary funding - drawn down		36,337	-	-	36,337
Net Parliamentary funding - deemed	17	52	-	-	52
Supply (payable)/receivable adjustment	17	(70)	-	-	(70)
CFERS payable to the Consolidated Fund		-	-	-	-
Comprehensive net expenditure for the year		(36,964)	31,441	-	(5,523)
Non-cash charges - auditors remuneration	8	48	-	-	48
Receipt of donated assets	11	-	-	13	13
Transfers between reserves		911	(911)	-	-
Balance at 31 March 2012		69,134	91,547	13	160,694
Prior period adjustments:					
- Valuation of revenue generating databases		-	1,158	-	1,158
- Valuation of licenses issued		-	(12,665)	-	(12,665)
Restated balance at 1 April 2012		69,134	80,040	13	149,187
Changes in taxpayers' equity for 2012-13					
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	18	(51)	-	-	(51)
Comprehensive net expenditure for the year		(34,666)	2,018	(2)	(32,650)
Non-cash charges - auditors remuneration	8	48	-	-	48
Transfers between reserves		1,084	(1,084)	-	-
Balance at 31 March 2013		70,258	80,974	11	151,243

The notes on pages 53 to 77 form part of these accounts.

7 Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2012-13 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 which is judged to be most appropriate to the particular circumstances of The National Archives for the purpose of giving a true and fair view has been selected. The particular policies adopted by The National Archives are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the department to prepare an additional primary statement. The Statement of Parliamentary Supply and supporting notes show outturn against estimate in terms of the Net Resource Requirement and the Net Cash Requirement.

1.1 Accounting convention

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

1.2 Property, plant and equipment

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

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

Land and buildings are stated at fair value using professional valuations every five years and appropriate indices in intervening years. Professional valuation 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 on 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 exclusively on particular capital projects.

1.3 Heritage assets

The National Archives holds more than 11 million physical records, artefacts and 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/.

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

Government records are currently selected for permanent preservation and sent to The National Archives by the time they are 30 years old, at which point they are usually released to the public; however, many are transferred earlier. A programme of work to implement the transition to releasing records by the time they are 20 years old commenced in January 2013. 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 also

to ensure that we improve the stability of our most vulnerable records through conservation work.

Certain items within the overall collection are of particular significance, including Domesday Book, one of our most prized national treasures, which has been preserved for over nine centuries and is now cared for at Kew; an official version of 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 13 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 14 of the accounts.

Some categories of the intangible assets were subject to a prior period adjustment and further details can be found in note 1.16.

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 ²⁴
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.

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 7.

1.11 Early departure costs

The National Archives is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The National Archives provides in full for this cost when the early retirement programme has been announced and

²⁴ Following a professional valuation at the end of 2011-12, the building life has been revised from 50 years to 40 years

is binding on the department by establishing a provision for the estimated payments discounted by the HM Treasury discount rate (currently 2.35% 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 (IAS) 37: Provisions, contingent liabilities and contingent assets*, the department discloses for Parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of *Managing Public Money*.

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

1.15 Third party assets

The National Archives holds monetary assets on a temporary basis on behalf of other government departments for disbursement to them. These balances are related to arrangements for the collection and allocation of income that is generated by the licensing of Crown copyright material originated by departments and agencies that do not have delegated authority to license this material themselves. The

Director, Information Policy and Services at The National Archives is the Controller of Her Majesty's Stationery Office, and 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 31 March 2013, the value of those cash assets was £10,830. 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

The valuation of licences has been amended to incorporate all licences, instead of the previous recognition of only licensed internet associateships. Similarly, all revenue generating databases have been capitalised, instead of only the Document Download service in prior years. Also, to more accurately reflect the fair value of the asset, the net cashflows have been used in the valuation of the revenue generating databases. They were previously valued using gross cashflows. In accordance with *IAS 8: Accounting policies, changes in accounting estimates and errors*, this amendment has been treated as a prior year adjustment and the adjustments which have been made in the accounts are summarised below:

	Note	Statement of Financial Position £000
2010-11		
Increased valuation of licences issued	12	19,600
Reduced valuation of revenue generating databases	12	(1,041)
Increase in Revaluation Reserve		25,855
Reduction in General Fund		(7,296)
2011-12		
Increased valuation of licences issued	12	6,935
Increased valuation of revenue generating databases	12	117
Increase in Revaluation Reserve		14,348
Reduction in General fund		(7,296)

1.17 Events after the reporting period

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

1.18 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, which have been adopted by the European Union, are not expected to have a material impact on The National Archives' future accounts.

IAS 1: Presentation of financial statements (other comprehensive income) – Items of other comprehensive income (OCI) are to be grouped on the basis of whether they might at some point be reclassified from the OCI to profit or where they will not. This will make it clearer to users what their potential effect on profit or loss will be in future periods.

IAS 19: Post-employment benefits (pensions) – The amended IAS 19 introduces a number of changes, including the improvement of disclosure requirements that will better show the characteristics of defined benefit plans and the risks arising from those plans. It also modifies accounting for termination benefits, including distinguishing benefits provided in exchange for service and those provided in exchange for the termination of employment. It will affect the recognition and measurement of termination benefits.

IAS 16: Property, plant and equipment – Classification of servicing equipment (items such as spare parts, stand-by equipment and servicing equipment) are recognised under IAS 16 when they meet the definition of property, plant or equipment. They are otherwise classified as inventory under IAS 2.

2. Net outturn

2a. Analysis of net resource outturn by section

	Administration			Programme			2012-13 Outturn	2012-13 Estimate Net Total outturn compared with Net Total Estimate	2011-12 Total	
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000			
Spending in Departmental Expenditure Limit										
- Voted	8,530	(41)	8,489	35,148	(8,838)	26,310	34,799	36,130	1,331	37,367
Annually Managed Expenditure										
- Voted	-	-	-	(82)	-	(82)	(82)	(80)	2	(403)
Total	8,530	(41)	8,489	35,066	(8,838)	26,228	34,717	36,050	1,333	36,964

2b. Analysis of net capital outturn by section

							2012-13 Outturn	2012-13 Estimate Net Total outturn compared with Net Total Estimate	2011-12 Total
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000		
Spending in Departmental Expenditure Limit									
- Voted				4,457	(1)	4,456	4,500	44	3,819
Annually Managed Expenditure									
- Voted				-	-	-	-	-	-
Total				4,457	(1)	4,456	4,500	44	3,819

The variance between resource estimates and outturn relates mainly to significantly lower than planned non-cash resource consumption which was ringfenced and therefore could not be re-prioritised.

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

3. Reconciliation of outturn to net operating cost and against administration budget

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

	2012-13 Outturn £000	2011-12 Outturn £000
Total resource outturn in Statement of Parliamentary Supply	34,717	36,964
Less income payable to the Consolidated Fund	(51)	-
Net Operating Cost in the Statement of Comprehensive Net Expenditure	34,666	36,964

3b. Outturn against final administration budget and administration net operating cost

	2012-13 Outturn £000	2011-12 Outturn £000
Estimate - Administration costs limit	8,750	9,000
Outturn - Gross administration costs	8,530	8,733
Outturn - Gross income relating to Administration costs	(41)	(29)
Outturn - Net Administration costs	8,489	8,704
Reconciliation to operating costs:		
less other	-	-
Administration Net Operating Costs	8,489	8,704

4. Reconciliation of net resource outturn to Net Cash Requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/(excess)
Resource Outturn	2a	36,050	34,717	1,333
Capital Outturn	2b	4,500	4,456	44
Accruals to cash adjustments:				
Adjustments to remove non-cash items				
- Depreciation and amortisation		(5,900)	(4,904)	(996)
- New provisions and adjustments to previous provisions		-	(22)	22
- Other non-cash items		(60)	(49)	(11)
Adjustments to reflect movements in working balances:				
- Increase/(decrease) in stock		-	26	(26)
- Increase/(decrease) in debtors		-	(103)	103
- (Increase)/decrease in creditors		-	482	(482)
- Use of provisions		80	106	(26)
Adjustment for CFER payable		-	(51)	51
Net Cash Requirement		34,670	34,658	12

5. 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 2012-13		Outturn 2011-12	
	£000 Income	£000 <i>Receipts</i>	£000 Income	£000 <i>Receipts</i>
Excess cash surrenderable to the Consolidated fund	51	<i>51</i>	-	-
Total income payable to the Consolidated Fund	51	<i>51</i>	-	-

6. Statement of operating costs by operating segment

International Financial Reporting Standard 8: Operating segments (IFRS 8) requires operating segmental information to be provided based on information that the Chief Executive and Keeper (as Chief Operating Decision Maker – (CODM)) uses to make decisions about the organisation. This information reviewed by the CODM is currently presented based on our management structure as per pages 26 to 27. In order to aid readers' understanding, the segments below have been presented in line with our public task, which can be summarised as: leading on policy and best practice in knowledge and information management for the public sector; preserving and protecting the record; and providing public access.

In accordance with IFRS 8, below is a schedule of income and expenditure against each identified segment. Overheads are allocated proportionally based on the direct income/costs identified.

	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
Net operating cost	7,432	11,879	15,355	34,666

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

Reconciling differences between the segmental analysis above and the net resource outturn are shown in note 3 on page 59.

7. Staff numbers and related costs

			2012-13	2011-12
	Permanently Employed Staff	Others	Total	Total
	£000	£000	£000	£000
Wages and salaries	18,949	1,175	20,124	19,309
Social Security costs	1,542	-	1,542	1,476
Other pension costs	3,237	-	3,237	3,201
Sub total	23,728	1,175	24,903	23,986
Less recoveries in respect of outward secondments	(297)	-	(297)	(212)
Total net costs	23,431	1,175	24,606	23,774
of which:	Charged to Administration budgets	Charged to Programme budgets	Total	
	£000	£000	£000	
Total	5,249	19,357	24,606	

Staff costs of £31k were capitalised during the year

- a) The 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).
- b) For 2012-13, employers' contributions of £3,147,404 were payable to the PCSPS (2011-12: £3,149,333) at one of four rates in the range 16.7 to 24.3% (2011-12: 16.7 to 24.3%) of pensionable pay, based on salary bands. The Scheme Actuary usually reviews employer contributions 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 2012-13 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 2012-13, employers' contributions of £83,907 (2011-12: £70,092) 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 up to 3% of pensionable pay. In addition, employer contributions of £5,503 (2011-12: £4,642), 0.8% (2011-12: 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 £10,066 (2011-12: £8,114). Contributions pre-paid at that date were nil.

7.1 Average full-time equivalent number of persons employed

	Permanently Employed Staff	Others ²⁵	2012-13 Total	2011-12 Total
Government information management	105	17	122	108
Preservation and protection	108	12	120	115
Public access	333	54	387	384
Staff engaged on capital projects	-	1	1	-
Total	546	84	630	607

7.2 Reporting of Civil Service and other compensation schemes – exit packages

(numbers in brackets are comparatives for 2011-12)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	- (-)	<5 (-)	<5 (-)
£10,000 - £24,999	- (-)	<5 (<5)	<5 (<5)
£25,000 - £49,999	- (-)	- (-)	- (-)
£50,000 - £99,999	- (-)	- (<5)	- (<5)
£100,000 - £149,999	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
Total number of exit packages by type	- (-)	6 (3)	6 (3)
Total resource cost - £	- (-)	70,539 (103,370)	70,539 (103,370)

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.

²⁵ Others includes staff on fixed term appointments, limited period appointments as well as agency staff and any specialist contractors

8. Other administration costs

	2012-13		2011-12	
	£000	£000	£000	£000
Non-cash items:				
Depreciation and amortisation				
- Civil Estate	572		594	
- Other non current assets	409		412	
Auditor's remuneration - audit work	48		48	
		1,029		1,054
Other expenditure				
IT maintenance	836		707	
Accommodation and building maintenance	324		315	
Recruitment and training	234		368	
Minor software and hardware	210		258	
Telecommunications	191		114	
Internal audit	49		53	
Travel, subsistence and hospitality	34		33	
Legal expenses	27		28	
Consultancy	-		9	
Other expenditure	347		552	
		2,252		2,437
		3,281		3,491

9. Programme costs

	2012-13		2011-12	
	£000	£000	£000	£000
Rentals under operating leases:				
Hire of plant and machinery	54		78	
		54		78
Non-cash items:				
Depreciation and amortisation				
- Civil Estate	2,287		2,377	
- Other non current assets	1,636		1,647	
Loss on disposal of non current assets	1		359	
Provisions:				
- Borrowing costs (unwinding of discounts)	22		1	
- Provided/(released) in year - other provisions	-		(11)	
		3,946		4,373
Other expenditure				
Accommodation and building maintenance	5,843		7,293	
Public access	945		1,115	
IT maintenance	616		839	
Film and internet archiving	588		619	
Other contracted services	426		366	
Digitisation & scanning	399		227	
Grants paid	371		239	
Website hosting	321		455	
Minor furniture, equipment & related maintenance	297		411	
Travel, subsistence and hospitality	291		252	
Postage, stationery and store supplies	285		295	
Minor software and hardware	216		186	
Royalties	175		114	
Shop stores	160		161	
Legal expenses	160		156	
Subscriptions	95		64	
Conservation & preservation materials	58		77	
Recruitment and training	49		44	
Conferences	41		26	
Record copying materials	7		3	
Other expenditure	367		641	
		11,710		13,583
		15,710		18,034

10. Income

	2012-13	2011-12
	£000	£000
Operating income analysed by classification and activity, is as follows:		
Income		
Fees and charges to external customers	8,226	7,408
Fees and charges to other government departments	705	934
EU Funding income	-	(7)
	8,931	8,335

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

	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	-
	8,931	7,630	1,301

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

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*.

11. Property, plant and equipment

	Land £000	Buildings £000	Plant and machinery £000	Furniture and fittings £000	Transport equipment £000	Information technology £000	Assets under construction £000	Total £000
Cost or valuation								
At 1 April 2012	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)
At 31 March 2013	18,200	102,484	9,024	7,659	177	11,640	2,254	151,438
Depreciation								
At 1 April 2012	-	-	2,154	2,746	99	9,350	-	14,349
Charged in year	-	2,858	754	169	16	1,026	-	4,823
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	(23)	-	(7)	(37)	-	(67)
Revaluation	-	-	-	-	-	-	-	-
At 31 March 2013	-	2,858	2,885	2,915	108	10,339	-	19,105
Net Book Value at 31 March 2013	18,200	99,626	6,139	4,744	69	1,301	2,254	132,333
Net Book Value at 31 March 2012	18,200	101,026	5,836	4,907	85	1,930	2,029	134,013

	Land £000	Buildings £000	Plant and machinery £000	Furniture and fittings £000	Transport equipment £000	Information technology £000	Assets under construction £000	Total £000
Cost or valuation								
At 1 April 2011	18,200	108,968	5,320	7,630	184	11,924	2,776	155,002
Additions	-	576	1,170	16	-	476	1,924	4,162
Donations	-	-	-	13	-	-	-	13
Reclassification	-	1,634	1,587	-	-	(550)	(2,671)	-
Disposals	-	-	(87)	(6)	-	(570)	-	(663)
Revaluation	-	(10,152)	-	-	-	-	-	(10,152)
At 31 March 2012	18,200	101,026	7,990	7,653	184	11,280	2,029	148,362
Depreciation								
At 1 April 2011	-	35,067	1,494	2,577	86	9,022	-	48,246
Charged in year	-	2,971	702	174	13	976	-	4,836
Reclassification	-	394	43	-	-	(437)	-	-
Disposals	-	-	(85)	(5)	-	(211)	-	(301)
Revaluation	-	(38,432)	-	-	-	-	-	(38,432)
At 31 March 2012	-	-	2,154	2,746	99	9,350	-	14,349
Net Book Value at 31 March 2012	18,200	101,026	5,836	4,907	85	1,930	2,029	134,013
Net Book Value at 31 March 2011	18,200	73,901	3,826	5,053	98	2,902	2,776	106,756

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.
- b) All non-current assets are implicitly owned by The National Archives. There are no leased assets.

12. Intangible assets

	Software licences £000	Revenue generating databases (Restated) £000	Licenses issued (Restated) £000	Assets under construction £000	Total £000
Cost or valuation					
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
At 31 March 2013	1,833	2,065	21,631	106	25,635
Amortisation					
At 1 April 2012	1,818	-	-	-	1,818
Charged in year	80	-	-	-	80
Disposals	(124)	-	-	-	(124)
Revaluation	-	-	-	-	-
At 31 March 2013	1,774	-	-	-	1,774
Net Book Value at 31 March 2013	59	2,065	21,631	106	23,861
Net Book Value at 31 March 2012	98	2,059	18,456	-	20,613

	Software licences £000	Revenue generating databases (Restated) £000	Licenses issued (Restated) £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2011	1,895	902	27,956	-	30,753
Additions	21	-	-	-	21
Impairments	-	-	-	-	-
Revaluation	-	1,157	(9,500)	-	(8,343)
At 31 March 2012	1,916	2,059	18,456	-	22,431
Amortisation					
At 1 April 2011	1,623	-	-	-	1,623
Charged in year	195	-	-	-	195
Impairments	-	-	-	-	-
At 31 March 2012	1,818	-	-	-	1,818
Net Book Value at 31 March 2012	98	2,059	18,456	-	20,613
Net Book Value at 31 March 2011	272	902	27,956	-	29,130

Note

An impairment of intangible assets of £Nil (2011-12: £Nil) has been charged in full to the Statement of Comprehensive Net Expenditure. At the end of 2012-13, the amount held in the revaluation reserve relating to intangible assets is £23,695 million (2011-12: £20,515 million).

13. Further information on heritage assets

13a. Preservation and management

Acquisition of heritage assets is through government bodies selecting records for permanent preservation and transferring these records to The National Archives by the time they are 30 years old, at which point they are usually released to the public. However, many records are transferred earlier and, in January 2013, we commenced a programme of work to implement a transition to release records by the time they are 20 years old.

In the year to March 2013, we received records covering 612 metres of shelving (373 metres in 2011-12). The vast majority of these records (we estimate around 94%) would fall into the category of 'files and paper documents', but we also received a large number of records we would categorise as 'maps, plans and architectural drawings', and a number we would place in the category 'photographs and posters'. During the year we took 2,003 snapshots of websites for the UK Government Web Archive (1,857 in 2011-12).

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 2012-13, £1,677,976 was recognised (2011-12: £1,554,342).

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 13b: Access

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

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

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

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

14. 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. In the current financial year, for the licences issued, the growth rate applied to the forecasting model was changed from a flat rate of 6% to 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 2012-13 valuation £000
2013-14 income 10% less than forecast for revenue generating databases	(160)
2013-14 income 10% higher than forecast for revenue generating databases	160
2013-14 income 10% less than forecast for licenses	(2,163)
2013-14 income 10% higher than forecast for licenses	2,163

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.

15. Inventories

	2012-13	2011-12	2010-11
	£000	£000	£000
Publishing and shop stocks	148	123	97
Reprographic materials	13	12	17
	161	135	114

16. Trade receivables, financial and other assets

	2012-13	2011-12	2010-11
	£000	£000	£000
Amounts falling due within one year:			
VAT	51	160	18
Trade receivables	584	456	270
Other receivables	14	35	50
Deposits and advances	58	56	58
Prepayments and accrued income	1,883	2,103	1,187
Amounts due from the Consolidated fund in respect of supply	39	-	-
	2,629	2,810	1,583
Amounts falling due after one year:			
Prepayments and accrued income	550	433	349
	550	433	349
Total receivables	3,179	3,243	1,932

16.1 Intra-government balances

	2012-13	2011-12	2010-11
	£000	£000	£000
Intra-government balances falling within one year			
Balances with other central government bodies	90	161	32
Balances with local authorities	4	-	-
Balances with NHS Trusts	-	-	-
Balances with public corporations and trading funds	109	-	-
Intra-government balances	203	161	32
Balances with bodies external to government	2,426	2,649	1,551
Total receivables and current assets at 31 March	2,629	2,810	1,583

	2012-13	2011-12	2010-11
	£000	£000	£000
Intra-government balances falling due after year			
Balances with other central government bodies	-	-	-
Balances with local authorities	-	-	-
Balances with NHS Trusts	-	-	-
Balances with public corporations and trading funds	-	-	-
Intra-government balances	-	-	-
Balances with bodies external to government	550	433	349
Total non-current receivables at 31 March	550	433	349
Total receivables	3,179	3,243	1,932

17. Cash and cash equivalents

	2012-13	2011-12	2010-11
	£000	£000	£000
Balance at 1 April	70	52	79
Net change in and cash equivalents	(58)	18	(27)
Balance at 31 March	12	70	52

The following balances at 31 March are held at:

Government Banking Service	5	56	38
Cash in hand	7	14	14
Balance at 31 March	12	70	52

18. Trade payables and other current liabilities

	2012-13	2011-12	2010-11
	£000	£000	£000
Amounts falling due within one year			
Other Taxation, Social Security and Pension	802	802	793
Trade payables	1,816	388	1,073
Accruals and deferred income	3,446	5,538	3,997
Short-term staff benefits (Earned leave liability)	769	901	817
Amounts issued from the Consolidated Fund for supply but not spent at year end	-	70	52
Consolidated Fund extra receipts and other amounts due to be paid to the Consolidated Fund			
- received	51	-	-
- receivable	-	-	-
	6,884	7,699	6,732
Amounts falling due after one year:			
Deferred income	1,314	999	823
	1,314	999	823
Total payables	8,198	8,698	7,555

18.1 Intra-government balances

	2012-13	2011-12	2010-11
	£000	£000	£000
Intra-government balances falling within one year			
Balances with other central government bodies	1,296	1,821	2,402
Balances with local authorities	1	40	-
Balances with NHS Trusts	-	-	-
Balances with public corporations and trading funds	2	-	3
Intra-government balances	1,299	1,861	2,405
Balances with bodies external to government	5,585	5,838	4,327
Total payables and other current liabilities	6,884	7,699	6,732
	2012-13	2011-12	2010-11
	£000	£000	£000
Intra-government balances falling due after one year			
Balances with other central government bodies	-	-	-
Balances with local authorities	-	-	-
Balances with NHS Trusts	-	-	-
Balances with public corporations and trading funds	-	-	-
Intra-government balances	-	-	-
Balances with bodies external to government	1,314	999	823
Total non-current payables at 31 March	1,314	999	823
Total payables	8,198	8,698	7,555

19. Provisions for liabilities and charges

	2012-13	2011-12
	£000	£000
At 1 April	189	592
Provided in the year	-	-
Provisions not required written back	-	(11)
Provisions utilised in the year	(106)	(393)
Borrowing costs (unwinding of discounts)	22	1
Balance at 31 March	105	189

Analysis of expected timing of discounted flows

	2012-13	2011-12
	£000	£000
Not later than one year	55	96
Later than one year and not later than five years	50	93
Later than five years	-	-
Balance at 31 March	105	189

Early departure costs

The provisions in the tables above relate to early departure costs. The National Archives meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The National Archives provides for this in full when the early retirement programme becomes binding on the Department by establishing a provision for the estimated payments discounted by the HM Treasury discount rate for pension liabilities of 2.35% in real terms.

20. Capital commitments

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

	2012-13	2011-12
	£000	(Restated) £000
Property, plant and equipment	50	657 ²⁶

²⁶ The figure published in the 2011-12 report erroneously excluded £339,000 of irrecoverable VAT

21. Commitments under leases

Operating leases

The future minimum lease payments under operating leases are given in the table below for each of the following periods:

	2012-13 £000	2011-12 £000
Other		
Not later than one year	14	50
Later than one year and not later than five years	8	-
	22	50

22. Other financial commitments

The National Archives entered into non-cancellable contracts (which are not lease or PFI contracts) for a facilities management service. The payments to which The National Archives is committed, analysed by the period during which the commitment expires, are as follows:

	2012-13 £000	2011-12 £000
Other		
Not later than one year	914	1,221
Later than one year and not later than five years	-	920
	914	2,141

23. Contingencies

There were no contingent assets or liabilities at 31 March 2013.

24. Related party transactions

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

25. Third party assets

The National Archives held short-term monetary assets valued at £10,830 on behalf of other government departments at the end of the reporting period (£9,907 at 31 March 2012).

	31 March 2012	Gross inflows	Gross outflows	31 March 2013
	£000	£000	£000	£000
Bank balance	10	37	(36)	11
	10	37	(36)	11

26. Accountability

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

Annex A

Sustainability accounting and reporting

This Annex summarises our progress embedding sustainable development and describes the actions we have taken to deliver the Greening Government Commitments for Operations and Procurement. It was prepared in line with HM Treasury guidance. Further information relating to our sustainability performance, plans and policies may be found on our website.

Our Sustainable Development Board monitors our performance, meeting quarterly to review progress and monitor risk. The National Archives Management Board and Audit Committee review progress twice a year.

Summary of performance

We are on track to meet or exceed the Greening Government commitments, and our challenging departmental targets for reducing greenhouse gas emissions, waste and water use while procuring goods and services more sustainably. We are using less water, creating less waste, consuming less energy and emitting less greenhouse gas.

The table below shows our performance to date against our Greening Government commitments:

Indicator	Reduction target %	Baseline	Improvement on baseline %	Improvement compared with 2011-12 %
Greenhouse gas emissions ²⁷	25	2009-10	41	21
Waste produced ²⁸	25	2010-11	28	10
Water used	20	2009-10	8.2	8.5

Note: Table excludes the Greening Government commitment to reduce domestic flights by 20%, as The National Archives has no baseline data for this commitment

The following table summarises our performance in 2012-13, compared with 2011-12.

Indicator	2012-13	2012-13 normalised performance (per full-time equivalent employee)	2011-12	2011-12 normalised performance (per full-time equivalent employee)
Greenhouse gas emissions – energy, fugitive emissions and business travel (scope 1-3): tonnes CO ₂ e	4,833 ²⁹	7.9	6,110	10.4
Energy consumption: MWh	12,434	20.5	13,987	23.7
Operational waste: tonnes	126	0.2	139	0.2
Water consumption: cubic metres	22,823	37.5	24,955	42.3

Note: Normalised performance figures provide an indication of emissions, waste and consumption per full-time equivalent employee. However, figures also reflect the public nature of our work and facilities, with tens of thousands of people visiting Kew each year, each typically spending several hours on site. For this reason, any comparisons with government departments that do not operate public facilities should be made with caution.

²⁷ This includes international business travel, which is outside of the Greening Government Commitments' scope. See the sustainability pages of our website for further information

²⁸ This represents operational (business as usual) waste and excludes waste arising from capital projects, e.g. refurbishment works.

²⁹ This value includes international business travel, which is outside the Greening Government Commitments' scope. Excluding international business travel results in a value for the year of 4,833 and a normalised performance value of 7.9 per full-time equivalent employee).

Greenhouse gas emissions

Greenhouse gas emissions are the greatest environmental impact resulting from our operations. While it is inevitable that maintaining a collection of the size and value as ours will require a large amount of energy, we continue to take advantage of the opportunity presented by the replacement of end-of-life equipment, lighting and control systems to achieve improved performance while using less energy. We continually monitor our energy consumption and review and optimise our building control systems to minimise energy waste.

Indicator		2012-13	2011-12
Greenhouse gas emissions: tonnes CO ₂ e	Gross emissions for scopes 1 and 2: tonnes CO ₂ e	4,774	6,009
	Gross emissions for scope 3 - business travel	59 ³⁰	101
Buildings energy consumption: MWh	Electricity: non-renewable (brown)	5,500	6,774
	Electricity: renewable (green)	733	903
	Electricity: good quality combined heat and power	1,100	1,355
	Natural gas	5,101	4,955
Financial indicators: £	Expenditure on energy	899,806	1,057,680
	Carbon Reduction Commitment allowances	57,249	70,919
	Business travel	122,268	114,002

This year, we achieved a 41% reduction in greenhouse gas emissions compared with 2009-10. These efficiencies have mitigated year-on-year increases in energy supply costs, while transforming the performance of our building. Our Display Energy Certificate rating, a mandatory document required for public buildings over 500m², has further improved from D to B. We estimate the emissions associated with our procurement of goods and services each quarter using expenditure data from our accounting system and conversion factors provided by the Carbon Trust.

Waste

Indicator		2012-13	2011-12
Operational waste: tonnes	Total	126.4	139.3
	Recycled and reused	63.5	71.2
	Energy from waste incineration	45.0	51.2
	Food and catering: anaerobic digestion	14.4	14.3
	Composted	2.7	1.2
	Landfill	0.8	1.4
Construction projects waste: tonnes	Total	137.0	129.2
	Recycled	129.2	119.9
	Landfill	7.8	9.3

³⁰ From 2012-13 our systems have provided improved capture of mileage data, which in turn permits a more accurate estimate of emissions. Figures for previous years depended more strongly on expenditure data

Operational waste expenditure: £	Total	34,683³¹	43,488
	Recycled and reused	13,522	26,538
	Energy from waste incineration	10,035	14,546
	Food and catering: anaerobic digestion	1,648	2,057
	Landfill	542	347

Since 2010-11, we have separated waste arising from capital projects, such as the replacement of our glazed roof, from that of our business-as-usual and operational waste. This enables a fair comparison to be made from one year to the next. We aim to reduce operational waste by 25% by April 2015 and although the Greening Government Commitments are set against a 2009-10 baseline, for the waste target we will use a 2010-11 baseline – the first year for which we have separate data on operational waste. This means that we aim to achieve the same reduction, but over four years rather than five.

This year we continued to improve facilities for recycling, ensuring that all signs and recycling bins are compliant with the Waste Resources Action Programme. We achieved 99.4% diversion of operational waste from landfill and sent food waste from catering and offices to anaerobic digestion. The proportion of our waste recycled or re-used improved from 71% to 73%, while our overall volume of waste fell by 28% against the 2010-11 baseline.

The breakdown of waste arising from capital projects is included here for transparency. The small proportion of our waste that we sent to landfill consisted of materials that could not be recycled or reused.

Use of finite resources

Indicator	2012-13	2011-12
Water consumption (m ³)	22,823	24,955
Water supply costs £k	46,511	37,946
Paper use: reams A4 equivalent	3,070	3,050

The Greening Government Commitments require buildings operated by central government departments to monitor water use and to set appropriate water reduction targets. We are not subject to the offices water reduction target due to the specialised nature of our building and services, but in 2012-13 our Executive Team agreed that The National Archives should aim to reduce its water consumption by 20%, against a 2009-10 baseline, by April 2015.

The amount of water we use at Kew depends very much on the weather. Our ponds require top-ups during drier and windy weather, when evaporation rates are high. In warmer conditions, our cooling towers consume significant levels of water. The ponds and our cooling towers between them account for around half our annual water consumption, and addressing this will be a priority over the next two years. Our water supply costs increased during 2012-13, so although our consumption fell, our expenditure increased.

We monitor our use of paper and initiatives such as the rollout of multi-functional devices have helped to reduce consumption significantly since 2010-11. However, our use of paper has risen very slightly since 2011-12 and we will continue to monitor trends and investigate further initiatives.

³¹ The total includes £8,936 for a waste compactor rental

Sustainable procurement

We recognise that the impact of our supply chain is significant – a quarterly assessment of its carbon impact shows that it is comparable with our emissions associated with energy use. During 2012-13, we continued to review opportunities to improve value for money through applying our sustainable procurement policy. Our application of best practice government buying standards for cleaning and catering has helped reduce the environmental impact of our day-to-day operations while delivering better value for money.

We have worked with our suppliers and service delivery partners to implement our sustainable procurement policy. We purchase, where practical, goods and services that meet or exceed best practice government buying standards.

Biodiversity

We have made good progress against the aims we set out in our five-year biodiversity action plan. During 2012-13 we worked with the Woodland Trust to plant native saplings in our grounds. Our gardening club, comprising staff volunteers, established an attractive herb garden and selected replacement planting in our Pocket Park. Our grounds and ponds continued to provide a rich and diverse habitat for a variety of birds, animals and insects, as well as an attractive amenity for visitors and local residents. We continued to engage with local environmental and conservation groups.

Advisory Council on National Records and Archives: Tenth Annual Report 2012-13

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

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

Transition to the 20-year rule

In January 2013, central government began its decade-long transition from the 30-year rule to the new 20-year rule. The plans for this transition were discussed at several of our meetings during the year. We welcome The National Archives' publication in January of its report on departments' current record holdings and plans for processing them, in particular the information this provided on departments' progress in identifying and tackling any records already overdue for appraisal, selection and transfer. We are working pragmatically with departments and some are making real efforts to deal with their backlogs while also planning for the processing of doubled volumes of records each year during the transition period, but we have observed that other departments are struggling. Our work depends on departments putting in place adequate resources to deal with these increased volumes and we hope to see more departments making greater progress in the coming year.

The migrated archive and special collections

In 2011-12 we continued to take a close interest in the work of the Foreign and Commonwealth Office (FCO) and The National Archives regarding the transfer of the Colonial Administration Files – also known as the 'Migrated Archive' – to The National Archives. We continued this engagement throughout 2012-13 and we were pleased to note during the year the successful release into the public domain of the first four tranches of these records. We are grateful to Professor Tony Badger, the Independent Assessor, and officials from the FCO for their willingness to attend our meetings and keep us apprised of their progress. Given the extensive scrutiny provided by the Advisory Council over the last two years, we are pleased that this issue is in the process of being resolved and that robust plans are in place to complete the transfer of the entire collection.

We also note the work underway by the FCO to inventory and audit its 'special collections' – an accumulation of records in its archive that are outside the FCO departmental file series. These records cover a wide range of dates and subject matter and some date back to the 19th century. The FCO's current estimate is that the special collections include around 250,000 files. We welcome the FCO's publication of its initial inventory, and we expect further updates during the coming year on the FCO's plans for the transfer and release of these records.

Hillsborough Independent Panel

The Advisory Council notes the completion and publication in 2012 of the report of the Hillsborough Independent Panel. Mrs Christine Gifford was the Advisory Council's representative on the Panel from its establishment in 2010. We are grateful to Mrs Gifford for her regular updates to the Advisory Council on the work of the Panel, which were timely and informative but always respectful of, and appropriately within, the bounds of confidentiality established by the Panel for its work.

Public records

The Advisory Council is responsible for advising the Lord Chancellor on the application of the Freedom of Information Act 2000 to historical public records. Additionally, the Council reviews applications from departments to the Lord Chancellor for the retention of public records under the Public Records Act 1958.

The Advisory Council has this year convened 13 panels of members to consider the public interest in the release of closed information held in The National Archives, with 108 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 Advisory Council. In many cases, having been provided with more detail, the Advisory Council accepted departments' arguments for closure. The Advisory Council in some instances – around 4% of the cases considered - concluded that the public interest lay in disclosure and therefore the documents were made available at The National Archives. The Advisory Council is grateful to departments and The National Archives for handling the panels' queries constructively, and for providing the Advisory Council with detailed information on issues relating to freedom of information and access.

The Advisory Council's members and meetings

One member retired from the Advisory Council this year: Ms Stephanie Williams. We are grateful for her contribution to the Advisory Council's work.

The Advisory 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, retired, formerly Governor and Commander in Chief of Gibraltar
- Ms Sarah Fahy, Global Head of Library Services, Know How and Training Department at Allen and Overy LLP
- Dr Clive Field OBE, Honorary Research Fellow at the University of Birmingham, formerly Director of Scholarship and Collections at the British Library
- Ms Christine Gifford, information rights expert and Founding Director of Public Partners and Gifford Owen
- Dr Bendor Grosvenor, art historian and adviser on culture policy
- Mr Stephen Hawker CB, independent consultant
- Mr Graeme Herd, Change Manager, North Ayrshire Council
- Ms Elizabeth Lomas, Researcher and Tutor at Northumbria University, formerly Head of Records Management Services for the Royal Household
- Professor Arthur Lucas CBE, Emeritus Professor of Science Curriculum Studies at, and was formerly Principal of, 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
- Ms Stephanie Williams, author, journalist and user of archives (retired in 2012).

During 2012 Lord Neuberger of Abbotsbury stood down as Master of the Rolls to take up his new role as President of the Supreme Court of the United Kingdom. The Advisory Council particularly wishes to thank Lord Neuberger for the keen interest he took in its work, despite the other most pressing claims on his time, and for his consummate chairmanship during his time in office.

The Secretary of the Advisory Council, until December 2012, was Mr Paul Edwards. The Advisory Council would like to thank Mr Edwards for his hard work and conscientious professionalism throughout his time as Secretary and wishes him every success for the future.

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

The Advisory Council expresses its gratitude to the Supreme Court for hosting our meeting on 22 May 2012.

Forum on Historical Manuscripts and Academic Research:

The Forum on Historical Manuscripts and Academic Research (hereafter the Forum) was established in May 2010. The Forum in its capacity as subcommittee of the Advisory Council provides a means through which the Historical Manuscripts Commissioner can seek advice about activity relating specifically to historical manuscripts (private archives), as well as a place for discussion about academic research issues. 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 27 April 2012, 11 October 2012 and 7 March 2013. The Forum is grateful to Senate House, University of London, for hosting its meeting on 11 October. During these meetings the Forum considered the following issues:

- The Government's consultation on lifetime giving
- The Cabinet Office's Red Tape Challenge
- The 20-year rule
- Acceptance in lieu of tax
- The National Archives' Digital Record Infrastructure Project
- The National Archives' refresh of its action plan *Archives for the 21st Century in Action*
- The National Archives and Business Archives Council's survey of archives in the architecture, building and construction sector
- Progress with implementation of the Religious Archives Support Plan
- The British Records Association's Records at Risk report
- The National Archives' 'Finding Archives' project to upgrade online resource discovery databases.

The Forum was consulted on draft recommendations by the Historical Manuscripts Commissioner for the allocation of the papers of the Story-Maskelyne (Arnold-Forster) and Wyndham of Orchard Wyndham families and those of the Lumley-Savile family, Barons Savile of Rufford, previously accepted in lieu of tax. These deliberations were reported to the Advisory Council for any further comment. Other previous recommendations on the temporary allocation of the papers of the Earls of Wharnccliffe and Viscounts Cobham have also been confirmed after similar consultation so that decisions on their permanent allocation can be made.

On 11 December 2012, The National Archives' Archives Sector Development department, jointly with the Historical Houses Association, held a consultative meeting with owners of private archives. The event, which was extremely well attended, was generously hosted at Syon House by His Grace the Duke of Northumberland. It offered an opportunity to look at practical ways to preserve privately owned archives and realise their potential, and also aimed to identify issues of concern to those responsible for family and estate collections. The event, attended by several members of the Forum, included sessions on keeping and using private archives (from the different perspectives of owners, custodians and users); the practical use of archives in managing a historic house and attracting visitors; the Government's Conditional Exemption and Acceptance in Lieu schemes and the support and advice available from The National Archives' dedicated Private Archives team.

The Forum maintains an overview of the welfare of the wider archives sector and throughout 2012-13 members of the Forum have noted with concern the general impact made on the sector by cuts to funding and the reports of difficulties that these cuts have caused for some organisations. However, the Forum has also noted some excellent examples of archives services responding positively to the current challenging financial climate and it welcomes The National Archives' work to highlight and disseminate examples of best practice across the sector.

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 our meetings in April 2012 and March 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. Mr Kingsley, Dr James and Dr Johnson attended all our meetings. The Secretary to the Forum was Ms Trish Humphries.

Summary minutes for the Advisory Council and the Forum meetings are available at nationalarchives.gov.uk/advisorycouncil/meetings/summaries.htm

On behalf of the members

Lord Dyson
Master of the Rolls
Chairman
3 May 2013

Report of the Independent Complaints Reviewer for 2012-13

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 a member of the Ministry of Justice Advisory Group for Administrative Justice.

ICR overview

This report comments on the way in which The National Archives deals with customer feedback and complaints and describes ICR activity during the year.

Taking account of the many customer contacts each year both with visitors to Kew and online, it is commendable how few people feel that they have cause to complain about the service that The National Archives provides. However, when things go wrong, or people think that they have, it is important for there to be a robust internal complaint procedure, coupled with the option of referral to independent review if they remain unhappy with the response from The National Archives. The ICR service fulfils this function. It is free to complainants.

When I receive a referral, I can settle matters by agreeing a resolution plan with the complainant and The National Archives or, following investigation, by adjudication. I also am able to provide advice to The National Archives complainants to settle their concerns or help them to take matters forward. When I carry out a review, I bring a fresh and impartial perspective to the issues raised with me. Complainants may not always get the outcome they hope for, but they will get a clear explanation of what happened and whether required standards were met. If I find a complaint is justified, I am able to recommend redress for the complainant and changes that can be made to improve the way that The National Archives deals with similar situations in the future.

I am pleased to acknowledge the progress that has been made by The National Archives on dealing effectively and proportionately with the complaints. I am satisfied that they are handled openly and efficiently by The National Archives and that, as a result, most are brought to an early and satisfactory close without the necessity of referral to me. When complaints are referred for independent review, The National Archives co-operates fully with the process and is keen to add value for the service by taking on board recommendations arising from review. This is to be commended.

Complaint activity and examples

Between 1 April 2012 and 31 March 2013, 102 complaints were recorded by The National Archives, an increase from 94 in the previous year. Most of these were resolved without the complainant needing to escalate their concerns to Internal Review, which is dealt with by the Chief Executive's Office. Only one of these complaints resulted in referral to the ICR Office.

Premature referrals

I can only deal with a complaint once the internal procedure has been completed. If this has not yet happened, a complainant will be advised to contact The National Archives' complaints team or consult its website for information. I am also able to offer general advice or assistance that they have been unable to obtain through initial contact with The National Archives. This year we have responded to people who were looking for a variety of help and information. This has included:

- Concerns about the lack of response to enquiries raised with The National Archives' Record Copying Department
- An enquiry about obtaining information on a 19th century painter and landscaper, in particular asking for 'tips' on how to find out his birth date
- An enquiry about obtaining information on a ship's passenger, believed to be the wife of the Governor of Fiji, travelling from New Zealand to the UK in 1949.

Complaint review

The ICR Office reviewed only one complaint during 2012-13. This complex case resulted in several report recommendations, all of which were accepted by The National Archives.

Case study

An online customer made complaints to The National Archives about its online systems, guidance and information. Following internal complaint review, a report acknowledged that improvements were needed, and made recommendations to achieve this objective. These included changes to the online order form, online guidance and automated responses, and user group testing. The Chief Executive accepted the report findings and recommendations and promised urgent implementation. Some months later the complainant contacted the ICR aggrieved because he felt that The National Archives had not lived up to the assurances he received from the Chief Executive.

Following review, I found that there had been unacceptable delays in implementing the report recommendations. I recommended an apology acknowledging The National Archives' failure to deal with some recommendations urgently, together with a small consolatory payment in kind, in recognition of the distress caused by this and by having to pursue matters to independent review. I also made systemic recommendations aimed at improving the way things are done in the future, including the establishment of a structured internal monitoring and feedback process to ensure that complaint recommendations are dealt with in a timely manner; and follow-up information for complainants to reassure them that actions promised have been taken. The National Archives accepted and implemented all of my recommendations.

The ICR Office

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 From the outset we are clear about the limitations of our role and the possible outcomes of review
- Objectivity The ICR reaches decisions after careful consideration of the evidence provided against The National Archives' published policies and procedures and rules of natural justice
- Flexibility We tailor our service to meet people's legitimate needs
- Plain language We communicate in a straightforward way to ensure our messages are understood.

Once 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.

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.

Contact the ICR team

Details of the ICR service are explained in our leaflet *Seeking a Fair Resolution* available from our website at www.icrev.org.uk.

Dover House,
66 Whitehall,
London
SW1A 2AU

email: enquiries@icr.gsi.gov.uk

telephone: 020 7930 0749



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