



The National Archives



Annual Report and Resource Accounts

2007-2008

Changes taking place at Kew
This affects all visitors. [Please read before you visit](#)

What's new



[First Local Authority archive survey shows wide variations](#)



[More army and naval records available](#)



[The National Archives publishes a new strategy](#)

[RSS news](#)

Family History

- ▶ [Getting started](#)
- ▶ [Census records](#)
- ▶ [Births, marriages & deaths](#)
- ▶ [Wills](#)
- ▶ [Adoption records](#)
- ▶ [Outward passenger lists](#)
- ▶ [more family history...](#)

Military History

- ▶ [British Army](#)
- ▶ [Royal Navy](#)
- ▶ [Royal Marines](#)
- ▶ [Royal Air Force](#)
- ▶ [First World War medals](#)
- ▶ [Merchant navy](#)
- ▶ [First World War soldier records](#)



The National Archives

Annual Report and Resource Accounts 2007-2008

The Fifth Annual Report and Resource Accounts on the work of The National Archives and
the Fifth Annual Report of the Advisory Council on National Records and Archives

2007-2008

Annual Report and Resource Accounts presented to Parliament by HM Treasury on behalf of the Lord Chancellor
pursuant to the Public Records Act 1958 c. 51, s.1 (3) and the Government Resources and Accounts Act 2000
c.20, s.6 (4)

Ordered by the House of Commons to be printed 14 July 2008

© Crown copyright 2008

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

For any other use of this material please write to Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU or e-mail: licensing@opsi.gov.uk

ISBN 9780102955675

Contents

1	Introduction from the Chief Executive	4
2	Who we are – our remit and our staff	6
3	What we've done – our performance in 2007-2008	10
Annex A	Resource Accounts 2007-2008	15
	Management Commentary	15
	Remuneration Report	24
	Statement of Accounting Officer's Responsibilities	38
	Statement of Internal Control	29
	Audit certificate and report	32
	Accounts summary	34
Annex B	Additional financial information – for departmental reporting requirements	55
Annex C	The National Archives' Vision 2007-2012	61
Annex D	Advisory Council on National Records and Archives: Annual Report 2007-2008	62
Annex E	Independent Complaints Reviewer: Annual Report 2007-2008	66

1 Introduction

from the chief executive



**To the Right Honourable Jack Straw, Lord Chancellor,
Secretary of State for Justice.**

**I am delighted to present the Annual Report and Resource Accounts for
The National Archives for 2007-2008.**

This year, demand for our services by members of the public has reached record levels. 85.6 million documents from The National Archives' historic collection of government records were accessed, either in person at our main site in Kew, or by downloading them electronically. That's 2.7 documents accessed per second over the whole year. Or, to put it another way, approximately 1.4 documents per person in the UK.¹

The year has also seen information management become increasingly important to the public and the government alike. In October 2007, the Prime Minister declared this *'the century of information'*, and emphasised that *'our ability to compete in the global economy, to protect ourselves against crime and terrorist attack, depends not just on natural wealth or on walls or fences but on our ability to use information'*. Information is an asset that must be properly managed by all who use it: for accountability, for history and for efficient and effective day-to-day business. As the nation's guardian of archival history, and as an organisation committed to leading and transforming the management of today's information, we are playing our part in helping government and the Civil Service to develop the skills and capability to meet the new challenges of the information age.

In particular, we have done much to respond to the exciting, but challenging, issues around the survival of electronic records. We made significant progress in our digital preservation programme, and are delighted that this was recognised with the award for digital preservation at the Conservation Awards 2007. Our digital continuity project also gained real momentum. In this project, we are acting on behalf of government departments to create a shared service solution that will help address the challenges of electronic documents becoming unreadable because of either hardware or software issues or both (also known as 'technological obsolescence'). This is a critical priority for us, because if we do not respond urgently, invaluable government information could be lost. Not just 'lost' as in temporarily mislaid, but 'lost' as in totally irretrievable by the time it would normally be due to be transferred to us for permanent preservation.

We are playing a key leadership role in professionalising information management capability in government. In May 2007, we held the first formal meeting of the cross-government Knowledge Council, a body of experts in information management across government, who will continue to work together to produce guidance and other outputs to improve capability in this area. In terms of information we manage on behalf of government, we completed our programme to transform the way legislation is published, so can now deliver it in a more useful and accessible

¹ Based on a slight increase against the UK Statistics Authority estimate of a UK population of 60.6 million in mid-2006.

format. Furthermore, in relation to re-use of public sector information, a policy area we lead for UK government, the recent annual report reviewing UK progress against the relevant European Directive confirmed the UK's position as an exemplar across Europe in this field.

And of course, we are the nation's historical archive. A core role for us is to care for, make available, and 'bring alive' the vast collection of over 1,000 years of historical records that we hold. This year, we worked closely with our commercial partners to provide documents in digital format to researchers across the globe, including digitising individual documents on request. This service expanded greatly, and for every one document delivered to a researcher in person here in Kew, we delivered 150 documents online in digital format.

For members of the public who chose to visit us in Kew to see the records in person, our onsite facilities rooms were transformed this year to provide easier access, with dedicated space for talks from specialists (which can be broadcast as podcasts) and forthcoming advice surgeries for individual researchers. We also have a redesigned museum, with innovative exhibits and a cabinet for Domesday Book that uses the latest technology to preserve this vital component of our nation's history.

As a further means of bringing history to life for everyone, we made innovative use of web technology by creating 'Your Archives' – a wiki-based website on which we encourage readers to contribute their own knowledge about the documents we hold. This exciting addition to our collection of web offerings is already unearthing some fascinating new insights into our unique collection.

All this work is encapsulated in our five-year Vision to:

- Lead and transform information management;
- Guarantee the survival of today's information for tomorrow;
- Bring history to life for everyone.

I am extremely proud of, and grateful to, our dedicated and professional staff who worked so hard throughout 2007-2008 to continue making this Vision a reality. In 2008–2009, I am confident that their enthusiasm, talent and skills will help carry forward the achievements of last year, and will enable us to achieve even more of our ambitious aims in the coming year.



Natalie Ceeney

Chief Executive

7 July 2007

2 Who we are

Our remit

The National Archives is a UK government department and executive agency of the Ministry of Justice. As the official archives of the UK government, we preserve and protect one of the most important collections in the world, holding public records dating back almost 1,000 years. Domesday Book, one of our most prized national treasures, has been safeguarded for over nine centuries and is now cared for here in Kew.

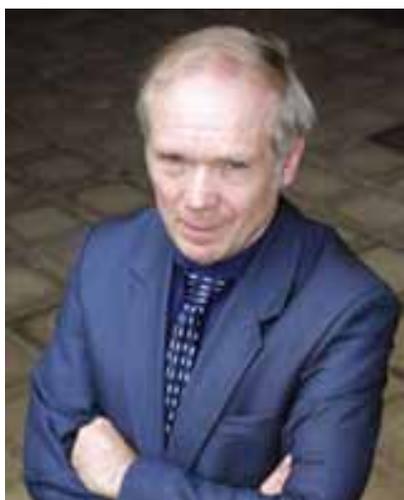
But our vital role in preserving important records is just one part of our large remit of innovative work. We manage current information as well as historical information, and publish all UK legislation and official publications. We don't just *hold* information, but actively promote and encourage public access to, and re-use of, that information, both at our Kew site and online. We are a world-class provider of research facilities and expert advice for the historical community, government departments, parliaments and assemblies, the wider public sector and other archives. We act as a supporter and leading advocate for the wider archive sector. We formulate and support the implementation of information policy and best practice, to improve government's capability when securely creating, using and storing information. We promote and regulate the re-use of public sector information. We devise new technological solutions for keeping government records readable.

All of these activities are about managing information created by the public sector, whether to underpin accountability or for the needs of those seeking knowledge, now or in the future.

Executive Team



Natalie Ceeney
Chief Executive



David Thomas
Director, Technology



Carol Tullo
Director, Information Policy
and Services



James Strachan
Director, Public Services
and Marketing



Erika Stoddart
Director, Corporate Services
and Finance



Mark Lamb
Director, Human Resources and
Organisational Development

Some of our staff...



Beth Brook
Information Policy Adviser

“I help shape information policy and strategy across the UK and Europe and advise how government and the public can use public sector information.”



Mark Dunton
Records Specialist
– Contemporary

“I’m a specialist in post-1945 records: I help the public to find and understand the information that they’re looking for, and talk to the media at our monthly press events to publicise newly-released records.”



Parveen Betab
Outreach and
Inclusion Manager

“My job is about embedding diversity across The National Archives, ensuring that reducing barriers to access is valued and at the core of all our activities.”



Yaser El-Borgi
Document Services Training
and Development Co-Ordinator

“I co-ordinate the training of staff so they know the best ways to store, manage and provide access to The National Archives’ unique collection.”



Maria Troupkou
Preservation Assistant

“I look after the records in our unique collection, to preserve them in the best possible condition for today and for the future.”



Mansukh Karsan
Security Officer

“In Security it’s our job to keep The National Archives safe – and that means the public and our colleagues, as well as our vast collection of government documents.”



Frieda Midgley
Head of Strategic Digital
Development

“I’m working to make sure that government’s vital digital records survive and remain useable, and don’t become unreadable when technology moves on.”



Ben Aung
Security and Technical Projects
Engineer

“I work hard to ensure that The National Archives’ data and systems are kept secure and that we are ready to meet future technological challenges.”



Lucia Liskova
Recruitment Officer

“I help recruit, transfer and redeploy staff, to bring the right people into the right jobs at The National Archives.”



Ed Hampshire
Collections Adviser

“I co-ordinate and devise the strategies we need to help collect, preserve and give access to archives across the country.”



Jone Garmendia
Catalogue Manager

“I work to make The National Archives Catalogue helpful to the user, enhancing the searchability of 11 million records and coordinating the cataloguing work carried out by colleagues and volunteers.”



Kevin Mulley
Archive Inspection Officer

“I advise and support archives around the country on how they can best look after their information and records.”

3 What we've done

Performance in 2007-2008

We had a busy year in 2007-2008, with staff across The National Archives working hard in line with our five-year Vision², for the benefit of our stakeholders. We are proud of what we have achieved. Here is a snapshot of our successes:

Stakeholder	Achievements in 2007-2008
Historical, academic and genealogical researchers and all members of the public	<ul style="list-style-type: none">• At our main site in Kew, we undertook an extensive redesign and refurbishment of our reading rooms, restaurant and museum, to make a visit to The National Archives as valuable, informative and pleasant as possible for those who choose to come in person. We built new dedicated areas for specialist talks and one-to-one surgeries, and introduced more flexible opening hours.• The refurbishment programme above was coupled with the successful relocation of the Family Records Centre from Islington to Kew in March 2008.• To help make documents as accessible as possible electronically, we established a groundbreaking partnership with Microsoft, to provide the technology to preserve digital documents and ensure they can be read in 10 or 100 years.• We won the award for digital preservation at the Conservation Awards 2007, recognising our hard work to ensure that websites, Word documents, electronic public inquiries and more, remain readable for generations to come.• We launched 'Your Archives' (April 2007), a wiki-based website to encourage users to contribute their own knowledge about the documents we hold. This exciting addition to our collection of web offerings is already unearthing some fascinating new insights into our unique collection.• A selection of our most popular records were made available online through our licensed partnerships, including the complete British Passenger Lists 1890-1960 (<i>findmypast.com</i>, March 2008), the First World War Soldiers' Pensions Records (<i>Ancestry</i>, August 2007) and papers on the establishment of British colonies in North America (<i>ProQuest</i>, September 2007).• Building on our exemplary record for responding to Freedom of Information (FOI) requests for access to closed archival information, we established an FOI Centre to develop and co-ordinate all our FOI activity.• The Transforming Legislation Publishing Programme was completed, delivering legislation to the public, lawyers and academics in a more useful and accessible online format.

² The National Archives' Vision 2007-2012 is at Annex C.

Stakeholder	Achievements in 2007-2008
	<ul style="list-style-type: none"> • The website of the Office of Public Sector Information (OPSI – working within The National Archives³) again proved to be one of the most visited UK Government websites with over 1.2 million unique visitors per month. These visitors viewed over 15 million pages on the website, including legislation, guidance on the re-use of Crown copyright information and the Information Asset Register. During October-December 2007, the website was ranked in the 'Top 10' by visits among all United Kingdom websites in the Hitwise "Government-Central" industry category. • The Official Gazettes websites were re-launched with the addition of almost 350 years of the historic archive of the London Gazette.
Government	<ul style="list-style-type: none"> • OPSI launched a mediation service to support its role in investigating complaints made under the Public Sector Information Regulations. We now have five accredited mediators who gained their qualification through the Centre for Effective Disputes Resolution. • The Information Fair Trader Scheme (IFTS) and Public Sector Information complaints procedures were published to take into account the Office of Fair Trading's Commercial Use of Public Information and user responses. The scheme was expanded and new accredited members were added. • We influenced information management capability at a senior level by completing a number of Information Management Assessments of government departments, discussing our findings and recommendations directly with Permanent Secretaries. • We published an annual report reviewing UK progress against the European Directive in the re-use of public sector information. This confirms the UK's position as an exemplar across Europe in the field of public sector information. Since then, we have built on the progress made and have cemented the UK's pre-eminent position ahead of the European Commission's formal review of the implementation. • We made significant progress with our Digital Continuity project, in which we are working to keep current government information readable as technology becomes obsolete. Seventeen government departments have formally engaged with the project, and there is strong commercial interest from suppliers. • We formally established the Knowledge Council, a body of experts in information management across government who met throughout the year to share practice, create common approaches and to improve capability in information management across government.

3 In October 2006, the Office of Public Sector Information (OPSI) merged with The National Archives, under the joint name of The National Archives.

Stakeholder	Achievements in 2007-2008
Archive sector	<ul style="list-style-type: none"> • We launched a self-assessment scheme for local authority archives in England and Wales, to provide national benchmarking and to encourage local authorities to put plans in place for improvements. • In partnership with the Pilgrim Trust, we successfully raised funds for, and launched, the National Cataloguing Grant Scheme, which will distribute £340,000 to other archive services in 2008-2009. The scheme ensures that the best use is made of the funds provided by a range of charitable trusts and improves the availability of funding for cataloguing projects across the archive sector. • We developed and launched a risk assessment tool to enable public bodies to assess their compliance with the Code of Practice on Records Management issued under s.46 of the Freedom of Information Act 2000. • In a joint project with the School of Conservation, Denmark and Cardiff University, we used visual and nanoscopic analysis to learn more about the iconic manuscript Domesday Book (1086). The results of this work will inform current standards of exhibition and storage. • We worked with other government departments and the Museum, Libraries and Archives Council on the initial stages of a comprehensive archive strategy for England and Wales.
Education sector	<ul style="list-style-type: none"> • We established a specific Research and Collection Development department, to develop and maintain the pre-eminence of The National Archives as a supporter and originator of research, and to tackle some of the big research questions facing us. • We won the JODI award for website accessibility for our Prisoner 4099 project – an online education resource about a 12-year-old prisoner, designed collaboratively with blind and visually-impaired students. • We won the BETT award for Digital Content – Secondary (Other Curriculum) for our Focus on Film archive on our 'Learning Curve' educational website. • The Public Information Films Section of our main website won a FOCAL International award for "Best Use of Footage on Non-broadcast Digital Platforms".

Performance against strategic objectives and Key Performance Indicators

The National Archives had 29 strategic objectives⁴ for 2007-2008, spread across our Vision, as set out in our Strategic Plan 2007-2008 (nationalarchives.gov.uk/documents/strategic-plan0708.pdf). We achieved 27 of these objectives during the reporting year. The two remaining objectives, relating to online delivery services, are on track for completion during the reporting year 2008-2009. This strong performance is also reflected in the fact that we met ten of our 12 key performance indicators⁵. We had one further key performance indicator at the start of the year, but were not able to measure our performance against it at the end-year point. This was due to external factors beyond our control, as confirmed in-year by our internal audit service.

⁴ **Strategic objectives** set out the priority projects and deliverables that we need to focus on each year to achieve our Vision.

⁵ **Key performance indicators (KPIs)** are the measures that we check against to be sure that we are working effectively day-to-day to achieve our strategic objectives

Table showing performance against our 2007-2008 Key Performance Indicators

Key performance indicator	07/08 Target	07/08 Outcome ⁶	Successfully achieved?	06/07 Outcome
Documents supplied – onsite and online	66,275,000	85,621,313	✓ – exceeded	69,810,445
Visits – onsite and online	40,655,000	56,865,522	✓ – exceeded	23,239, 023
Schools visits – onsite and online	1,808,500	3,045,276	✓ – exceeded	2,353,154
Maintain onsite customer satisfaction	90%+	95.3%	✓ – exceeded	95%
Maintain online customer satisfaction	80%+	82.5%	✓ – exceeded	81%
Increase take up of Public Sector Information Click-Use Licence holders to 14,000	14,000+	14,422	✓ – exceeded	–
Creation of integrated reading room services at Kew, including the transfer of the Family Records Centre	–	Achieved	✓	–
Completion of our seamless flow project for transfer of electronic records	–	Achieved	✓	–
Establish a knowledge council within government, producing a clear strategy for knowledge and information management policy	–	Achieved	✓	–
70% of the UK population recognise The National Archives, shown by annual MORI poll	70%	Not measurable at end-year – confirmed by internal audit	N/A	–
90% business targets on track	90%+	Achieved	✓	Achieved
Maximum of 9 days' sickness per member of staff (average)	9 days	9.2 days	✗ ⁷	10 days
Achieve diversity for The National Archives' staff population as a whole	Women – 50% Ethnic Minorities – 20% Disabled – 7% Top Management Women – 50%	Women – 48.5% Ethnic Minorities – 17.1% Disabled – 4.7% Top Management Women – 57.5%	✗ (except in Top Management Women, where target was exceeded) ⁸	Women – 48.2% Ethnic Minorities – 16.8% Disabled – 5.6% Top Management Women – 48.2%

⁶ The outcome figures for 2007-2008 are being audited by our internal auditors. The audit is due for completion in July 2008.

⁷ Action is being taken to support managers in dealing effectively with sick absence, particularly long-term sick absence.

⁸ We have new initiatives under way to ensure job advertisements reach minority communities and to raise disability awareness among staff. We are also consulting our internal Positive Action Group to improve our performance.

Annex A

Resource Accounts 2007-2008

1 Management Commentary

About The National Archives

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

Vision

During 2007-2008, The National Archives continued to work in line with its Vision for 2007 to 2012, which is at Annex C. The Vision has three main strands – to:

- Lead and transform information management
- Guarantee the survival of today's information for tomorrow
- Bring history to life for everyone.

Through this Vision we aim to safeguard our collection of government records and our information assets by ensuring that digital information is managed as soon as it is created, that it survives for future generations to use, and that information can be delivered to our users and researchers in the best possible way to meet their needs.

Management and structure

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

Directorate	Purpose	Brief overview of activities
Public Services and Marketing	Develop and deliver high quality services to make our collection available to members of the public, both onsite and online, making sure that they know about the range of services on offer and are able to access them effectively.	Running the public reading rooms, storing our records safely, providing expert advice and other services to readers and remote users, developing our online catalogue, managing The National Archives' website, engaging in publishing, retailing, licensing and other income-generating activities, and arranging a programme of schools visits, events and exhibitions.
Technology	Provide expert knowledge on Information and Communication Technology (ICT) matters and run key projects to enhance the technological capability of The National Archives and government to manage information effectively.	Developing special methods for capturing, selecting and preserving electronic records, both now and in the future, advising on relevant aspects of government information policy, and maintaining The National Archives' own ICT infrastructure.

Information Policy and Services	Provide strong and coherent leadership in information management and policy across government and the wider public sector.	Playing key role in advising on information policy in government, delivering access to public sector information (including legislation and other key official publications) and encouraging its re-use, guiding government and public record bodies on selection and transfer of records, and advising local archives across England and Wales.
Human Resources (HR)	Ensure that staff are recruited, retained, developed and cared for in such a way that facilitates the needs of the business.	Handling all aspects of recruitment and selection, pay, learning and development, employee relations, health and welfare, HR policy development, HR administration and HR advice.
Corporate Services and Finance	Ensure that The National Archives' infrastructure works properly, to fully meet the needs of the business.	Running essential support services in finance, procurement, internal audit, security, estates and facilities, the monitoring of project controls and risk management, and the running of our collection care department, which conserves and preserve our extensive archival collection.

How we work

Employment policy

The National Archives is committed to equality of opportunity 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 The National Archives. Suitability for employment is based on qualifications and eligibility of individuals irrespective of race, age, gender, marital status, disability or sexual orientation. 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. At the end of 2007-2008 The National Archives had 619 employees (586.31 full time equivalents). These were made up of 608 permanent staff and 11 casual staff. 300 staff (48.5%) were women, 29 staff (4.7 %) would have been recognised as having a disability in the context of the Disability Discrimination Act 1995 and 106 staff (17.1%) declared themselves to be from ethnic minorities.

The National Archives, through its senior managers, meets regularly with staff and Trade Union representatives in a number of forums, including Whitley Council, Health and Safety Committees and link groups. The National Archives also provides a welfare service for its employees.

Values

The National Archives has a set of common values for the organisation, which enshrine the principles of how we want to treat our customers and work ourselves. We poll staff regularly on how we are performing as an organisation against these values, and use them as a tool to challenge each other, and develop individually.

These values are:

- Putting customers first
- Being responsible guardians
- Setting open information free
- Trusted to deliver
- Working together

Customers

The National Archives is committed to involving its customers in the development of its services. We operate a number of consultation groups, including:

- a User Forum – this group meets monthly and is open to all users of our services (it combines the former Kew-based Readers' Forum and Family Record Centre-based Users' Forum);
- The National Archives User Advisory Group – this group meets half-yearly and is made up of invited users and potential users of The National Archives' resources, including people with expertise in research and audience development covering areas in which The National Archives needs to develop its services for more diverse user groups;
- Online User Advisory Panel – online service development is tested from scratch with real users;
- the Government's Licensing Forum – this group meets regularly to discuss information management and re-use issues across the public sector.

The National Archives is also keen to harness the knowledge that users of our service have about our collection, for the benefit of other users, through the introduction of our wiki-based website 'Your Archives' (www.yourarchives.nationalarchives.gov.uk).

Social, Community, Environmental and Sustainability Issues

The National Archives is an integral part of the Kew landscape, and is committed to being a positive and responsible neighbour. Members of the public are free to use our award-winning grounds and we help to fund local improvements in signage. We advertise staff vacancies in local newspapers to ensure that employment opportunities are available to local residents. We host meetings for local organisations and work with them to enhance our mutual objectives. We also consult with them when making significant changes to our buildings.

We are committed to reducing our use of energy. Over the calendar year 2007, we reduced our energy consumption (combined electricity and gas) by 11%. For 2008–2009, one of our Key Performance Indicators relates specifically to having a plan for measurable reduction in energy usage and reduced carbon emissions in place by December 2008.

Health and Safety

The National Archives is committed to ensuring the health, safety and welfare of its employees, visitors, contractors and all others who may be affected by its activities. We fully accept our responsibilities under the Health and Safety at Work etc Act 1974. We acknowledge that positive, proportionate health and safety risk management prevents harm and enables efficient delivery of services across the organisation. We also recognise that good health and safety management has a significant positive impact on the wellbeing of staff, service delivery and achieving financial targets.

The National Archives' Health and Safety Committee includes staff representatives from operational areas, technical areas, HR, Estates, Security, Welfare and the trade unions. The Committee meets monthly to review health and safety matters, accident statistics and to identify any corrective action which may be required to resolve any safety issues arising. These arrangements provide a framework for the leadership and co-ordination which are essential for achieving a positive health and safety culture.

Our financial and performance management, and risk management approach

Statement of payment practice

The National Archives operates a policy of paying within 30 days of receipt of goods or services, or receipt of the invoice (whichever is later). During 2007-2008, 89% were paid within agreed credit periods.

Preparation of the accounts

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

Financial Control

The National Archives is funded through the Supply Estimates. These are the means by which government seeks authority from Parliament for its own spending each year. The National Archives' net total resources outturn, for which authority was sought and approved through the Supply Estimates, was £44.9m. The actual outturn for the financial year was £42.1m, a saving of £2.8m. The cash requirement of The National Archives is projected on a monthly basis. We liaise with Her Majesty's Treasury to enable these funds to be made available through the Office of HM Paymaster General (OPG), which is The National Archives' main banking facility. Management information is reported to the Executive Team monthly and all budget holders are subjected to at least a quarterly review of all of their costs and revenue. This review enables 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 2007-2008, The National Archives' net outturn of £42.1m is £2.8m less than the Comprehensive Spending Review 2007 allocation. This is the result of close financial control of the discretionary elements of expenditure and a considered review of all investments required to maintain the infrastructure and reduce the ongoing running costs of the organisation over the review period. This control process applies to all activity, including project proposals, at The National Archives. The carry forward to 2008-2009 is £2.8m; this will be required to fund further elements of the investment in the infrastructure at the Kew site and to ensure that we are in a position to continue to meet the needs of our stakeholders. This includes the work we are undertaking to guarantee future access to electronic records (digital continuity) and the policy and advice work we lead on.

Capital expenditure was £5.8m, resulting in an underspend on capital of £1.8m, again largely the result of delayed projects. The largest projects this year were the infrastructure project in relation to the Kew site, and the conclusion of the Seamless Flow project. A decision was taken in early 2008 to shift the delivery of some of the end phases of these projects to 2008-2009, so as to recruit additional project management capacity to run them most effectively. As a result, the phasing of some of this work has shifted into 2008-2009, but the allocated money will be spent by the end of 2008-2009. Other projects including the Government Secure Intranet project were postponed until 2009.

The actual net cash requirement of £35m is £6.2m below the voted provision of £41.2m. The majority of this can be attributed to timing differences resulting from a decision to delay project expenditure and the effect of the large infrastructure project, including retentions held back pending completion. The delays were put in place to allow us to further develop our programmes in the light of a changing physical and technological environment and to give proper time to apply increased scrutiny to ensure that we got the best value for money. Following a restructure of facilities and pending a conditions survey on the estate, we decided to delay relevant expenditure until 2008–2009 and 2009–2010. The full programme for estates improvements, including statutory measures, is likely to be circa £9 million over a four-year period.

Over the coming years we will face increasing financial pressure. The National Archives has its challenging Vision to realise as well as managing the ongoing pressures of dealing with digital and paper information including the review of data handling. All expenditure is reviewed critically to limit increases and invest in areas that will reduce our exposure to inflationary pressures. We are also exploring and rationalising our income strategy with an aim to grow income at ten percent per annum to help fund future expenditure. Our income strategy will be fully in line with The National Archives' accreditation in January 2008 under the Information Fair Trader Scheme (IFTS).

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	2007-08	£000 2006-07
Net Resource Requirement (Estimates)	42,116	38,343
Net Operating Cost (Accounts)	42,116	38,146
<i>Adjustments to additionally include:</i>		
Other Consolidated Fund Extra Receipts	–	197
	42,116	38,343
Resource Budget (Budget)	42,116	38,343
<i>of which:</i>		
Departmental Expenditure Limits (DEL)	42,116	38,343
Annually Managed Expenditure (AME)	–	–

Audit

The financial statements have been audited by the National Audit Office on behalf on the Comptroller and Auditor General. The audit fee was £65,000 (see note 20). 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 make herself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Key Performance Targets

The National Archives had 29 strategic objectives⁹ for 2007-2008, spread across our Vision, as set out in our Strategic Plan 2007-2008 (nationalarchives.gov.uk/documents/strategic-plan0708.pdf). We achieved 27 of these objectives during the reporting year by meeting all or some of the business targets set out at the start of the year for each objective, or through delivery of other initiatives, projects and targets developed in-year in response to changing stakeholder needs. The two remaining objectives, relating to online delivery services, are on track for completion during the reporting year 2008–2009. This strong performance is also reflected in the fact that we met ten of our 12 key performance indicators¹⁰. We had one further key performance indicator at the start of the year, but were not able to measure our performance against it at the end-year point. This was due to external factors beyond our control, as confirmed in-year by our internal audit service. Our performance against our key performance indicators is shown in detail on page 13 of this report.

Risks and Uncertainties

The National Archives' major strategic risks are set out in a Strategic Risk Register. The top three risks identified during 2007-08 were as follows:

- The risk of a lack of proper continuity planning, which could cause an unacceptable loss of service in the event of a major incident;
- The risk of documents or information being lost if we failed to guard our assets properly;
- The risk of failing to work quickly enough on developing a shared service solution for government to ensure their digital information stays readable (the Digital Continuity project).

All of these risks were managed well in-year. We wrote a new Major Incident Plan, gathering knowledge and experience from the local council and the Metropolitan Police. This plan will be undergoing rigorous user-testing in the coming year and should ensure we are well placed to respond to major incidents and protect the vital assets we hold. To further protect our assets we installed an extensive new CCTV system in the re-modelled public reading rooms and increased identification requirements when issuing tickets which allow researchers to access documents in person. In relation to the Digital Continuity project, we have increased our investment of people and financial resources into this key project. Work is progressing well – seventeen government departments have formally engaged with the project, and there is strong commercial interest from suppliers.

Information Risk

We have reviewed the draft Data Handling Report and developed an action plan based on its findings. Many of the items in that plan have been implemented or are in the process of implementation. The most significant action we are taking is to move our email network to the Government Secure Intranet. This is scheduled for the end of the financial year 2008–2009. That will mark a step change in our IT security and will resolve many of the outstanding issues concerned with data handling.

Reporting of Personal Data Related Incidents

There were no protected personal data-related incidents in The National Archives in 2007-2008, or in the required reporting period from 2004 onwards. Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded from reports in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of other UK Information Legislation.

⁹ **Strategic objectives** set out the priority projects and deliverables that we need to focus on each year to achieve our Vision.

¹⁰ **Key performance indicators (KPIs)** are the measures that we check against to be sure that we are working effectively day-to-day to achieve our strategic objectives.

Table 1: Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2007-2008

Date of Incident (month)	Nature of Incident	Nature of data involved	Number of people potentially affected	Notification Steps
N/A	None	N/A	N/A	N/A
Further Action on Information Risk	The Department will continue to monitor and assess its information risks in order to identify and address any weaknesses and ensure continuous improvements of its systems.			

Table 2: Summary of other protected personal data-related incidents in 2007-2008

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	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	0
V	Other	0

Table 3: Year-on-year total numbers of protected personal data related incidents prior to 2007-2008

Total number of protected personal data related incidents formally reported to the Information Commissioner' Office, by category number						
	I	II	III	IV	V	Total
2006-2007	0	0	0	0	0	0
2005-2006	0	0	0	0	0	0
2004-2005	0	0	0	0	0	0

Total number of other protected personal data related incidents, by category number						
	I	II	III	IV	V	Total
2006-2007	0	0	0	0	0	0
2005-2006	0	0	0	0	0	0
2004-2005	0	0	0	0	0	0

Pension Liabilities

Present and past employees are covered by the provisions of the Civil Service pension arrangements. These are explained in detail in the Remuneration Report and note 3 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 3 to the accounts.

Review of activities

A review of our activities during 2007-2008, in relation to our stakeholders, can be found on pages 10–12 of this report.

Departmental Report

The National Archives obtained permission from HM Treasury to present a combined annual report and resource accounts 2007-2008 to Parliament in July 2008. This combined annual report includes the required elements of a departmental report. The elements that are not within the body of the annual report or resource accounts are attached at Annex B.

The National Archives' Governance

Following the comprehensive governance review undertaken during 2005–06, The National Archives Management Board now consists of 6 Executive Directors and 5 Non-Executive Directors. At the end of 2007-08, the members of the Management Board were:

Natalie Ceeney

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

Mark Lamb *(resigned with effect from 31 July 2008)*

Director – Human Resources and Organisational Development

Erika Stoddart

Director – Corporate Services & Finance

James Strachan¹¹ *(resigned with effect from 22 July 2008)*

Director – Public Services & Marketing

David Thomas

Director – Technology

Carol Tullo

Director – Information Policy and Services, (Controller, Her Majesty's Stationery Office, Queen's Printer of Acts of Parliament, Queen's Printer for Scotland and Government Printer for Northern Ireland, Director, Office of Public Sector Information)

¹¹ James Strachan was seconded to be Secretary to the 30 Year Rule Review, an independent review commissioned by the Prime Minister in October 2007. On 29 October 2007, Daniel Jones, Head of Business Development, and Jeff James, Head of Advice & Records Knowledge, were co-opted onto Executive Team and Management Board to represent James's business area. This arrangement continued for the remainder of 2007-2008.

Mark Addison

Non-Executive Director

Bronwen Curtis CBE

Non-Executive Director

Barry Glassberg (*contract ended on 31 March 2008*)¹²

Non-Executive Director

Meyrick Vevers

Non-Executive Director

Baroness Lola Young

Non-Executive Director

Details of the remuneration for the Chief Executive, other Senior Civil Servants and Non-Executive Directors are shown in the Remuneration Report. There were no company directorships nor other significant interests held by Management Board members that conflicted with their management responsibilities.

**Natalie Ceeney**

Accounting Officer

7 July 2007

¹² Eileen Burbidge was appointed as a new Non-Executive Director on 12 May 2008 to replace Barry Glassberg.

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. The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

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 the 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;
- the Government's inflation target.

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

Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be 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 until they reach the normal retiring age. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Natalie Ceeney was appointed on a five-year contract commencing on 17 October 2005. Her contract expires on 16 October 2010, with the possibility of extension. James Strachan was appointed on a four-year contract commencing on 3 April 2006. His contract expires on 2 April 2010, with the possibility of extension. All contracts can also be terminated under the standard procedures of the Civil Service Management Code.

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

Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials of the department. The Remuneration Committee consists of four Non-Executive Directors: Bronwen Curtis, Meyrick Vevers, Mark Addison and Baroness Lola Young. The policy on remuneration of senior civil servants, and the deliberations of the Remuneration Committee, follow the guidance and recommendations of the Senior Salaries Review Body. Senior staff have written objectives agreed with the Chief Executive. Performance against these objectives, and The National Archives' competency framework, 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 Senior Salaries Review Body's annual recommendations.

The Chief Executive's pay and bonus are dealt with by the separate Remuneration Committee of the Ministry of Justice.

Percentage salary increases, and performance bonuses, are agreed by the Remuneration Committee in accordance with strict guidance and parameters set each year by the Cabinet Office.

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

Name	Salary including performance pay 07/08	Salary including performance pay 06/07	Total accrued pension at age 60 at 31/3/08 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/3/08	CETV at 31/3/07 ¹³	Employee contributions and transfer in	Real increase in CETV
	£000 in bands of £5000	£000 in bands of £5000	£000 in bands of £5000	£000 in bands of £5000	Nearest £000	Nearest £000	Nearest £000	Nearest £000
Natalie Ceeney – Chief Executive	115-120	115-120	10-15	0-2.5	160	115	4	17
Mark Lamb – Director	70-75	60-65 (from 10/4/06)	0-5	0-2.5	36	17	2	16
Erika Stoddart – Director	90-95	80-85 (from 15/5/06)	0-5	0-2.5	41	16	3	19
James Strachan – Director	75-80	70-75 (from 1/4/06)	0-5	0-2.5	58	36	4	12
David Thomas – Director	85-90	75-80	35-40 plus 85-90 lump sum	0-2.5 plus 0-2.5 lump sum	832	699	3	42
Carol Tullo – Director	90-95	80-85	10-15 plus 35-40 lump sum	0-2.5 plus 2.5-5 lump sum	247	195	1	23
Mark Addison – Non-Executive Director	10-15	0-5 (from 1/1/07)	n/a	n/a	n/a	n/a	n/a	n/a
Bronwen Curtis CBE – Non-Executive Director	10-15	0-5 (from 1/1/07)	n/a	n/a	n/a	n/a	n/a	n/a
Barry Glassberg – Non-Executive Director	10-15	10-15	n/a	n/a	n/a	n/a	n/a	n/a
Meyrick Vevers – Non-Executive Director	10-15	10-15	n/a	n/a	n/a	n/a	n/a	n/a
Baroness Lola Young – Non-Executive Director	10-15	0-5 (from 1/1/07)	n/a	n/a	n/a	n/a	n/a	n/a

Natalie Ceeney, Mark Lamb, James Strachan, Carol Tullo, Erika Stoddart, David Thomas, Mark Addison, Bronwen Curtis CBE, Barry Glassberg, Meyrick Vevers and Baroness Lola Young did not receive any benefits in kind. There were no employer contributions to partnership pension accounts in respect of any of the above.

¹³ Cabinet Office have indicated that due to certain factors being incorrect in last years CETV calculator there may be a slight difference between the figures for 'CETV at 31/3/07' quoted in the 2006-2007 annual report, and the figures for 'CETV at 31/03/07' quoted above.

Pension

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 changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for *classic* and 3.5% for *premium, classic plus* and *nuvos*. Benefits in *classic* accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For *premium*, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike *classic*, there is no automatic lump sum. *Classic plus* is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per *classic* and benefits for service from October 2002 calculated as in *premium*. In *nuvos* a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the members' earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for 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 pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of *classic, premium* and *classic plus* and 65 for members of *nuvos*.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk.

The Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003–04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn. Columns 5 & 6 of the above table show the employee's CETV accrued at the beginning and the end of the reporting

period. Column 8 reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. See Note 3 to the Accounts for information on all staff costs of The National Archives.



Natalie Ceeney

Accounting Officer

7 July 2007

3 Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, The National Archives is required to prepare resource accounts for each financial year, in conformity with a HM Treasury direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by The National Archives during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The National Archives, the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year. The Treasury has appointed the Keeper of Public Records and sole Historical Manuscripts Commissioner 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.

In preparing the accounts the Accounting Officer is required to:

- observe 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.

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 the HM Treasury and published in *Managing Public Money*.

4 Statement on Internal Control

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of The National Archives' policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impacts should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The National Archives for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

The risk management process continued to improve in 2007-2008, building on the new way of managing risk implemented in 2006-2007, and continues to improve now. The management of risk is a living process and takes account of:

- changes within The National Archives and within government;
- regular monitoring at Executive Team, Audit Committee and at least annually on the Management Board;
- strengthening of governance structures which mean that Directors are held accountable for their areas of responsibility.

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

Directors own all key strategic risks and the risk registers are used to monitor the organisation. I am pleased that our Risk Management Process was marked as "Substantial Assurance" on our recent Internal Audit review. Our main focus of internal audit work is the management of key risks. We have also increased the resource for Risk Management oversight by seconding a member of staff to assist the Risk Improvement Manager. A review is currently under way to ensure that all departmental risk registers are up to date and comprehensive. A major review of facilities and security has been undertaken to more accurately identify risks.

The National Archives wishes to be innovative in a number of areas and is consequently prepared to accept higher levels of risk than in the past. However, by continually reviewing and monitoring the status of its risks, The National Archives will proactively manage them.

The risk and control framework

To support me in ensuring the effective governance of The National Archives, all Non-Executive Directors sit on the Audit Committee. The Chair of the Audit Committee is a qualified CCAB accountant with Finance Director experience in the Private Sector. The Audit Committee is the main governance oversight committee for The National Archives. The Non-Executive Directors on the Management Board are also there to ensure that governance is at the heart of any board decision.

The Board provides specific advice and support to me on:

- purpose, Vision and Values;
- strategic direction, planning and risk management;
- accountability to stakeholders, including stewardship of public funds; and
- internal control arrangements.

All Board members also meet formally and informally with other senior managers and are members of specific high profile programme boards.

The risk registers are used to manage down any risk to agreed risk appetite levels. This year we have also published a revised risk strategy, policy and risk appetite document and a revised risk register template to ensure consistency across the organisation. These initiatives are designed to encourage staff at all levels in a positive way, supporting effective delivery, innovation and improvement within a systematic framework of analysis, evaluation and review. The framework will be periodically updated and is made available to all staff via our intranet.

We have also now agreed our Assurance Framework. In 2008/9 we will be embedding this into the organisation. It leads ultimately to the Statement on Internal Control but will cover the areas of:

- principal objectives and key activities;
- principal risks;
- key controls;
- assurances on controls.

Each Director will be responsible for ensuring the Assurance Framework is followed in his or her area.

The strategic risk register is closely tied to the strategic plan and business plan objectives. We closely monitor and manage all our strategic risks. The top three risks identified during 2007-08 were as follows:

- The risk of a lack of proper continuity planning, which could cause an unacceptable loss of service in the event of a major incident;
- The risk of documents or information being lost if we failed to guard our assets properly;
- The risk of failing to work quickly enough on developing a shared service solution for government to ensure their digital information stays readable (the Digital Continuity project).

All of these risks were managed well in-year, as set out on page 20 of this report.

As well as the risk register, which is formally reviewed quarterly at Executive Team, the business plan is reviewed quarterly, and the financial performance and business performance against our key performance indicators (KPIs) are reviewed monthly by the Executive Team and the Management Board.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors and the executive directors and senior managers within The National Archives who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and a plan is in place to address any weaknesses and ensure continuous improvement of the system.

The Audit Committee is responsible for providing advice and assurance on the adequacy and effectiveness of internal control and risk management. It also oversees internal and external audit arrangements, which cover all areas of The National Archives' work, including both financial and non-financial systems. The Audit Committee have changed the way their committee works, including concentrating on one strategic risk for each meeting and inviting the Strategic Risk Owner and the sub risk owners to talk about the risk in detail. Examples include the Digital Continuity project, our services to researchers and Information Assurance. The discussion covers both the risk itself and the usefulness of the Risk Management Process.

During the year, Land Registry, as our outsourced internal audit contractor, completed a full programme of internal audit work around the strategic risks. All reports are being acted upon and improvements have been made during the year. Internal Audit and The National Archives have worked together to look at our Assurance Framework and our Business Continuity Plan, which we are currently updating. The Land Registry audit contract expired at the end of 2007-2008. Work commitments have prevented them renewing their contract. The Department for Transport will provide Internal Audit services for 2008–2009.

Information Risk¹⁴

We have reviewed the draft Data Handling Report and developed an action plan based on its findings. Many of the items in that plan have been implemented or are in the process of implementation. The most significant action we are taking is to move our email network to the Government Secure Intranet. This is scheduled for the end of the financial year 2008–2009. That will mark a step change in our IT security and will resolve many of the outstanding issues concerned with data handling. There were no protected personal data-related incidents in The National Archives in 2007-2008, as stated in the tables in the management commentary on page 21 of this report.

Overall

I gain assurance from my Directors, various committees, feedback from Stakeholders, Internal Audit Reports, Stewardship Reports, Key Performance Indicators (KPIs) and external validation e.g. Charter Mark. I am content that we understand any control issues facing The National Archives and where weaknesses are identified have put in place action plans to mitigate the risks.

Natalie Ceeney

Chief Executive

7 July 2007

¹⁴ This paragraph also appears in the management commentary on page 20, but is repeated here because it is an important component of our internal control mechanisms.

5 Audit Certificate and Report

THE NATIONAL ARCHIVES 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 2008 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the Statement of Operating Costs by Departmental Aim and Objectives 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

The Accounting Officer is responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I report to you whether, in my opinion, the information which comprises the management commentary, included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Department has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Department's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Department's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report

to be audited. It also includes an assessment of the significant estimates and judgments made by the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Department's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury, of the state of the Department's affairs as at 31 March 2008, and the net cash requirement, net resource outturn, net operating cost, operating costs applied to objectives, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- the information given within the Annual Report is consistent with the financial statements.

Opinion on Regularity

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

Report

I have no observations to make on these financial statements.

T J Burr

Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS
10 July 2008

Statement of Parliamentary Supply

Summary of resource outturn 2007-2008

Estimate					2007-08 Outturn			2006-07 Outturn	
					Net total outturn compared with Estimate: saving/ (excess)			Outturn	
		Gross Expenditure	A in A	NET TOTAL	Gross Expenditure	A in A	NET TOTAL		
		1	2	3	4	5	6	7	
	Note	£000	£000	£000	£000	£000	£000	£000	
Request for Resources 1	2	52,385	(7,445)	44,940	48,275	(6,159)	42,116	2,824	38,343
Total Resources		52,385	(7,445)	44,940	48,275	(6,159)	42,116	2,824	38,343
Non-Operating-Cost A in A		–	–	–	–	–	–	–	–
Net Cash Requirement	8			41,197			34,962	6,235	31,991

Estimate			2007-08 Outturn		2006-07 Outturn
			Net total outturn compared with Estimate: saving/ (excess)		Outturn
	Note	£000	£000	£000	£000
Net Cash Requirement	8	41,197	34,962	6,235	31,991

Summary of income payable to the consolidated fund

(In addition to the appropriations in aid, the following income relates to the department and is payable to the Consolidated Fund)

		2007-08 Forecast		2007-08 Outturn	
	Note	Income £000	Receipts £000	Income £000	Receipts £000
Total	5	–	–	–	197

The variance between resource estimates and outturn relates to planned activity and projects not proceeding in year resulting in savings across most activities. These were mainly related to a re-assessment of estate management requirements and capacity, including plant and environmental issues, and postponement of some projects which will now be carried out in 2008-2009 and the future.

The variance between estimate and net cash requirement relates to considered delays to major project expenditure. The delays, introduced following changes in physical and technological environments, allowed us to bring in additional project management capacity and apply increased scrutiny to ensure best value for money. Relevant expenditure will be delayed until 2008-2009 and 2009-2010.

Explanations of variances between Estimate and outturn are given in Note 2 and in the Management Commentary.

The notes on pages 39 to 54 form part of these accounts.

Operating Cost Statement

for the year ended 31 March 2008

		2007-08			2006-07 (Restated)		
	Note	Staff Costs £000	Other Costs £000	Income £000	Staff Costs £000	Other Costs £000	Income £000
Programme Costs: Request for Resources 1							
Staff Costs	3	22,765			20,769		
Other administration costs	4		25,510			22,468	
Operating income	5			(6,159)			(5,091)
Totals		22,765	25,510	(6,159)	20,769	22,468	(5,091)
Net Operating Cost	7			42,116			38,146

During 2007-08 all expenditure was reclassified as programme costs (see Note 1.8 and 6). The 2006-07 comparative figures have been restated to ensure consistency.

Statement of Recognised Gains and Losses

for the year ended 31 March 2008

	Note	2007-08 £000	2006-07 £000
Net gain on revaluation of tangible fixed assets	21	–	7,907
Recognised gains and losses for the financial year		–	7,907

The notes on pages 39 to 54 form part of these accounts.

Balance Sheet

as at 31 March 2008

	Note	31 March 2008		31 March 2007	
		£000	£000	£000	£000
Fixed Assets					
Tangible assets	11	112,437		111,933	
Intangible assets	12	1,149		533	
		113,586		112,466	
Debtors falling due after more than one year	16		19		73
Current Assets					
Stocks	15	408		302	
Debtors	16	2,631		3,577	
Cash at bank and in hand	17	1,114		1,661	
		4,153		5,540	
Creditors (amounts falling due within one year)	18	(10,036)		(6,995)	
Net Current Liabilities			(5,883)		(1,455)
Total Assets less Current Liabilities			107,722		111,084
Provisions for Liabilities and Charges	19		(562)		(570)
			107,160		110,514
Taxpayers' Equity					
General fund	20		68,056		70,455
Revaluation reserve	21		39,104		40,059
			107,160		110,514

The notes on pages 39 to 54 form part of these accounts.



Natalie Ceeney
Accounting Officer
7 July 2008

Cash Flow Statement

for the year ended 31 March 2008

	Note	2007-08 £000	2006-07 £000
Net cash outflow from operating activities	23a	(28,994)	(29,244)
Capital expenditure and financial investment	23b	(5,771)	(2,747)
Payments of amounts due to the Consolidated Fund		–	–
Financing	23c	34,218	33,113
(Decrease)/Increase in cash in the period	23d	(547)	1,122

The notes on pages 39 to 54 form part of these accounts.

Net Operating Costs by Departmental Aims and Objectives

for the year ended 31 March 2008

Aims:

- Lead and transform information management
- Guarantee the survival of today's information for tomorrow
- Bring history to life for everyone

Objectives:	2007-08			2006-07 Restated		
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000
Lead and transform information management						
Shaping policy on information from its creation to re-use showing leadership across the public sector and helping to develop a common infrastructure of services and guidance.	5,301	(1,246)	4,055	4,378	(565)	3,813
Guarantee the survival of today's information for tomorrow						
Preserving the nations existing paper records and working across Government and the wider public sector so that digital information can continue to be accessed for both today's business and tomorrow's history.	12,072	(286)	11,786	11,323	(199)	11,124
Bring history to life for everyone						
Providing people worldwide with access to our records and helping everyone use them to excite and enrich their lives.	30,902	(4,627)	26,275	27,536	(4,327)	23,209
Net Operating Cost	48,275	(6,159)	42,116	43,237	(5,091)	38,146

see Note 22

The aims of The National Archives have changed from those in place for 2006-07 and reflect a rationalisation and focus of direction in the structure of the organisation. Comparative figures for 2006-07 have been restated on the new basis and the original published outturn for 2006-07 is provided below.

Objectives:	2006-07		Net
	Gross £000	Income £000	£000
Selection	4,398	(115)	4,283
Overseeing records management in government and selecting the public records to provide an information resource for our generation			
Preservation	12,674	(19)	12,655
Preserving the public records			
Access	26,165	(4,957)	21,208
Providing access to the public records and promoting their value and use as a national information and educational resource.			
Net Operating Cost	43,237	(5,091)	38,146

The notes on pages 39 to 54 form part of these accounts.

Notes to the Accounts

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2007-08 Financial Reporting Manual issued by HM Treasury. The particular accounting policies adopted by The National Archives is 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 UK GAAP, the FReM also requires the Department to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting notes show outturn against Estimates in terms of net resource requirement and the net cash requirement. The Statement of Net Operating Costs by Departmental Aim and Objectives and supporting notes analyse the Department's income and expenditure by the objectives agreed with Ministers.

Where the Financial Reporting Manual permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the Department for the purpose of giving a true and fair view has been selected. This Department's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for any material revaluation of fixed assets at their value to the business by reference to their current costs.

1.2 Tangible fixed assets

Tangible fixed assets other than land and buildings consist of computer hardware and software, plant and machinery and office equipment. Public Records and other heritage assets held by The National Archives is not valued and capitalised. The records held by The National Archives span one thousand years and fill 176 kilometres of shelving. They are held in many formats from medieval vellum and parchment to modern computer disks. They are made up of a variety of items ranging from traditional paper records to seals, maps, costumes, paintings films, items of court evidence etc. Most of the records are unique and irreplaceable and have been preserved for their historical, legal and administrative value.

The National Archives is the beneficial owner of the freehold land and buildings at Kew.

Freehold land and buildings are stated at current cost using professional valuations every five years and appropriate indices in intervening years. Professional valuation was last carried out in the financial year 2006-07. Other tangible fixed assets have been stated at current cost using appropriate indices where material.

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

1.3 Intangible fixed assets

Intangible fixed assets comprise software licences purchased from third parties, amortised over the life of the license, 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.

1.4 Depreciation

Freehold land is not depreciated.

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

Freehold buildings	up to 50 years
Computers and software	up to five years
Office equipment	up to ten years
Conservation equipment	up to 25 years
Electric trucks	up to ten years

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value.

1.6 Operating Income

Operating income is income which relates directly to the operating activities of The National Archives. It principally comprises fees and charges for services provided to external customers, but it also includes grants and contributions from other government departments.

1.7 Deferred income

This comprises payments in advance for work, which has not been undertaken at the balance sheet date.

1.8 Administration expenditure

Following a review with HM Treasury, it was agreed that it was appropriate to reclassify all administration budget spending as programme spending during 2007-08. This reflects the fact that the majority of the resources are now consumed in providing direct services of, for example, public access to national records, family records and archives at Kew and other sites; the publishing, conservation and preservation of records; and UK information management advice and policy including standards, compliance, and copyright. This change is neutral in public expenditure and all costs are recorded against programme other within Estimates.

Where applicable prior year comparative figures have been restated to ensure consistency.

1.9 Programme expenditure

Programme expenditure reflects the total costs of service delivery, including all administrative costs, of The National Archives following the reclassification of expenditure for 2007-08 and future years.

Where applicable prior year comparative figures have been restated to ensure consistency. See Note 1.8.

1.10 Capital charge

The non-cash capital charge, reflecting the cost of capital utilised by the Department, is included in operating costs. The charge is calculated at the Government's standard rate of 3.5 per cent in real terms on the average of opening and closing net assets employed except amounts to be surrendered to the Consolidated Fund and cash holdings with the Office of the Paymaster General, where the charge is nil.

1.11 Pensions

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

1.12 Early departure costs

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

1.13 Operating leases

Operating lease rentals are charged to the operating cost statement in equal amounts over the lease term.

1.14 Value Added Tax

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 fixed assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

2. Analysis of net resource outturn by section

							Outturn	2007-08 Estimate	2006-07	
							NET Total	NET Total	Net Total outturn compared with Estimate	Prior-year outturn
Admin.	Other	Grants	Gross	A in A		£000	£000	£000	£000	
£000	Current	£000	Resource	£000	£000	£000	£000	£000	£000	
	£000		Expenditure							
			£000							
Request for resources 1:										
Promoting the study of the past in order to inform the present and the future by selecting, preserving and making publicly available public records of historical value and by encouraging high standards of care and public access for archives of historical value outside the public records										
Section A										
Public Record Office	–	44,054	–	44,054	(4,392)	39,662	41,253	(1,591)	35,144	
Section B										
Historical Manuscripts Commission	–	1,098	–	1,098	(9)	1,089	1,142	(53)	1,142	
Section C										
Office of Public Sector Information	–	3,123	–	3,123	(1,758)	1,365	2,545	(1,180)	2,057	
Resource Outturn	–	48,275	–	48,275	(6,159)	42,116	44,940	(2,824)	38,343	

The variance between estimate and outturn relates to planned activity and projects not proceeding in year resulting in savings across most activities. These were mainly related to a re-assessment of estate management requirements and capacity, including plant and environmental issues, and postponement of some projects which will now be carried out in 2008–09 and the future.

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

3. Staff Numbers and Costs

A. Staff costs consist of:

	2007-08 £000	£000	£000	2006-07 £000
		Permanently Employed Staff	Others	Total
Wages and salaries	18,457	16,764	1,693	16,853
Social Security costs	1,266	1,266	–	1,220
Other pension costs	3,176	3,176	–	2,837
Sub total	22,899	21,206	1,693	20,910
Less recoveries in respect of outward secondments	(134)	(134)	–	(141)
Total net costs	22,765	21,072	1,693	20,769

B. The PCSPS is an unfunded multi-employer defined benefit scheme but The National Archives is unable to 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 Bacon & Woodrow. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

C. For 2007-08, employers' contributions of £3,131,986 were payable to the PCSPS (2006-07 £2,778,439) at one of four rates in the range 17.1 to 25.5 per cent of pensionable pay, based on salary bands. Employer contributions are reviewed every four years following a full scheme valuation by the Government Actuary. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and include past experience of the scheme.

D. Employees joining after 1 October 2002 could opt to open a partnership account, a stakeholder pension with an employer contribution. During 2007-08 employers' contributions of £32,766 were paid to one or more of a panel of four appointed stakeholder pension providers (2006-07 £25,680). Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £2,410 (2006-07 £2,212), 0.8 per cent (2006-07 0.8 per cent) 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 balance sheet date were actually £4,475 (2006-07 £3,741). Contributions pre-paid at that date were nil.

E. The average number of whole-time equivalent persons employed, including senior management, during the year was as follows:

	2007-08	2006-07 Restated
	No.	No.
Lead and transform information management	93	91
Guarantee the survival of today's information for tomorrow	150	147
Bring history to life for everyone	346	340
	589	578

The 2006-07 comparative figures have been restated to reflect the organisational changes noted in Net Operating Costs by Departmental Aims and Objectives.

F. Agency and consultancy costs increased from £1.5m in 2006-07 to £1.93m in 2007-08, but were significantly less than the £3.3m in 2005-06. No staff costs were capitalised during the year.

4. Programme Costs

	2007-08		2006-07 Restated	
	£000	£000	£000	£000
Rentals under operating leases:				
Hire of plant and machinery	341		333	
Other operating leases	594		691	
		935		1,024
Non-cash items:				
Depreciation				
Civil Estate	2,739		2,671	
Other fixed assets	1,905		1,595	
Downward revaluation of fixed assets	–		588	
Impairments	–		–	
loss on disposal of fixed assets	7		21	
Cost of capital charge				
Civil Estate	3,736		3,260	
auditor's remuneration - audit work	65		65	
Provisions:				
Provided in year	125		362	
		8,577		8,562
Other expenditure				
Accommodation	6,749		6,041	
Consultancy	236		117	
National Digital Archive of Datasets (University of London)	717		691	
Travel, subsistence and hospitality	369		294	
Recruitment & training	821		405	
Digitisation	74		45	
IT maintenance	758		641	
Shop stores	178		184	
Conferences	161		160	
Minor Software & Hardware	556		183	
Advertising	15		20	
Record Copying materials	144		158	
Legal Expenses	158		101	
Telecommunications	84		69	
Other expenditure	3,729		2,558	
Public Access	1,169		1,158	
Other Audit Services	80		57	
		15,998		12,882
		25,510		22,468

Following reclassification (see Note 1.8 and 6) prior year comparative figures have been restated for consistency.

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

	2007-08	2006-07
	£000	£000
Total non-cash transactions as above	8,577	8,562
Adjustment for loss on disposal of tangible fixed assets	(7)	(21)
Non-cash items per reconciliation of resources to net cash requirement	8,570	8,541

5. Operating Income

Analysis of income payable to the Consolidated Fund

In addition to appropriations in aid the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics):

	Note	2007-08 Forecast		2007-08 Outturn	
		Income £000	Receipts £000	Income £000	Receipts £000
Operating income and receipts - excess A in A		-	-	-	197
Operating income not classified as Appropriations in Aid		-	-	-	-
Non-operating income not classified as Appropriations in Aid		-	-	-	-
Other amounts collectable on behalf of the Consolidated Fund		-	-	-	-
Excess cash receipts to be surrendered to the Consolidated Fund		-	-	-	-

a) Operating income not appropriated-in-aid (transferred to the Consolidated Fund) is analysed for resource budget purposes between that which is included in public expenditure and that which is not (see note 7). In 2007-08, there was no income classified as non A in A.

2007-08	Resource Outturn	Operating Cost Statement	
	Appropriated in aid £000	Payable to Consolidated Fund £000	Income £000
Operating income analysed by classification and activity, is as follows:			
Income:			
Fees and charges to external customers	5,692	-	5,692
Fees and charges to other government departments	467	-	467
	6,159	-	6,159

2006-07	Resource Outturn	Operating Cost Statement	
	Appropriated in aid £000	Payable to Consolidated Fund £000	Income £000
Operating income analysed by classification and activity, is as follows:			
Income:			
Fees and charges to external customers	4,778	197	4,975
Fees and charges to other government departments	116	-	116
	4,894	197	5,091

5. Operating Income continued

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

	2007-08 Income £000	2007-08 Full cost £000	2007-08 (Deficit)/Surplus £000
Record Copying services	1,106	1,222	(116)
Information and Publishing	3,238	3,101	137
Other	1,457	1,457	–
Digital Continuity	358	358	–
	6,159	6,138	21

	2006-07 Income £000	2006-07 Full cost £000	2006-07 (Deficit)/Surplus £000
Record Copying services	1,070	1,220	(150)
Information and Publishing	2,717	2,115	602
Other	1,304	1,304	–
	5,091	4,639	452

c) The National Archives is required, in accordance with the Treasury's Fees and Charges Guide, to disclose performance results for its areas of activity. The segmental analysis is not intended to meet the requirements of Statement of Standard Accounting Practice 25: Segmental Reporting.

6. Outturn against final Administration Budget

Following a review with HM Treasury, it was agreed that it was appropriate to reclassify administration budget spending as programme spending during 2007-08. This reflects the fact that the majority of the resources are now consumed in providing direct services of, for example, public access to national records, family records and archives at Kew and other sites; the publishing, conservation and preservation of records; and UK information management advice and policy including standards, compliance, and copyright. This change is neutral in public expenditure and all costs are recorded against programme other within Estimates. 2006-07 comparative figures have been restated for consistency.

7. Reconciliation of net operating cost to control total and net resource outturn

	2007-08 £000	2006-0 £000
Net operating cost (Note a):	42,116	38,146
Consolidated Fund extra receipts (CFERS)	–	197
Net resource outturn (Note a)	42,116	38,343

Note:

a) Net operating cost is the total of expenditure and income appearing in the Operating Cost Statement (Schedule 2). Net resource outturn is the total of those elements of expenditure and income which are subject to parliamentary approval and included in the department's Supply Estimate. The outturn against the Estimate is shown in the Summary of Resource Outturn (Schedule 1).

8. Reconciliation of Resources to Cash Requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate saving/ (excess) £000
Net Total Resources		44,940	42,116	2,824
Capital:				
Cash purchase of fixed assets	13	7,600	5,771	1,829
Cash purchase of investments		–	–	–
Non-Operating-Cost A in A		–	–	–
Loss on fixed asset disposals	4	–	(7)	7
Accrual adjustments				
Non-cash items	4	(8,773)	(8,570)	(203)
Changes in working capital other than cash	14	(2,700)	(4,678)	1,978
Use of provision	19	130	133	(3)
Excess Cash to be CFERed		–	197	(197)
Net Cash Requirement		41,197	34,962	6,235

9. Analysis of net resource outturn by function and reconciliation to Operating Cost Statement

2007-08	Admin. £000	Other current £000	Grants £000	Gross Resource Expenditure £000	A in A £000	Net Total £000	Estimate £000	Net Total Outturn Compared with Estimate £000
Request for Resources 1	–	48,275	–	48,275	(6,159)	42,116	44,940	2,824
Total	–	48,275	–	48,275	(6,159)	42,116	44,940	2,824
Resource Outturn	–	48,275	–	48,275	(6,159)	42,116	44,940	2,824

Reconciliation to Operating Cost Statement

Non A-in-A operating income	–	–
Gross operating expenditure	48,275	
Operating income	(6,159)	
Net operating Cost		42,116

2006-07	Admin.	Other current	Grants	Gross Resource Expenditure	A in A	Net Total	Estimate	Net Total Outturn Compared with Estimate
	£000	£000	£000	£000	£000	£000	£000	£000
Request for Resources 1	42,079	1,158	–	43,237	(4,894)	38,343	44,333	5,990
Total	42,079	1,158	–	43,237	(4,894)	38,343	44,333	5,990

Reconciliation to Operating Cost Statement

Non A-in-A operating income	(197)	(197)
Gross operating expenditure	43,237	
Operating income	(5,091)	
Net operating Cost	38,146	

10. Analysis of capital expenditure, financial investment and associated A in A

2007-2008	Capital expenditure	Loans, etc.	A in A	Net total	Estimate	Outturn compared with Estimate
	£000	£000	£000	£000	£000	£000
Request for Resources 1	5,771	–	–	5,771	7,600	1,829
Total	5,771	–	–	5,771	7,600	1,829

2006-2007	Capital expenditure	Loans, etc.	A in A	Net total	Estimate	Outturn compared with Estimate
	£000	£000	£000	£000	£000	£000
Request for Resources 1	2,747	–	–	2,747	3,235	488
Total	2,747	–	–	2,747	3,235	488

11. Tangible fixed assets

	Freehold land and buildings £000	Equipment £000	IT including databases £000	Total £000
Cost or valuation				
At 1 April 2007	129,095	8,343	7,514	144,952
Additions	2,187	574	2,064	4,825
Disposals	–	(112)	(131)	(243)
Revaluation	–	–	–	–
At 31 March 2008	131,282	8,805	9,447	149,534
Depreciation				
At 1 April 2007	25,794	2,470	4,755	33,019
Charged in year	2,739	329	1,245	4,313
Disposals	–	(110)	(125)	(235)
Revaluation	–	–	–	–
At 31 March 2008	28,533	2,689	5,875	37,097
Net Book Value at 31 March 2008	102,749	6,116	3,572	112,437
Net Book Value at 31 March 2007	103,301	5,873	2,759	111,933

a) Freehold land and buildings were valued on 31 March 2007 at £103.3m on the basis of depreciated replacement cost by an external firm of Chartered Surveyors, Atis Real Weatheralls Limited. Their valuation was carried out in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. In years where there is no professional valuation exercise, revaluation is derived from the relevant indices as appropriate.

b) Included within fixed asset additions for 2007-08 were assets in the course of construction valued at £425K.

12. Intangible fixed assets

	Software Licences £000
Cost or valuation	
At 1 April 2007	954
Additions	946
At 31 March 2008	1,900
Depreciation	
At 1 April 2007	421
Charged in year	330
At 31 March 2008	751
Net Book Value at 31 March 2008	1,149
Net Book Value at 31 March 2007	533

a) Included within intangible fixed asset additions for 2007-08 were assets in the course of construction valued at £300K.

13. Reconciliation of cash flows to fixed asset additions

	£000
Cash flows for tangible fixed assets	4,825
Intangible fixed asset additions	946
Cash flows for total fixed assets	5,771

14. Movements in working capital other than cash

	Note	2007-08 £000	2006-07 £000
Increase in stocks	15	106	76
(Decrease)/Increase in debtors	16	(1,000)	673
Less prepayments and accrued income relating to CFERs		–	(197)
(Increase) in creditors	18	(3,784)	(1,391)
Decrease in working capital		(4,678)	(839)

a) Excludes changes and movements in balances due to the Consolidated Fund.

15. Stocks

	2007-08 £000	2006-07 £000
Reprographic materials	33	35
Work in progress	5	–
Publishing and shop stocks	370	267
	408	302

16. Debtors

	2007-08 £000	2006-07 £000
Amounts falling due within one year:		
VAT	432	434
Trade debtors	848	401
Other Debtors	–	–
Deposits and advances	42	21
Prepayments and accrued income	1,309	2,721
	2,631	3,577
Amounts falling due after one year:		
Prepayments and accrued income	19	73
	19	73
	2,650	3,650

Debtors within one year	2007-08	2006-07
	£000	£000
Balances with other central government bodies	1,067	478
Balances with local authorities	8	1,643
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	–	–
Balances with bodies external to government	1,556	1,456
	2,631	3,577
Debtors after one year	2007-08	2006-07
	£000	£000
Balances with other central government bodies	–	–
Balances with local authorities	–	–
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	–	–
Balances with bodies external to government	19	73
	19	73

17. Cash at bank and in hand

	2007-08	2006-07
	£000	£000
Balance at 1 April	1,661	539
Net cash (outflow)/inflow	(547)	1,122
Balance at 31 March	1,114	1,661

The following balances at 31 March are held at:

Office of HM Paymaster General	1,111	1,659
Commercial banks and cash in hand	3	2
	1,114	1,661

The balance at 31 March comprises:

Cash due to be paid to the Consolidated Fund:	197	–
Amounts issued from the Consolidated Fund for Supply but not spent at year end	917	1,661
	1,114	1,661

18. Creditors

	2007-08 £000	2006-07 £000
Amounts falling due within one year		
Trade creditors	1,960	417
Accruals and deferred income	6,216	4,020
Taxation, Social Security and Pension	746	700
Amounts issued from the Consolidated Fund for supply but not spent at year end	917	1,661
Consolidated Fund extra receipts received and receivable and other amounts due to be paid to the Consolidated Fund	197	197
	10,036	6,995

	2007-08 £000	2006-07 £000
Creditors within one year		
Balances with other central government bodies	4,525	2,989
Balances with local authorities	7	1,643
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	–	61
Balances with bodies external to government	5,504	2,302
	10,036	6,995

19. Provisions for liabilities and charges

	Early departure costs £000	Other	Total £000
Balance at 1st April 2007	122	448	5700
Provided in the year	172	(47)	125
Provisions utilised during the year	(92)	(41)	(133)
Balances at 31 March 2008	202	360	562

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 Treasury discount rate of 2.8 percent in real terms.

Other

The National Archives has made specific provisions for dilapidations for the building formerly occupied by the Family Record Centre, vacated in 2007-08, and the Norwich OPSI building due to be vacated on 31 July 2008.

20. Reconciliation of Net Operating Cost to changes in General Fund

	Note	2007-08 £000	2006-07 £000	2006-07 £000	£000
Net Operating Cost	7	(42,116)		(38,146)	
Surrender of excess appropriations in aid and CFERs	7	–		(197)	
			(42,116)		(38,343)
Net Parliamentary funding	23c		34,218		33,113
Transferred to general fund in respect of realised element of revaluation reserve on depreciation	21		954		906
Consolidated Fund creditor for unspent cash	18		(917)		(1,661)
Settlement of previous year creditor for unspent cash	18		1,661		539
Notional charges:	4				
cost of capital charge		3,736		3,260	
auditor's remuneration (notional)		65		65	
			3,801		3,325
Decrease in General Fund			(2,399)		(2,121)
General Fund at 1 April 2007			70,455		72,576
General Fund at 31 March 2008			68,05		70,455

21. Reserves

	Revaluation reserve £000
At 1 April 2007	40,058
Arising on revaluation during the year	–
Transfer in respect of realised depreciation	–
Transferred to general fund in respect of realised element of revaluation reserve	(954)
Balance at 31 March 2008	39,104

The revaluation reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets). There were no donated assets in 2007-08.

22. Notes to Net Operating Costs by Departmental Aims and Objectives

The National Archives' capital is employed exclusively for programme service delivery purposes. Its distribution amongst objectives is therefore not markedly different from the proportion of the related gross programme costs.

All programme costs and income have been attributed to objectives in accordance with the Department's normal management accounting practices.

23. Notes to the Cash Flow Statement

23(a) Reconciliation of operating cost to operating cash flows

	Note	2007-08 £000	2006-07 £000
Net operating cost		42,116	38,146
Adjustments for non-cash transactions	4	(8,577)	(8,562)
Increase/(Decrease) in stocks	15	106	76
Increase/(Decrease) in debtors	16	(1,000)	673
(Increase) in creditors	18	(3,784)	(1,391)
Use of provisions	19	133	302
Net cash outflow from operating activities		28,994	29,244

23(b) Analysis of capital expenditure and financial investment

	Note	2007-08 £000	2006-07 £000
Tangible fixed asset additions	13	4,825	2,424
Intangible fixed asset additions	13	946	323
Proceeds of disposal of fixed assets		-	-
Net cash outflow for investing activities		5,771	2,747

23(c) Analysis of financing

	2007-08 £000	2006-07 £000
From Consolidated Fund (Supply): current year	34,218	33,113
Net financing	34,218	33,113

23(d) Reconciliation of Net Cash Requirement to decrease cash

	Note	2007-08 £000	2006-07 £000
Net cash requirement (Schedule 1)	8	34,962	31,991
From Consolidated Fund (Supply): current year	23c	(34,218)	(33,113)
Amounts due to the Consolidated Fund - received in a prior year and paid over	18	-	-
Amounts due to the Consolidated Fund - received and not paid over	18	(197)	-
Decrease/(Increase) in cash in the period	17	547	(1,122)

24. Capital commitments

Capital commitments totalling £625,000 exist at 31 March 2008. These relate to projects including seamless flow (£225K), Kew 2008 (£300K) and a new HR system (£100K) and these are not provided for in these accounts.

25. Commitments under operating leases

Operating leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.	2007-08 £000	2006-07 £000
Obligations under operating leases comprise:		
Land and buildings		
Expiry within one year	31	691
	31	691
Other		
Expiry within one year	81	16
Expiry between two and five years	66	89
	178	796

26. Other commitments

The National Archives has a service contract ending on 31 March 2011 with the University of London for the preservation of government datasets (UK National Data Archive for Datasets). The service charge for 2008–09 will be £0.6m. The National Archives has not entered into any other non-cancellable contracts other than the one disclosed above.

27. Contingencies

There were no contingent assets or liabilities at 31 March 2008.

28. Related party transactions

The National Archives is a non ministerial government department. The Chief Executive reports to the Lord Chancellor. None of the management board members, key managerial staff or other related parties has undertaken any material transactions with The National Archives during the year.

29. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way it is financed, The National Archives is not exposed to the degree of risk faced by business entities. Moreover, financial instruments may play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS13 mainly applies. The National Archives has very limited powers to borrow or invest funds and except for relatively insignificant forward purchases of foreign currency, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Department in undertaking its activities.

Liquidity Risk

The National Archives' net revenue resource requirements are financed by resources voted annually by Parliament, as is its capital expenditure. The National Archives is not therefore exposed to significant liquidity risks.

Interest Rate Risk

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

Foreign Currency Risk

The National Archives' exposure to foreign currency risk is not currently significant.

30. Accountability

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

31. Post Balance Sheet Event

In accordance with the requirements of FRS 21, post balance sheet events 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.

Annex B

Additional financial information – for departmental reporting requirements

The National Archives was given permission by HM Treasury to present a combined annual report and resource accounts 2007-2008 to Parliament in July 2008. The majority of the required elements of a departmental report are in the main body of the annual report or in the resource accounts at Annex A. The remaining elements are shown here. Financial projections to 2011 are based on our Comprehensive Spending Review 2007 allocation. In the following tables, 'DEL' means Departmental Expenditure Limit, and 'AME' means Annually Managed Expenditure.

Table 1 The National Archives: Total Departmental Spending

Total Departmental Spending										£000
	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Provisional Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans	
Resource budget										
<i>Resource DEL</i>										
The National Archives: The UK's official government archive, with a key role in raising information management capability across Government. Makes historical records available to the public, leads the wider UK archive sector, leads on UK information management and re-use policy, and manages Crown and Parliamentary copyright.	34,596	38,071	37,955	41,350	38,220	42,118	46,600	47,600	48,300	
Total resource budget DEL	34,596	38,071	37,955	41,350	38,220	42,118	46,600	47,600	48,300	
<i>of which: Near-cash</i>	27,168	30,375	29,649	32,658	29,666	33,712	35,849	35,849	35,842	
Total resource budget AME	-	-	-	-	-	-	-	-	-	
Total resource budget	34,596	38,071	37,955	41,350	38,220	42,118	46,600	47,600	48,300	
<i>of which: depreciation</i>	3,736	4,313	4,678	4,561	4,854	4,643	5,680	6,679	6,985	
Capital budget										
<i>Capital DEL</i>										
The National Archives: The UK's official government archive, with a key role in raising information management capability across Government. Makes historical records available to the public, leads the wider UK archive sector, leads on UK information management and re-use policy, and manages Crown and Parliamentary copyright.	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100	
Total capital budget DEL	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100	
Total capital budget AME	-	-	-	-	-	-	-	-	-	
Total capital budget	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100	

Total departmental spending†

The National Archives: The UK's official government archive, with a key role in raising information management capability across Government. Makes historical records available to the public, leads the wider UK archive sector, leads on UK information management and re-use policy, and manages Crown and Parliamentary copyright.	33,155	37,160	35,236	38,696	36,112	43,246	43,420	43,021	43,415
Total departmental spending†	33,155	37,160	35,236	38,696	36,112	43,246	43,420	43,021	43,415
<i>of which:</i>									
Total DEL	33,155	37,160	35,236	38,696	36,112	43,246	43,420	43,021	43,415
Total AME	-								

† 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 2 The National Archives: Resource budget DEL and AME

	£000									
	2002-03 Outturn	2003-04 Outturn	2004-05 Outturn	2005-06 Outturn	2006-07 Outturn	2007-08 Provisional Outturn	2008-09 Plans	2009-10 Plans	2010-11 Plans	
Resource DEL										
The National Archives	34,596	38,071	37,955	41,350	38,220	42,118	46,600	47,600	48,300	
<i>of which:</i>										
The National Archives: The UK's official government archive, with a key role in raising information management capability across Government. Makes historical records available to the public, leads the wider UK archive sector, leads on UK information management and re-use policy, and manages Crown and Parliamentary copyright.	34,596	38,071	37,955	41,350	38,220	42,118	46,600	47,600	48,300	
Total resource budget DEL	34,596	38,071	37,955	41,350	38,220	42,118	46,600	47,600	48,300	
<i>of which:</i>										
Near-cash	27,168	30,375	29,649	32,658	29,666	33,712	35,849	35,849	35,842	
<i>of which:†</i>										
Pay	15,657	16,667	20,051	17,976	19,386	22,683	-	-	-	
Procurement	11,511	13,708	9,598	16,817	13,888	17,017	13,694	13,311	13,073	
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-	
Current grants to local authorities	-	-	-	-	-	-	-	-	-	
Depreciation	3,736	4,313	4,678	4,561	4,855	4,643	5,680	6,679	6,985	
Total resource budget	34,596	38,071	37,955	41,350	38,220	42,118	46,600	47,600	48,300	

† The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but aren't included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.

Table 3 The National Archives: Capital Budget DEL and AME

	£000								
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Provisional Outturn	Plans	Plans	Plans
Capital DEL									
The National Archives	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100
<i>of which:</i>									
The National Archives: The UK's official government archive, with a key role in raising information management capability across Government. Makes historical records available to the public, leads the wider UK archive sector, leads on UK information management and re-use policy, and manages Crown and Parliamentary copyright.	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100
Total capital budget DEL	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100
<i>of which:</i>									
Capital expenditure on fixed assets net of sales†	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100
Total capital budget	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100
<i>Of which:</i>									
Capital expenditure on fixed assets net of sales†	2,295	3,402	1,959	1,907	2,747	5,771	2,500	2,100	2,100
Less depreciation††	3,736	4,313	4,678	4,561	4,855	4,643	5,680	6,679	6,985
Net capital expenditure on tangible fixed assets	-1,441	-911	-2,719	-2,654	-2,108	1,128	-3,180	-4,579	-4,885

† Expenditure by the department and NDPBs on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.

†† Included in Resource Budget.

Table 4 The National Archives: Capital Employed

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

	£000								
	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
	Outturn	Outturn	Outturn	Outturn	Outturn	Provisional Outturn	Plans	Plans	Plans
Assets and liabilities on the balance sheet at end of year:									
Fixed assets									
Intangible *	87	164	254	355	533	1,149	1,500	1,500	1,500
Tangible	93,148	94,911	105,232	106,332	111,933	112,437	113,300	113,300	113,300
of which:									
Land and buildings	84,534	85,161	95,897	98,178	103,301	102,749	103,000	103,000	103,000
Equipment	6,089	6,031	6,072	5,598	5,873	6,116	6,500	6,500	6,500
IT including databases	2,525	3,719	3,263	2,556	2,759	3,572	3,800	3,800	3,800
	93,148	94,911	105,232	106,332	111,933	112,437	113,300	113,300	113,300
Investments	-	-	-	-	-	-	-	-	-
Current assets	4,632	5,103	3,800	3,742	5,613	4,172	4,500	4,500	4,500
Creditors (<1 year)	3,639	3,414	3,908	4,285	6,995	10,233	7,000	6,000	5,000
Creditors (>1 year)	-	-	-	-	-	-	-	-	-
Provisions	401	250	169	510	570	532	450	400	350
Capital employed within main department	93,827	96,514	105,209	105,634	110,514	106,993	111,850	112,900	113,950
Total capital employed	93,827	96,514	105,209	105,634	110,514	106,993	111,850	112,900	113,950

Table 5 The National Archives: Administration Costs

Following a review with HM Treasury, it was agreed that it was appropriate to reclassify administration budget spending as programme spending during 2007-08. This reflects the fact that the majority of the resources are now consumed in providing direct services of, for example, public access to national records, family records and archives at Kew and other sites; the publishing, conservation and preservation of records; and U.K. information management advice and policy including standards, compliance, and copyright. This change is neutral in public expenditure and all costs are recorded against programme other within Estimates.

Table 6 The National Archives: Staff Numbers

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

Staff numbers

	Outturn 2002-03	Outturn 2003-04	Outturn 2004-05	Outturn 2005-06	Outturn 2006-07	Provisional Outturn 2007-08	Plans 2008-09	Plans 2009-10	Plans 2010-11
Civil Service full-time equivalents	500	541	531	563	558	586	586	586	586
Overtime	14	14	14	14	8	6	6	6	6
Casual	12	29	34	15	18	11	10	10	10
Total	526	584	579	592	584	603	602	602	602

Table 7 The National Archives: Regional spending

The National Archives: The UK's official government archive, with a key role in raising information management capability across Government. Makes historical records available to the public, leads the wider UK archive sector, leads on UK information management and re-use policy, and manages Crown and Parliamentary copyright. £000

	Outturn 2002-03	Outturn 2003-04	Outturn 2004-05	Outturn 2005-06	Outturn 2006-07	Outturn 2007-08	Plans 2008-09	Plans 2009-10	Plans 2010-11
SCOTLAND	2,361	2,719	2,523	2,943	2,871	3,464	3,116	3,076	3,068
WALES	1,365	1,580	1,467	1,709	1,673	2,025	1,822	1,798	1,794
NORTHERN IRELAND	793	916	850	996	974	1,179	1,061	1,047	1,044
ENGLAND North East	1,185	1,365	1,264	1,477	1,435	1,732	1,558	1,538	1,534
ENGLAND North West	3,168	3,659	3,392	3,954	3,861	4,667	4,198	4,144	4,133
ENGLAND Yorkshire And Humberside	2,332	2,693	2,503	2,925	2,868	3,477	3,128	3,087	3,079
ENGLAND East Midlands	1,972	2,286	2,126	2,487	2,436	2,954	2,657	2,623	2,616
ENGLAND West Midlands	2,477	2,860	2,650	3,099	3,019	3,651	3,284	3,242	3,234
ENGLAND Eastern	2,532	2,937	2,728	3,201	3,129	3,795	3,414	3,369	3,361
ENGLAND London	3,442	3,972	3,691	4,342	4,266	5,184	4,663	4,603	4,591
ENGLAND South East	3,757	4,344	4,029	4,715	4,611	5,585	5,024	4,959	4,946
ENGLAND South West	2,320	2,688	2,503	2,927	2,873	3,486	3,136	3,095	3,087
OUTSIDE UK	-	-	-	-	-	-	-	-	-
Grand Total	27,705	32,017	29,725	34,776	34,017	41,199	37,062	36,580	36,488

	Outturn 2002-03	Outturn 2003-04	Outturn 2004-05	Outturn 2005-06	Outturn 2006-07	Provisional Outturn 2007-08	Plans 2008-09	Plans 2009-10	Plans 2010-11
%									
Regional Distribution Percentages									
SCOTLAND	8.52	8.49	8.49	8.46	8.44	8.41	8.41	8.41	8.41
WALES	4.93	4.93	4.93	4.91	4.92	4.92	4.92	4.92	4.92
NORTHERN IRELAND	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86	2.86
ENGLAND North East	4.28	4.26	4.25	4.25	4.22	4.20	4.20	4.20	4.20
ENGLAND North West	11.43	11.43	11.41	11.37	11.35	11.33	11.33	11.33	11.33
ENGLAND Yorkshire And Humberside	8.42	8.41	8.42	8.41	8.43	8.44	8.44	8.44	8.44
ENGLAND East Midlands	7.12	7.14	7.15	7.15	7.16	7.17	7.17	7.17	7.17
ENGLAND West Midlands	8.94	8.93	8.91	8.91	8.88	8.86	8.86	8.86	8.86
ENGLAND Eastern	9.14	9.17	9.18	9.20	9.20	9.21	9.21	9.21	9.21
ENGLAND London	12.43	12.41	12.42	12.49	12.54	12.58	12.58	12.58	12.58
ENGLAND South East	13.56	13.57	13.55	13.56	13.55	13.56	13.56	13.56	13.56
ENGLAND South West	8.37	8.39	8.42	8.42	8.45	8.46	8.46	8.46	8.46
OUTSIDE UK	-	-	-	-	-	-	-	-	-
Grand Total (percent)	100	100	100	100	100	100	100	100	100

Annex C

The National Archives' Vision 2007-2012

Rapid changes in the information world continue to present the most complex and challenging set of tasks we have ever faced. It is not too much to say that the future nature and existence of government archives depends on our being successful in our objectives. Of these challenges, there are three in particular that are of immense significance and determine our priorities for our future development. These remain at the heart of our Vision as established in 2006.

Challenge 1: Government and the wider information sector need better information management to strengthen accountability, treat information with appropriate security, and release the potential of their assets.

Our vision: Lead and transform information management

By 2012 we aim to:

- Shape future government information policy, from information creation to re-use
- Show leadership in helping the public sector understand the importance of good information management
- Create a common infrastructure of services and guidance to support these aims

Challenge 2: In addition to preserving the nation's existing paper records, we need to rise to the new challenge of ensuring the ongoing readability of digital information for future generations.

Our vision: Guarantee the survival of today's information for tomorrow

By 2012 we aim to:

- Preserve records of all kinds; physically at The National Archives, and through our influence elsewhere
- Work with others in the United Kingdom to ensure that between us, the right information is preserved for today's business and tomorrow's history
- Collaborate across the world to share expertise and innovation

Challenge 3: Increasingly people expect to find, use and learn from information online. They expect it to be personalised and connected to their wider life. They expect to have it immediately.

Our vision: Bring history to life for everyone

By 2012 we aim to:

- Make a positive difference to people's future by connecting them to the past
- Provide researchers and customers wherever they are with easy access to records and expertise, with innovative online services, connected to trusted partners
- Increasingly focus our reading rooms on being a centre for expert help and specialist research

In addition, we will support the realisation of this Vision by developing and maintaining a capable, flexible organisation, able to deliver our new services with staff equipped with the right skills for the future.

Annex D

Advisory Council on National Records and Archives: Fifth Annual Report 2007-2008

To the Right Honourable Jack Straw, Lord Chancellor, Secretary of State for Justice.

Access and preservation

In accordance with the Freedom of Information Act 2000, the Council continues to act on your behalf in advising government departments on the strengths of the public interest in the release of historical information that attracts a qualified exemption and the public interest in its non-disclosure. We have convened nearly twenty panels of members which have advised on the public interest in the release of closed historical information held at The National Archives and have considered one hundred and ten cases in total. This year has seen a notable increase in the number of cases where disclosure would damage the international relations of the United Kingdom with other countries. Other cases have involved information which if released would be likely to endanger the physical or mental health of individuals who were the victims of, or who were related to the victims of, horrendous crimes and information which, if released, could hinder law enforcement such as information about unsolved serious crimes and police informants.

In the main, panels have readily agreed with departments that the public interest lay in non-disclosure, but in some cases we felt it necessary to seek further information before advising you. By probing for clarity the panels help to ensure decisions to withhold historical information are robust. In most cases we have accepted the departments' arguments after they have given more detail but in others, the departments have themselves concluded that the public interest lay in disclosure.

We are pleased by the decision of the Cabinet Office to release information on ecclesiastical appointments that had previously been closed on the grounds that it was not in the public interest to disclose the information. Throughout lengthy deliberations, the Council had advised you that it was in the public interest for some of the information to be released and is appreciative that the public interest now favours disclosure.

We are also grateful to the Cabinet Office for agreeing to release some information on the Middle East, specifically in relation to Gaza, in response to the queries of a panel. We are particularly reassured by the decision of the Ministry of Defence to release policy information relating to the granting of Her Majesty The Queen's Silver Jubilee Medal, following the advice of a panel in favour of disclosure in the public interest. We are appreciative of the work of The National Archives in taking forward the issues and generic queries that arose out of the Freedom of Information Panels to government departments.

The Council has continued to fulfil its statutory duty under the Public Records Act by advising on the retention of records by departments and has also considered other records management issues that have arisen in the Freedom of Information era. We reported last year on the discovery of asbestos contamination of some Ministry of Defence records. The Council welcomed the final report and noted the progress made and thanked the Ministry of Defence for undertaking the considerable piece of work in reconstituting the records that had been exposed to asbestos contamination. Last year we also discussed the inadvertent release of sensitive Ministry of Defence information relating to Saudi Arabia and we are grateful that you have accepted the advice of the Council to approve the closure of some of the information under the Freedom of Information Act. In another similar case, the Council advised that a small number of extracts of information from the Ministry of Defence should also be closed.

The Council has continued to monitor with interest the progress made by the Home Office since the granting of the moratorium on the review and transfer of records to The National Archives. The Council welcomed the progress reports by the Ministry of Justice submitted to the Council as a result of the machinery of government change that saw the Ministry of Justice inherit some records from the Home Office. The Council also welcomed the work done by the Home Office and was pleased that until recently the Home Office had met its targets in relation to the review of these records. However, the Council is concerned to learn that the Home Office has since fallen short of its target and has outstanding areas of work yet to be completed.

As the remit of your Council is to speak to government on behalf of the public on matters relating to public records, with a particular statutory responsibility to advise on public access to them, we were pleased to be asked to participate in the consultation on the review of the 30-year Rule. The Council agreed that a reduction in the current transfer rule would result in a more effective Freedom of Information Act, resulting in more transparency and openness across government thereby serving the public interest. The Council supports a reduction of the 30-year rule to 20. Its support is however, subject to appropriate resource provision and a managed transition which, if the review were to recommend that the transfer rule be changed to a shorter period, should include a well-planned phased approach to the transfer of records to The National Archives.

The Council awaits with interest the outcome of the review and sees any change in access to public records as key to the role of the Council in advising you on access.

Private papers

During the course of the year we have been consulted about manuscripts and collections of papers that have come into public ownership having been accepted by the government in lieu of tax. In each case we have advised the Chief Executive of The National Archives in her capacity as Historical Manuscripts Commissioner on her draft recommendation to the Museums, Libraries and Archives Council on the most appropriate home for such material in the national interest.

These cases have included:

- the Noyon Sacramentary and an 11th century Greek Gospel lectionary allocated to the British Library.
- papers of the Harcourt family, Earls and subsequently Viscounts Harcourt, 13-20th century, allocated to the Bodleian Library, Oxford.
- a collection of correspondence and papers of Sir Richard Burton (1821-1890), explorer and diplomat, and his wife Isabel, Lady Burton (1831-1896) allocated to the British Library. It was recommended that copies be made available for Richmond Local Studies Library by the British Library in due course.

Changes at The National Archives

We have noted with interest the progress of the programme of The National Archives to refurbish its reading rooms and to bring all its visitor services together at Kew and, within this, the successful relocation of the Family Records Centre to Kew with the goal of building on the strengths of both centres to ensure a first-class service for all visitors to The National Archives. We have also discussed the progress of the digital preservation programme of The National Archives, which aims to address the challenge of keeping digital records accessible, and the challenges of the changing world of information management to The National Archives.

The Council's members and meetings

Two members of the Council retired at the end of 2007: Dr Dorothy Johnston and Dr Michael Riley. We are most grateful to them for their contributions to the Council's work. You appointed three new members with effect from 1 January, Ms Christine Gifford, Mr Ian Soutar and Lord Temple-Morris. The Council currently has a full complement of twenty members. Members during the year were:

- Sir Rodric Braithwaite GCMG, retired, formerly British Ambassador to Moscow and chairman of the Joint Intelligence Committee
- Ms Else Churchill, Genealogy Officer of the Society of Genealogists
- Dr Jeevan Deol, lecturer in the South Asia Department of the School of Oriental and African Studies, University of London
- Professor Harry Dickinson, Emeritus Professor of British History, University of Edinburgh
- Rt Hon the Viscount De L'Isle MBE DL, owner of the De L'Isle and Sidney family papers
- Sir David Durie KCMG, retired, formerly Governor and Commander in Chief, Gibraltar and a Director General in the Department of Trade and Industry
- Dr Clive Field OBE, Honorary Research Fellow, 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 Jennifer Haynes, archivist and records manager at the Royal College of Obstetricians and Gynaecologists
- Mr Graeme Herd, head of Information Technology at Slough Borough Council
- Dr Dorothy Johnston, Keeper of Manuscripts and Special Collections, Hallward Library, University of Nottingham (retired 2007)
- Professor Arthur Lucas CBE, Emeritus Professor of Science Curriculum Studies at, and formerly Principal of, Kings College London
- Professor Heidi Mirza, Professor of Equality Studies in Education, University of London
- Professor Michael Moss, Professor of Archival Studies at the University of Glasgow
- Dr Michael Riley, senior lecturer in history, Bath Spa University College (retired December 2007)
- Rt Hon the Lord Roper, formerly Chief Whip for the Liberal Democrats in the House of Lords
- Mr Keith Simpson MP, Conservative MP for Mid Norfolk
- Ms Janet Smith, County Archivist of Hampshire
- Mr Ian Soutar, formerly British Ambassador to Bulgaria and Ambassador to the Conference on Disarmament, Geneva
- Ms Catherine Maxwell Stuart, owner of the private family and estate archive at Traquair House, Innerleithen, Peeblesshire
- Lord Temple-Morris, Labour peer and former MP for Leominster
- Ms Stephanie Williams, author, journalist and user of archives

The secretary of the Council was Ms Lâle Ozdemir.

Ms Natalie Ceeney, Chief Executive of The National Archives, attended all our meetings, accompanied variously by Dr David Thomas, Director of Collections and Technology, Ms Carol Tullo, Director of Information Policy and Services, Mr Nick Kingsley, Head of National Advisory Services and Ms Meg Sweet, Head of Records Management and Cataloguing. At our meetings in July we welcomed Mr David Wray, Director of Information Exploitation and Mr Simon Marsh, Deputy Director Information-Corporate Memory from the Ministry of Defence and in February, Ms Katie De Bourcier, the new Director of Information Exploitation and Mr Simon Marsh from the Ministry of Defence.

We were most grateful to the Ministry of Defence and Foreign and Commonwealth Office respectively for hosting the Council and we appreciated the opportunity to discuss the sensitivities unique to historical information held by the Foreign and Commonwealth Office with colleagues.

On behalf of the members

Sir Anthony Clarke

Master of the Rolls

Chairman

Annex E

Independent Complaints Reviewer: Annual Report 2007-2008



Jodi Berg is the Independent Complaints Reviewer (ICR) for The National Archives. The ICR is not part of The National Archives' management and is not a civil servant.

Mrs Berg is a solicitor, a mediator and a Fellow of the Chartered Institute of Arbitrators. She has held Board positions in the private, public and not for profit sectors. She established the ICR office in 1998. The office currently reviews complaints about 7 public bodies.

Introduction from Jodi Berg – Independent Complaints Reviewer

I am pleased to present my Annual Report for 2007-2008. I was appointed to establish an independent service for the investigation of complaints made about The National Archives by people and organisations dissatisfied with the response received to their concerns. I also advise on the operation of The National Archives' internal complaints procedures. By offering the opportunity of independent review to its customers, The National Archives recognised the contribution that this can make to public confidence and towards raising standards of customer care and satisfaction.

The National Archives is an organisation that has a strong customer service ethos. Given this, unsurprisingly, the quality of its complaint handling is of a very high standard. Most people find that staff sort out any problems that arise in a helpful way. When this is not possible, the complaints team take their concerns seriously and do whatever they can to resolve matters. As a result very few people find it necessary to seek my help and advice. Even fewer people ultimately refer complaints to me for investigation. This year we were able to offer appropriate guidance to all those who approached us and point them in the direction of the complaints team, but I have not had cause to carry out a thorough investigation of any complaint. Once again I am able to congratulate The National Archives for its performance in this area during the reporting period.

What is the ICR's role

The aim of the ICR office is to provide an impartial and effective complaints review and resolution service for complainants and to make a positive difference for The National Archives in the future. The office is managerially independent from The National Archives and our service is free to its customers. The service is available to anyone who has been through The National Archives' internal complaints procedure but remains dissatisfied with the response and/or redress provided. The provision of a wholly independent final stage of complaint review, provided by a professional complaint handling service underpins The National Archives' willingness to be accountable to its customers.

The ICR role is to settle complaints about poor or inappropriate service, either by conciliation or adjudication. We investigate and identify whether The National Archives has provided a satisfactory service in line with its own policies and procedures, or whether there have been failings such as mistakes, delays, unfairness or discourtesy. Each complaint issue is addressed in an unbiased way, seeking a fair outcome for all involved.

People who contact our office can expect us to respond with courtesy, honesty, respect, objectivity and flexibility. We communicate with everyone in straightforward language and in ways that meet their needs.

There are certain complaints we cannot examine. These include complaints that:

- The National Archives itself has not fully considered;
- we receive more than six months after The National Archives' final response;
- concern matters of law or Government policy;
- are subject to legal proceedings; or
- have been or are being investigated by the Parliamentary and Health Service Ombudsman. However, the Ombudsman expects complaints to be referred to the ICR office first.

Initially we try to resolve complaints by agreement between The National Archives and its customer, as this generally results in a quicker and more satisfactory outcome for all parties. We ask complainants what they would like The National Archives do to put matters right. If further investigation is required, we keep complainants informed as to progress and issue a written report once all the evidence has been fully considered. If a complaint is upheld the report may recommend:

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

If complainants are dissatisfied with the outcome of the investigation, they may ask their MP to refer the matter to the Parliamentary and Health Service Ombudsman.

Customer Contact

In 2007-2008, 97 complaints were received by The National Archives, an increase from 77 in the previous year. The low number of complaints demonstrates the quality of The National Archives' service when compared with the volume of customer contact during the year. Last year this contact was as follows:

- | | |
|---|------------|
| • Number of visits to The National Archives (onsite and online) | 56,865,522 |
| • Number of documents supplied to researchers (onsite and online) | 85,621,313 |
| • Number of telephone enquiries made to the National Archives | 72,914 |
| • Number of written enquiries made to The National Archives | 25,105 |

These figures demonstrate a significant increase in visits and documents supplied from last year, reflecting the success of providing records online.

New Initiatives/Issues

During the year I noted several changes to The National Archives service that had the potential to cause complaints. These included:

- The closure of the Family Records Centre at Islington
The transference of this service, including facilities, records equipment and staff from Islington to Kew was a major undertaking. Extensive redevelopment and improvement works were carried out in order to begin the new consolidated service at the beginning of April. Throughout the project, consultation and the involvement of staff

and users of the service was crucial to meet their expectations as far as possible. Currently The National Archives is actively seeking feedback from all concerned on how people felt things had gone. Lessons learnt from this project are being used to inform the next major undertaking being planned, which is the refurbishment of the Map and Large Document Room.

- Analysing the data
Currently the breaking down and categorizing of data on complaints is not comprehensive. The National Archives is now in the process of developing a system to analyse and report in greater depth on the types of complaints received. This will strengthen its existing processes to ensure stronger customer relations in the future.

Access to the ICR Office

There are a variety of ways a customer can contact this office:

- By post to our office at:
The Office of the ICR
New Premier House
150 Southampton Row
London WC1B 5AL
- Our leaflet '*Seeking a fair resolution*' contains full details of our service, and a tear-out form on which to make a complaint.
- Our website (www.icrev.org.uk). Both the leaflet and the form can be found here, and we can provide a translation service for those who need it.
- By telephoning the office on 0207 278 6251, or by faxing the office on 0207 278 9675
- By email at enquiries@icr.gsi.gov.uk



Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone Fax & E-Mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: customer.services@tso.co.uk

Textphone: 0870 240 3701

TSO Shops

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

71 Lothian Road, Edinburgh EH3 9AZ

0870 606 5566 Fax 0870 606 5588

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

TSO@Blackwell and other Accredited Agents

ISBN 978-0-10-295567-5



9 780102 955675