



the national archives

# Annual Report and Resource Accounts 2005–2006







the national archives

**The Third Annual Report  
and Resource Accounts  
on the work of**

**The National Archives**

**and the Third Report of  
the Advisory Council on  
National Records and Archives**

**2005-2006**

*Annual Report and Resource Accounts presented to Parliament by  
HM Treasury on behalf of the Lord Chancellor pursuant to section 1(3) of the Public Records Act 1958  
and section 6(4) of the Government Resources and Accounts Act 2000*

*Ordered by The House of Commons to be printed on 20 July 2006*

HC 1496

LONDON: THE STATIONERY OFFICE

# About us

## Visit us at

**The National Archives**  
Ruskin Avenue  
Kew, Surrey  
TW9 4DU

Tel: 020 8876 3444  
Fax: 020 8878 8905

**Family Records Centre**  
1 Myddelton Street  
Islington, London  
EC1R 1UW

Tel: 020 8392 5300  
Fax: 020 8392 5307

## Visit us online at

[www.nationalarchives.gov.uk](http://www.nationalarchives.gov.uk)



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# Chief Executive's foreword

To the Right Honourable the Lord  
Falconer of Thoroton, Lord Chancellor,  
Secretary of State

I am pleased to present the Annual  
Report and Resource Accounts of The  
National Archives (the Public Record  
Office and the Historical Manuscripts  
Commission) for the financial year  
2005-2006.



I am pleased to present The National Archives' Annual  
Report and Accounts for the financial year 2005-2006.

I took up my post as Chief Executive in October 2005  
and would like to thank my predecessor, Sarah Tyacke,  
not only for all her support and encouragement  
during my handover period but also for her hard work  
and leadership over the previous 13 years.

In terms of both meeting ambitious targets and  
achieving the completion of challenging projects,  
2005-2006 has proved to be a highly successful year  
for The National Archives. It has also been a year of  
change. In addition to the arrival of a new Chief  
Executive, we have said goodbye to two of our longer  
serving directors and I would like to take this  
opportunity to thank both W. Jones, who left in May  
2006 and Liz Hallam Smith, who left in January 2006,  
for their hard work, professionalism and support  
during their time at TNA. We wish them well with  
their future endeavours.

At the heart of TNA's ethos is our desire to be  
recognised as an organisation that offers high-quality  
and inclusive services to all our customers, and also  
for our innovation and expertise. We have continued  
to make huge strides in terms of reaching new  
audiences and providing high-quality public access  
facilities at Kew, recognised again by the retention of  
our Charter Mark Accreditation.

To this end, last year saw the introduction of a new  
'digital express' record copying service at Kew, and  
customers can now enjoy wireless Internet access in the  
Document reading rooms and other public areas  
throughout the building. OPERA, our Online Publications  
and Electronic Resources for Archives service launched  
this year, provides onsite access to over six hundred  
electronic publications covering government and  
parliament; law and administration; and military and  
family history publications. All these services have  
proved to be very popular with our visitors.

Responding to the ever-increasing demand and  
interest in family history, we have continued our  
large-scale digitisation programme, making a wide  
range of family history resources available online,  
including the popular 19th century census records,

now available online from 1841-1901. Most of this census material is available onsite free of charge at both the Family Records Centre and Kew. In addition, we have made available within our website a selection of World War 1 military records including Campaign medals and more recently the Victoria Cross registers.

And our website is now more popular than ever. Through a combination of good teamwork, initiative and determination, yet again this year we have exceeded many of our online user targets, including more than doubling our target for page views and documents downloaded from our website. Usage of our award-winning Learning Curve website, our online teaching resource, increased by 200% this year. However, we are not complacent and realise that there is always room for improvement – in August we started a new online marketing campaign with a targeted 10% increase in visitors to our website by the end of the year, which we more than achieved.

We are continuing to respond to the challenges brought about by the diversity of electronic records, frequent changes in computer technology and the need to ensure that 'born-digital' records remain accessible over the long term, by introducing a number of innovative and creative initiatives. Our pilot presentation system for born-digital records, Electronic Records Online, launched in June, enables these digital records to be made available on the Internet, allowing access for our readers around the world.

Of course, our role is also a proactive one, supporting government departments to manage their information effectively and preserve it for future generations. Over this year we made significant progress in developing our ambitious and innovative 'Seamless Flow' Programme. This will involve the creation of a seamless flow of digital records from creation in government departments, to preservation in the archives, through to delivery on the web. As part of this programme, we recently launched our 'global search' facility, which helps to provide the user with a seamless search experience, presenting the results in a single web page.

We also played a key role in supporting government through Freedom of Information (FOI), across all of our records, which span virtually all departments. Freedom of Information, which was fully

implemented on 1 January 2005, is now well established and fully embedded into The National Archives' values system and culture. By the end of 2005 we had handled more requests than any other government department, with the exception of the Ministry of Defence, and we are consistently placed in the top three departments receiving the most FOI requests. This year our FOI Unit handled over 4,000 FOI requests and, over the first year of FOI operation, we proactively reviewed and opened around a third of all of our closed records.

There is now a real need to focus attention on the broader topics of information creation and management, which will actually form the bedrock for ongoing compliance with the Act. Close collaboration with other government departments will also be a crucial part of this – for example, in February 2006, we held a successful conference with the British Academy, highlighting new opportunities for academic scholarship opened up by the Act.

In the first few months of 2006-7, we have developed an ambitious vision to enable the National Archives to develop even further in the future. Our merger with the Office of Public Sector Information (OPSI) allows us to take a leading role in transforming information management, increasingly critical to preserve the records of today for tomorrow's researchers.

My first six months as Chief Executive has been a challenging and exciting time. None of the achievements I have mentioned would have been possible without the hard work, professionalism and continued dedication of our staff. I look forward to leading TNA and building on our current successes in future years.



**Natalie Ceeney**

Chief Executive  
The National Archives

17 July 2006

# Our Values

During our recent Investors in People assessment a number of areas were highlighted as needing extra work. We have drawn up an action plan for these priorities, included in which is a statement of our organisational values and actions to embed them.

These five values, which were drafted and approved with staff input, reach to the heart of everything we do. They represent the way the organisation would like to be experienced by customers, staff, business partners and anyone who comes into contact with us, and we would like to be measured against them. We have a lot of progress to make before the values are truly embedded in our everyday lives, but we are determined to succeed.

The National Archives' Values

## 1. Putting customers first

- Providing great service to all our customers
- Asking, listening and doing
- Delivering what customers need
- Making complex things simple
- Understanding that our success is satisfied customers

## 2. Being responsible guardians

- Having a passion for the records
- Ensuring the safe preservation of the nation's archives and our own knowledge
- Building and protecting our brand and reputation
- Ensuring the proper use of public money
- Being socially and environmentally responsible
- Providing opportunities for staff to shine

## 3. Setting open information free

- Communicating actively, widely and frequently
- Ensuring goals and decisions are clearly and openly stated
- Adhering to plain English rules
- Open doors, making time to talk
- Understanding that views expressed make a difference

## 4. Trusted to deliver

- Providing expert, credible knowledge and advice
- Taking pride in achieving what we promise
- Focussing on achieving the right outcome
- Increasing public value
- Always looking for a better way

## 5. Working together

- One team with shared goals
- Discussing, agreeing and supporting
- Understanding that everyone's important: we all know what to do and how we contribute to success
- Respect and trust given and earned
- Providing a duty of care and courtesy to each other
- Understanding that diverse backgrounds and views make a stronger organisation
- Learning from others' success and celebrating our own



# Performance against key Ministerial targets and Milestones

Target
Outturn

	Targets and Outturns								
	2003-04	2004-05	2005-06						
<b>Efficiency</b>									
Unit cost of selecting and preserving the public records per metre	<table border="1"> <tr><td>£96</td></tr> <tr><td>£89.00</td></tr> </table>	£96	£89.00	<table border="1"> <tr><td>£96</td></tr> <tr><td>£87.79</td></tr> </table>	£96	£87.79	<table border="1"> <tr><td>£97</td></tr> <tr><td>£92.45</td></tr> </table>	£97	£92.45
£96									
£89.00									
£96									
£87.79									
£97									
£92.45									
Unit cost of giving access to records <sup>1</sup>	—	<table border="1"> <tr><td>£4.55</td></tr> <tr><td>£3.12</td></tr> </table>	£4.55	£3.12	<table border="1"> <tr><td>£4.04</td></tr> <tr><td>£2.66</td></tr> </table>	£4.04	£2.66		
£4.55									
£3.12									
£4.04									
£2.66									
Onsite transactions	<table border="1"> <tr><td>£9.90</td></tr> <tr><td>£8.35</td></tr> </table>	£9.90	£8.35	—	—				
£9.90									
£8.35									
Online transactions	<table border="1"> <tr><td>£0.11</td></tr> <tr><td>£0.07</td></tr> </table>	£0.11	£0.07	—	—				
£0.11									
£0.07									

<sup>1</sup> Since 2004-05 there has been one overall access unit cost, with weightings for various onsite and online information transactions, which are published in The National Archives' corporate plan for 2005-08: [www.nationalarchives.gov.uk/about/operate/plans.htm](http://www.nationalarchives.gov.uk/about/operate/plans.htm)

	Targets and Outturns		
	2003-04	2004-05	2005-06
<b>Quality of Service</b>			
Achievement of five separate Public Service targets for:			
Answering letters within 10 working days <sup>2</sup>	98.5% 99.8%	98.5% 99.9%	98.5% 99.85%
Record copying services	98.5% 99.81%	98.5% 99.9%	98.5% 99.95%
Delivering documents to users (90% within 30 minutes on weekdays, 45 minutes on Saturdays)	90% 95.7%	90% 97.7%	90% 98.19% <sup>3</sup>
Specified time targets for making newly opened records and their catalogues available to users <sup>4</sup>	108%	107.6%	114%
Answering 85 per cent of telephone calls within 20 seconds	85% 90.82%	85% 97.7%	85% 99.9%
Onsite user satisfaction surveys: assessments of 'good' and 'excellent' from those expressing a view	90% 97.1%	90% 95.1%	90% 94.7%
<b>Electronic Service Delivery</b>			
To deliver a specified number of digital record images to users through Documents Online	60,000 103,653	100,000 227,018	165,000 250,090

<sup>2</sup> This target excludes all enquiries answered in accordance with the Freedom of Information Act, Data Protection Act, and the Environmental Information Regulations, which are subject to separate statutory deadlines.

<sup>3</sup> All documents requested by users on Saturdays were delivered to them within 45 minutes.

<sup>4</sup> New targets for the opening of documents were introduced in 2005 as a result of Freedom of Information implementation. The percentage figure reflects the extent to which the specified targets applying to different categories of document have been exceeded – see Corporate Plan 2005-08, Annex A.

## Social Inclusion

<p>i To begin the Moving Here online resource project 'Routes to the Future', which brings the experiences of migrants to Britain into the national curriculum, attracting new audiences to archival material.</p>	<p>Achieved: Project is making good progress and is now starting the web build phase; audiences targeted include migrants from China, Somalia, Yemen, Uganda and Portugal, whom it was not possible to include in the first phase.</p>
<p>ii To implement the 'Government and People: the interaction of the state with the citizen' operational selection policy in all relevant records selection work in departments.</p>	<p>Achieved: Instructions on implementing this operational selection policy went to all record officers in government departments and an e-form was devised to record decisions taken under this policy.</p>

## Raising The National Archives' Public Profile

<p>i To implement year one actions in our new three-year marketing strategy, by launching a national promotional campaign to raise awareness of The National Archives and its services; ensuring the specification of the new search engine is consistent with user needs; increasing digitisation of visual material and making substantial additions to our network of Licensed Internet Associate Services.</p>	<p>Achieved: User interfaces for the search engine were developed and 'global search' on the TNA home page was launched in March 2006; a six-year digitisation programme was agreed; work was started on the scanning of BT27; plans to digitise WO363-364 were underway.</p>
<p>ii. To grow the website user base by a 15% increase in numbers of users visiting the website more than once, taken from respondents replying to at least two surveys on The National Archives' web services.</p>	<p>Achieved: 69% of users visited the website more than once; an increase of 24.8% on the figure for the previous year.</p>

## Records Management

<p>i. To monitor and influence the effectiveness of records management in central government through the introduction of an integrated compliance regime with particular reference to the Code of Practice introduced under S.46 of the Freedom of Information Act 2000.</p>	<p>Achieved: Compliance programme was revised and expanded; draft assessment procedures and documents for use in pilots were completed; and the programme was extensively promoted through networks, workshops and seminars.</p>
<p>ii. To develop, in collaboration with other government departments, a statement of requirements towards the survival of digital records.</p>	<p>Achieved: Final statement was published in mid-March 2006 after public consultation and expert consultant review.</p>

# Key targets 2006-7

## Customers and stakeholders

- 1) 43,071,000 documents supplied (online and onsite)
- 2) 1,808,500 schools visits (online and onsite)
- 3) 16,120,000 onsite visits/web visits
- 4) Deliver workshops to at least 1,500 pupils from schools with an above average take up of free school meals and at least 2,000 to pupils from schools from an above average proportion of ethnic minority backgrounds
- 5) Achieve growth in retained website users of 15%
- 6) Maintain customer satisfaction of 90%+, in our onsite services and 80% in our online services
- 7) 98.5% of orders to our digital express service delivered within published target times, with customer satisfaction levels of 90% excellent or good<sup>1</sup>
- 8) Make records available to users in the reading rooms in an average of 35 minutes<sup>2</sup>
- 9) 10 key online services meet 99% availability target and maintain 99% availability on key internal business systems and services during the working day<sup>3</sup>
- 10) Reply to FOI queries within statutory time targets<sup>4</sup>

## Key projects for growth and development<sup>5</sup>

- 11) Continue the Seamless Flow programme, by completing:
  - Automated records transfer process, by March 2007
  - Next version for consulting digital records online, March 2007
  - Full specification/design of electronic preservation system – initial version of registry, March 2007
  - Enhanced digital object store – design complete, March 2007
  - Seamless flow piloted in government department or agency, March 2007
- 12) Electronic preservation
  - Prepare a bid for the Comprehensive Spending Review for an intermediate store for electronic records which have long term business value
- 13) Construct a Global Search for searching of our own and other websites, by achieving
  - Agreement with hosting companies, June 2006
  - System enhancements, October 2006
  - Indexing, December 2006
  - Launch, January 2007
  - Customer clinic, February 2007
- 14) Implement new TNA vision and strategy, with
  - Structure implemented, April 2006
  - New vision launched, September 2006

<sup>1</sup> This service and the target launch formally from 1st July 2006, when formal monitoring will start.

<sup>2</sup> Service standard differs from 05-06, due to need to optimise performance under impact of reduced resources. Our existing service standard exemptions for failure in the automated delivery systems continue to apply.

<sup>3</sup> 8am to 5pm Monday, Wednesday, Friday and to 7.00 pm on Tuesday and Thursday, 9am to 5pm Saturday. The 10 key online services are: TNA homepage, Documents Online Homepage, Learning Curve Homepage; A2A Homepage; Catalogue Homepage; Family History Homepage; Moving Here Homepage; Electronic Records Online; National Register of Archives. Internal systems include: e-mail, Objective, DORIS, FOI tracking, Narnia, Internet access (including Cyber Café), PROCAT editorial, Data storage (LAN lines), telephony, FRC links and Cheshire Link.

<sup>4</sup> (i) Under Section 10 of the act, the National Archives may respond to certain enquiries within 30 days, where the request is for information that is contained within a transferred public record.

(ii) That has not been designated as open information within the Freedom of Information (Time for Compliance with Request) Regulations 2004. Our monitoring reflects these cases.

<sup>5</sup> These key programmes are reflected in our corporate plan 2006-7.

- 15) New Human Resources and organisational development strategy, with
- HR Strategy produced, September 2006
  - Learning and development strategy produced, September 2006
  - Key components of strategy commenced, October 2006
  - IIP retained, January 2007

16) 90% business plan delivered

## Value for money

- 17) Unit costs for preservation do not exceed £90 per metre stored<sup>6</sup>
- 18) Unit costs for one visit (online and onsite) does not exceed £1.61<sup>7</sup>
- 19) Achieve the top quartile in the cash flow management league for small departments for the year 2006/07

## Staff

- 20) 9 days sick absence per member of staff (average)
- 21) Diversity. Achieve SCS targets for diversity for TNA staff population as a whole:
- 37% women
  - 30% top management women
  - 4% ethnic minorities
  - 3.2% disabled<sup>8</sup>

<sup>6</sup> Unit cost of selecting and preserving the public records per metre; in 2005-6 this was £97.

<sup>7</sup> The unit costs are verified by external auditors and published in the net operating costs by departmental aims and objectives of the Resource accounts.

<sup>8</sup> This target has been applied to total TNA staff population because we do not have sufficient numbers of senior civil service staff to make this meaningful.

# Resource accounts

## 2005-2006

The National Archives

A Government Department and Executive Agency

### Management commentary

for the year ended 31 March 2006

#### 1. About The National Archives

##### Background information

The National Archives was formed in April 2003 by a merger of the Public Record Office and the Historical Manuscripts Commission. The Chief Executive is both Keeper of Public Records and sole Historical Manuscripts Commissioner. The National Archives is a Government Department and Executive Agency under the Secretary of State for Constitutional Affairs.

The National Archives operates the United Kingdom Public Records Acts of 1958 and 1967 and exercises the powers of the Historical Manuscripts Commission in relation to other archives. The records that The National Archives preserves and makes publicly available span over a thousand years of English and British history,

from the Domesday Book in 1086 to the latest releases of government papers. The National Archives is funded by a request for resources from Parliament.

##### Aims

For the year under review the aims of The National Archives were:

- to assist and promote the study of the past through the public records and other archives in order to inform the present and the future
- to advise government on records management, archive policy and related information policy matters
- to advise record custodians in the public and private sectors on best practice in records and archives management.

## Objectives

For the year under review the objectives of The National Archives were:

- **Records Management and Selection:**  
Overseeing management of records in government to support government business operations; selecting and acquiring public records of enduring historical value for public access.
- **Preservation:**  
Preserving the selected public records permanently so that present and future generations can have access to them, and promoting similar arrangements for other archives.
- **Access:**  
Providing online and onsite access to the public records, disseminating information about archives held elsewhere and promoting the value and use of archives as a national information and educational resource.

## Management and structure

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

**Public Services and Marketing** was responsible for making the records available to the public on-site and online and for developing and promoting high-quality public services. It provided expert advice and other services to readers and remote users, and provided expert knowledge about the records through the creation and refinement of traditional and electronic finding aids. It provided copying services both on-site and online, and was responsible for the storage of the public records and for making them available to the public and government users.

The directorate was responsible for making catalogues, records and advice available to the public electronically on the Internet, and also a selection of public information films. The group was responsible for The National Archives' web sites, digitisation programme and e-learning initiatives, and provided various services promoting the archives to readers and remote users. It organised publicity and marketing activities designed to raise awareness of The National Archives, conducted market research to

assist effective communication and promoted good internal communication within The National Archives. It arranged a programme of activities including school visits, events and exhibitions, and engaged in publishing, retailing and other income-earning activities such as licensing.

**Collections and Technology** was responsible for overseeing the management of current records (paper and electronic) in government. It guided and supervised government departments and other public record bodies in the selection and transfer of records to The National Archives or other suitable archives and then preserving those records by ensuring that they are maintained and stored in good order. It developed special provisions for selecting and preserving electronic records, dealt with relevant aspects of government information policy and advised the Lord Chancellor on the records system in general and specifically on the implementation of the Freedom of Information Act (FOI).

This Directorate also liaised with other record offices designated as places of deposit for public records. It made enquiries about the existence and location of records relating to British history outside the public records, and recorded details of those records in the National Register of Archives (NRA), enabling users to follow up computerised index entries in the NRA by consulting the full catalogue series and other finding aids and by seeking additional advice from HMC expert staff. It provided advice to private owners, the V&A Purchase Grant Fund, the Heritage Lottery Fund, the New Opportunities Fund and the National Manuscripts Conservation Trust and other bodies on grant applications from archive institutions. It also advised the relevant government bodies concerning the Acceptance of Manuscripts in Lieu (AIL) of tax.

This directorate was also responsible for the maintenance and development of the Information and Communications Technology (ICT) infrastructure, including operational ICT and developments including long term digital preservation.

**Strategy, Finance & Resources** ensured the efficient, effective and proper use of The National Archives' financial, staff and other resources. It was responsible for essential support services. These included the functions of Finance, Human Resources, Staff Training, Procurement, Internal Audit, the Monitoring of Project Controls, Risk Management and Policy Advice. It also



managed Security and the general management of the estate and of its facilities. All of these functions were in support of The National Archives in meeting its business and corporate objectives. The Chief Executive's Office, which was independent of but worked closely with this group, was directly responsible to the Chief Executive for Performance and Communications issues.

## 2. 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 2005-06 The National Archives had 600 employees (558 full time equivalents) of whom 276 (46%) were women. The 600 employees were made up of 571 permanent staff and 29 casual staff. Of the 571 permanent staff, 35 (6.1%) would be recognised as disabled in the context of the Disability Discrimination Act 1995. Of the 526 staff who have declared their ethnic origin, 101 (19.2%) were from ethnic minorities.

The National Archives, through its senior managers, meets regularly with staff and Trades Union representatives in a wide spectrum of areas, including Whitley Council, Health & Safety Committees and link groups. The National Archives provides a welfare service for its employees.

### Values

During 2005-06, The National Archives developed a set of common Values for the organisation, to ensure that all staff were able to identify what behaviour we expected of all staff members within the organisation. These were developed with staff, and endorsed by a staff vote, with over 75% of staff voting in favour of the values. These values are:

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

Workshops have been held with staff to identify a range of actions to help embed these values into the way we work. The National Archives will be regularly monitoring its performance against these values and ensuring that 'living them' is embedded in individual performance agreements.

### Stakeholders

In the course of the year we adopted a more sophisticated approach to stakeholder management, based on up-to-date information about all the individuals and organisations with whom we have developed a significant relationship. Senior managers have been identified as owners of specific relationships with our main stakeholders, with ultimate responsibility for their successful management, supported by key staff who will make a point of keeping the owner informed of any contacts with the relevant group or individual. In this way we will co-ordinate our dealings with stakeholders more effectively.

We have developed, and wish to develop further even more collaborative ways of working with other **government departments** in the management of electronic records. Working closely with the e-government unit of the Cabinet Office, we are taking an increasingly pro-active role in the preservation of electronic records of enduring historical value.

We have developed and are now implementing a five-year digitisation strategy of popular records to meet the needs of our **public users**, who increasingly expect all the information that they seek to be available online. Improvements in search engines and online copying services will also reinforce our position as a leading player in the information industry.

We have produced guidance and support on a wide range of professional practice to the community of public sector **records managers and archivists**, in particular in relation to FOI implementation and electronic information management. We continue to play a leading role in this community in partnership with the other national archival institutions in the

UK, the National Council on Archives, and the leading professional bodies.

We systematically publicise our main record releases, through regular events for the **media** and easy online access, with the result that the public profile of the organisation is much higher than it was even a few years ago.

## Customers

We are completely committed to involving our customers in the development of our services. We operate numerous ongoing consultation groups, including a Regular Readers Forum (for Kew) and the User Group (for the Family Records Centre). We have remodelled our Online User Advisory Panel to reflect the increasingly digital way that our customers do research, and continue to consult our Cataloguing User Advisory Group to help us decide which projects to take forward. We have a new policy that online service development is tested from scratch with real users of our websites, and we intend in future to operate a virtual research forum online where we can consult customers in real time.

## Social, Community and Environmental Issues

The National Archives is an integral part of the Kew landscape, and we are committed to being a positive and responsible neighbour. The public are free to use our award-winning grounds, and we help to fund improvements in service such as signposts to help customers locate our building. We advertise for recruitment through local newspapers, ensuring that employment opportunities are available to local residents. We host many meetings for local organisations such as the Rotary Club and the Mayor of Richmond, and regularly work jointly with the Royal Botanical Gardens to enhance our mutual objectives – this year we asked them to try and germinate some 200 year-old seeds that were found in old naval papers. We also consult closely with the Kew Society when making significant changes to our buildings (for example changing the sign over our front entrance) to ensure that The National Archives remains in harmony with the local environment.

We are also determined to reduce our use of energy. Working with external specialists, we began an energy review in 2005-6 which will continue in 2006-7. Our

goal is to lessen our impact on the environment and improve value for public money.

## Departmental report

The National Archives' departmental report was presented to Parliament as part of *The Department for Constitutional Affairs - Departmental Report (CM 6828)*. It described progress in meeting strategic objectives and looked forward to the spending plans of the next three years. The report was published in May 2006.

## 3. 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 and services, or the invoice, whichever is the later. In 2005-06, 99% were paid by The National Archives 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 £43.117m. The actual outturn for the financial year was £40.420m, a saving of £2.697m. 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. We also maintain facilities with the National Westminster Bank to clear retail transactions through to the OPG and also arrange for electronic transactions (debit and credit cards) to be collected on The National Archives'

behalf. Capital expenditure, administration costs and income are monitored and reported bi-monthly to the Management Board, which considers and agrees actions to be taken as appropriate.

## Financial Position

In 2005-06, The National Archives' net outturn of £40.420m was £1,026m over the amount allocated in the Spending Review 2004 (£39.394m) funded by unspent funds brought forward. The carried forward to 2006/7 is £2.697m; this is mainly required to fund the ongoing electronic records programme which is essential to ensure that electronic records are captured and preserved to the same standards that paper has been traditionally managed. The net unspent amount is made up of an underspend on cash items of £4.426m and an overspend on non-cash items of £1.730m. Net Cash Requirement was under the voted estimate by £7.013m, however, as is clear from the cash balance at 31 March 2006 of £0.539m, these funds were not drawn down. Furthermore the organisation was top of the cash flow management league for small departments.

As a result of the organisation's steps to focus on key priorities and reduce spending, capital expenditure was successfully restrained to £1.872m resulting in an underspend on capital of £2.127m. This underspend will be used in 2006/7 for electronic records and online services, for the reasons stated above. There was a significant one-off non-cash item in 2005-06. This was the impairment of the mechanical document delivery system (£0.565m). A more cost-effective delivery system is being implemented in 2006-07, which will result in significant future savings.

Over the coming years we will face increasing financial pressure. The National Archives faces the twin challenges of dealing with digital information as well as paper, as well as an increased need to provide leadership to the rest of the UK public sector on the effective management of digital information. A review of contract renewals and service priorities is in place to deliver savings. We are also exploring alternative methods of raising money, through for example grants and partnerships.

## Audit

The financial statements have been audited by the National Audit Office on behalf of the Comptroller

and Auditor General. The audit fee was £65,000 (see note 4). 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 are unaware and the Accounting Officer has taken all the steps that she ought to have taken 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 has had a very strong year in terms of performance, as demonstrated by our performance against Key Performance Indicators (KPIs) shown in detail in this annual report in the earlier section. The KPIs within the accounts are the two unit cost targets in "Net Operating Costs by Departmental Aims and Objectives" which were both met. Overall, though, given the challenges of introducing a new FOI approach, coupled with the new challenges of digital preservation, The National Archives' performance of achieving all of its KPIs demonstrated the strong delivery focus of the organisation.

## Risks and Uncertainties

The National Archives' major strategic risks are set out in a high-level Corporate Risk Register, which was subject to simplification and recasting in the course of the year. The Audit Committee has approved the new, more focused, Register, in which the top three issues are as follows:-

- The impact of reductions of core funding on The National Archives' programmes, particularly given the challenges of managing electronic media as well as paper
- The need for the organisation to continually respond to, and adapt to changes in the external environment, particularly given electronic communications
- The importance of gaining the support of The National Archives' staff for continuing change.

All Programme and Project Boards maintain risk registers that are regularly evaluated, as does each department.

## 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.

## 4. Review of activities

### Onsite Services

During 2005-06, we continued to work hard to improve the overall "visitor experience" to The National Archives, consistently providing high quality public access facilities both at Kew and the Family Records Centre in Islington.

Our Online Publications and Electronic Resources for Archives service, launched earlier this year, now provides onsite access to over six hundred electronic publications covering government and parliament. In addition our wireless Internet access in the Document reading rooms and other public areas throughout the building have improved the working environment for onsite researchers.

Our main onsite users are historians and journalists – and over the past year we have welcomed over 270,000 onsite users. However, we also focus on supporting the National Curriculum through onsite as well as online schools resources. Our Learning Curve schools website has continued to grow in popularity, with usage more than doubling, as have our schools visits (we had a total of 9,500 school visitors over this period).

An ongoing programme of reviewing the facilities we provide has enabled our broad range of visitors to continue to receive the highest possible quality public services, recognised again by the retention of our Charter Mark Accreditation.

### Online Services

Our online access has continued to rise significantly, with over 22 million unique web visits to our site over

this period. We have achieved this by continuing to digitise our most popular resources in partnership with third party organisations (through Licensed Internet Associateships), making a wide range of family history and other historical resources available online. This included the ever-popular 19th century census records, now available from 1841-1901, and a selection of World War 1 records including Campaign medals and the Victoria Cross registers.

We will never be able to digitise all of our content, and so also launched during the year a pilot digitisation-on-demand service called 'Digital Express', which allows customers to request a copy of a document online, and receive an electronic e-mailed copy within 24 hours for a fee of less than £10 (cost recovery basis). This has proved extremely successful, and will be launched formally during 2006/07.

During 2006-07, we are planning a number of developments to our online services, including the launch of a system enabling online users to register and personalise our services, the online launch of images and a searchable transcription of the Domesday Book and the launch of a new online Image Library for business-to-business image sales. We will also offer four new "Licensed Internet Associateship" packages and select a contractor(s) for the digitisation of the 1911 census.

### Promoting The National Archives

Throughout the year we also began to implement our new Marketing Strategy. With the aim of increasingly expanding the range of visual information we offer, this included the online launch of more than 80 public information films, an online exhibition of more than 300 images of fragile 'Design Register' records and the hugely popular "Art of War" online exhibition, featuring previously unpublished art from the Second World War.

To mark the Year of the Sea and the 200th anniversary of the Battle of Trafalgar in October, we launched a series of online resources including a database of sailors who served with Nelson at Trafalgar. These online initiatives which were supplemented by our "Captains, Pirates and Castaways" exhibition at Kew culminated in the highest-ever number of visitors to our website on a single day.

## Digital Preservation

We have continued to respond to the challenges brought about by the diversity of electronic records, frequent changes in information technology and the need to ensure that “born-digital” records remain accessible over the long term. Electronic Records Online (EROL), our presentation system for born-digital records, launched in June, now enables these digital records to be made available on the Internet, allowing access for our readers around the world.

Also over the course of 2005-06 we have continued our programme for preserving ‘born digital’ material which does not equate to paper formats – most notably, the web. We now create web archives on government websites, with main departments’ sites archived every week, and others on a six-monthly basis, to ensure that information made available of government websites remains accessible for long term use.

Over this year, we have also made significant progress in developing our ambitious “Seamless Flow” programme, so named because of its aim to allow the seamless flow of digital records from creation in government departments to preservation in the archives, and then enable access via the web. As part of that programme, we also recently launched a search engine to cross-search the content of our many catalogues and online resources and present users with a combined, and user-friendly results list. Again, this new service has already proved extremely popular.

## Supporting the wider work of Government

We have continued to develop collaborative ways of working with other government departments in the preservation and management of electronic records of enduring historical value. Working closely with the e-government unit of the Cabinet Office, we have taken on an increasingly pro-active role in driving forward the Government’s shared services agenda, and are currently developing plans for digital preservation shared infrastructure across government.

We have also played a key role in supporting government through Freedom of Information. During 2005-06, our FOI Unit handled more FOI requests than any other government department, with the exception of the Ministry of Defence and we are consistently placed in the top three departments

receiving the most FOI requests. Furthermore, our proactivity with FOI meant that we reduced the number of closed records held at The National Archives over this period by one third – from around 300,000 closed records to around 200,000.

## 5. Taking The National Archives forward – Our new vision

In the first few months of 2006-07, we have developed a bold new vision to carry The National Archives forward into the 21st century and over the coming year we will be focusing on creating a strategy to deliver that vision in close collaboration with key stakeholders. Our new vision addresses the challenges we face in terms of a rapidly changing digital environment, where, unlike in a paper environment, if electronic information is not actively kept and managed, it quickly becomes unreadable and unusable. In addition, user expectations are rising rapidly, with users expecting to locate and read almost everything online, and instantly.

The vision we have developed to respond is a proactive one, which requires us to:

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

To help us realise our “leadership” vision, we will merge in late 2006 with the Office of Public Sector Information, who have responsibility for policy on Crown copyright and information re-use. This will enable us to lead on information management policy across government which, coupled with our strong service delivery remit, gives us an even more important and influential role.

As part of our review of strategy, which has focused on the huge changes in information management over the last 10 years, and our commitment to providing high-quality services to family historians, we are also planning to develop new online services that reflect customers’ needs, and to integrate Family Records Centre (FRC) onsite services at Kew during 2008. We will retain the jobs of our FRC staff in a dedicated family history service at Kew. With our expert FRC staff working alongside those already based at Kew, customers will receive the full benefit of an integrated onsite service providing expert help and specialist advice.



Our vision is aimed at sustaining the nation's heritage for generations to come, so that we can add even more value to even more people. Over the coming months and years, as we move towards delivering our vision, we will be working even more closely with our customers and stakeholders to ensure we deliver what they need. We will also work even harder to develop stronger partnerships across user groups, the information sector, the government policy sector and research partners.

## 6. The National Archives' Governance

In late 2005-06, The National Archives conducted a thorough governance review to ensure that all The National Archives' governance was best practice in the light of recently changed government guidance. As a result, a new governance structure was agreed to take effect from April 2006 which reduced the Management Board to 8 (maximum 10) which includes 6 executives and 4 non-executive members; and also strengthened the focus and role of the Audit Committee. These changes will all have been introduced and implemented by October 2006.

### In 2005-06 the members of the Management Board were

**Sarah Tyacke**

Chief Executive (Keeper of Public Records and Historical Manuscripts Commissioner) (to 14 October 2005)

**Natalie Ceeney**

Chief Executive (Keeper of Public Records and Historical Manuscripts Commissioner) (from 17 October 2005)

**Elizabeth Hallam-Smith**

Director of National Advisory & Public Services (to 25 January 2006)

**W. Jones**

Director of Strategy, Finance and Resources

**David Thomas**

Director of Collections & Technology

**James Strachan**

Head of Online Services & Strategic Marketing (to 31st January)  
Acting Director of Public Services & Marketing (from 1st February)

**Chris Cooper**

Head of Reader Information Services

**Nick Kingsley**

Head of the National Advisory Service

**David Leitch**

Head of Chief Executive's Office

**Meg Sweet**

Head of Records Management

**Alison Webster**

Head of Online Content & Partnership Development

**Nick Worrall**

Head of Financial Services

**Barry Glassberg**

Non-executive member

**Simon Palethorpe**

Non-executive member

**Meyrick Vevers**

Non-executive member

Natalie Ceeney, the Chief Executive, was appointed in October 2005 by competitive recruitment as Keeper of Public Records and Historical Manuscripts Commissioner by the Lord Chancellor. Her contract expires on 16 October 2010, but it can also be terminated under the standard procedures of the Civil Service Management Code. Her salary is determined by the Lord Chancellor.

The other Senior Civil Servants, Elizabeth Hallam-Smith, W. Jones and David Thomas, were appointed by competitive recruitment. They are or were permanent employees. Their salaries are determined by reference to the Senior Salaries Review Body. Procedures for termination are as set out in the Civil Service Management Code.

The other members of the Management Board (excluding the non-executive members) were all appointed by competitive recruitment. They are permanent employees. The determination of their salaries is through a locally negotiated scheme to which all The National Archives employees, excluding the Chief Executive and other Senior Civil Servants,

are subject. These Management Board members have standard contracts of employment and the termination of their employment is governed by employment law.

Details of the remuneration for the Chief Executive and other Senior Civil Servants are shown in the Remuneration Report.

There were no company directorships nor other significant interests held by Board members which conflicted with their management responsibilities



**Natalie Ceeney**  
Accounting Officer

17 July 2006

# 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](http://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 of 60. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Sarah Tyacke, who was on a fixed term contract, retired in October 2005.

Natalie Ceeney was appointed on a five year contract commencing on 17 October 2005. Her contract expires on 16 October 2010, but it 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](http://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 two Non-Executive Directors, Barry Glassberg and Meyrick Vevers, advised by the Director of Human Resources and Organisational Development.

A policy on remuneration of senior staff at The National Archives was produced in 2004, and is due to be updated for 2007. The policy, 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, and these form the basis of formal appraisal and subsequent pay and bonus recommendations. Their appraisals are available to the Remuneration Committee. The Chief Executive's pay and bonus are dealt with by the separate Remuneration Committee of the Department of Constitutional Affairs.

Staff's existing base salary is not subject to performance conditions. 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 and Directors of The National Archives were as follows (audited):

	Column 1 Salary including performance pay	Column 2 Real increase in pension & related lump sum at age 60	Column 3 Total accrued pension at age 60 at 31/3/05 & related lump sum	Column 4 CETV at 31/3/05	Column 5 CETV at 31/3/06	Column 6 Real increase in CETV
	£000	£000	£000	Nearest £000	Nearest £000	Nearest £000
<b>Natalie Ceeney –</b> Chief Executive (from October 2005)	45-50	0 – 2.5  no increase in lump sum	7.5 – 10.0  no lump sum	0	99	97
<b>Sarah Tyacke –</b> Chief Executive (to October 2005)	60-65  (2004-05 95 – 100)	0 – 2.5  plus 2.5 – 5.0 lump sum	40 – 45  plus 130 – 132.5 lump sum	937	1,072	20
<b>David Thomas –</b> Director	75-80  (2004-05 70 – 75)	0 – 2.5  plus 0 – 2.5 lump sum	25 – 30  plus 70 – 75 lump sum	479	632	37

Natalie Ceeney, Sarah Tyacke and David Thomas did not receive any benefits in kind.

significant employer contribution (partnership pension account).

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

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary 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 (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

Elizabeth Hallam-Smith Consent to disclosure withheld  
Resigned 31.1.06

Director

Mrs. W Jones Consent to disclosure withheld  
Retired 31.5.06

Director

## Pension

Pension benefits are provided through the Civil Service Pension (CSP) arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The Schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a

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. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also

contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the CSP arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://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.

Columns 4 & 5 of the above table show the employee's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. Column 6 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

17 July 2006

## 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 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 Treasury and published in *Government Accounting*.

# Statement on Internal Control 2005-06

## 1. Scope of Responsibility

1.1 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 departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

1.2 As The National Archives is a government department, I am accountable directly to parliament. I report directly to the Lord Chancellor, meeting with him twice a year to review progress and items of significant risk.

## 2. The Purpose of the System of Internal Control

2.1 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 policies aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage them efficiently, effectively and economically.

2.2 The system of internal control has been in place in The National Archives for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

## 3. Capacity to Handle Risk

### 3.1 Key responsibilities of the Management Board

#### Mission and strategy

1. To enable The National Archives to pursue and achieve its mission, as defined by statute and the Agency Framework Agreement.
2. To discuss, agree and communicate the overall

strategy of the organisation, both within government and to the research community and other stakeholders

3. To approve the strategic and corporate plans.

#### Resources

4. To ensure that the organisation is financially sound. This includes debating and approving the longer-term financial strategy, CSR submissions, and annual operating plans and budgets

5. To ensure that The National Archives has human resources and employment policies which enable it to recruit, retain, motivate and develop quality staff in all its activities

6. To ensure that the organisation has an information and communications strategy, and the supporting technology, to enable it to deliver quality services to its customers

#### Governance

7. To monitor the performance of the organisation against the strategic plan, annual budgets and operational targets

8. To ensure the existence, proportionality and integrity of risk management and control systems, with clear identification of key risks and delegated responsibility to staff for managing these risks. To review and monitor these through the Audit Committee

9. To approve major capital investment or major expenditure on the revenue accounts

10. To ensure that the Management Board and its sub committees have the range of skills and experience necessary to carry out their responsibilities.

### 3.2 Review of responsibilities of the Management Board

During the year, the Board commissioned a review by an independent consultant of The National Archives' governance structure against the principles set out on the Code of Practice on Corporate Governance.

The review prompted a number of changes in the strategic governance structure, which was considered to be over-bureaucratic. The revised strategic governance structures were agreed by the existing Management Board in January 2006, effective from 1 April 2006 and are as follows:

- A reduction in size of the existing Management Board from 14 to 8 (max 10) with a clearer remit for the non-executive directors. A mapping of skill

sets required for the non-executive directors will ensure that on replacement the best match is achieved to support the organisation. The remit of the Management Board covers vision and strategy for the organisation, approval of the business plan, ensuring that the necessary resources (human, financial and systems) are available to implement the strategy and business plan, key investment decisions, and oversight of key operational decisions particularly those with a high risk profile;

- The executive team will continue with its operational role in taking forward the strategy and ensuring it is implemented; and
- The Audit Committee will become a sub-committee of the Management Board and will comprise of independent members only, including the Chair, who is also a member of the Management Board. The Chief Executive and the Finance Director will be in attendance. The Chair will report quarterly to the Management Board. It will have an enhanced role in scrutinising our expenditure and challenging our performance and risk management.

3.3 A new simplified organisational structure was announced in the latter part of 2005-06 and the implementation is ongoing. The restructuring realigned and reallocated responsibilities, so that related activities are grouped together in a structure which successfully collaborates between on-site and on-line services linking The National Archives' structure more closely with its strategy. The new structure will make The National Archives more joined up as an organisation.

3.4 The National Archives aims to conform to all relevant key aspects of the Code of Practice and has, or will, implement in 2006-07 improvements to ensure that:

- Board members notify and register with the Chief Executive's Office any issues on which they might have a conflict of interest (Code provision 2.12);
- The Board and Audit Committee maintain a balance of skills and experience appropriate to the needs of The National Archive's business and are fully cognisant of their roles to provide corporate leadership to the organisation as a whole (Code provision 3.1-3.5);
- Independent non executive Board members are identified in the Annual Report (Code provision 4.2); and

- The terms of reference of the Audit Committee and an annual report on its work are published (Code provision 5.3).

## 4. The Risk and Control Framework

4.1 The National Archives embraces the principles and requirements of good corporate governance. The culture of the organisation supports responsible risk taking. There is a risk management framework which provides a clear understanding of responsibilities. We also ensure that, for all our major projects, we follow a project methodology and develop communications strategies.

4.2 The high level corporate risk register is reviewed by the Management Board three times a year. This provides information on strategic risks. Changes in the level/impact of all key risks are clearly identified.

4.3 We aim to ensure that staff at all levels are able to contribute to the identification and evaluation of risk. In order to achieve this we:

- encourage departments to ensure that risk management priorities are given a high profile at departmental meetings;
- offer a risk management and control training module to ensure that more staff (particularly junior managers) are equipped with skills and an understanding of corporate governance; and
- provide risk and control information on The National Archives intranet, including the corporate risk register, information and guidance on departmental risk registers and treatment plans, a diagrammatic overview of the risk management framework, and HM Treasury's Orange Book.

4.4 At lower levels risk registers assess the risks relating to programme, project and departmental targets and assign responsibilities.

4.5 We have systems to ensure the security of our site, our documents and assets, our staff and the public, which include:

- disaster planning exercises; and
- a comprehensive online security manual, with clearly defined roles and responsibilities.

4.6 During the year we introduced an extensive review of our security procedures for checking incoming visitors prior to access to the records. These measures included improved checking procedures, limiting paper, improved CCTV coverage etc. These

were implemented following consultation with our regular reader's group. The measures have been in place for the latter part of the year and appear to be working satisfactorily.

## 5. Review of Effectiveness

5.1 As Accounting Officer, I also 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 managers within the department 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. Further information comes from external reviews, checks and accreditations, which are detailed in The National Archives' Strategy for Obtaining Overall Assurance. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Executive Team, the Management Board, and the Audit Committee, and plan to address weaknesses and ensure continuous improvement of the system is in place.

5.2 During the course of 2005-06 we have enhanced existing risk management procedures. My review of effectiveness also ensures that there is continuous improvement of the system of internal control. I am confident that all key corporate governance processes are in place.

5.3 With effect from 1 April 2006, the Internal Audit function is being carried out by the internal audit department of the Land Registry. Its primary aim will be to provide me with an independent and objective opinion on the effectiveness of the organisation's risk management, control and governance arrangements. Providing such an opinion will require a range of audit assignments, across the organisation's activities. These will also provide local managers with observations, opinions and, where necessary, recommendations on their areas of responsibility. Each assignment will result in a formal report. Contracting our internal audit function to the Land Registry will considerably broaden and strengthen internal control.

## 6. Significant Internal Control Problems in 2005-06

6.1 I am aware of no significant internal control

problems that would prejudice my assurance for 2005-06.

## 7. Major Challenges in 2005-06

7.1 During the year there have been a number of issues which have been successfully dealt with by management. None of these are significant in terms of the business as a whole.

7.2 Freedom of Information (FOI) Act presented a major challenge for The National Archives, however, the preparations for the FOI implementation were effective, and systems are coping well with the high number of requests. The number of complaints remains low, mainly relating to requests for closed records, some of which we have managed to open. Although the implementation of the Act was successful, we continue to learn from our experiences post-implementation and aim to reduce risk through continuous improvement.

7.3 Our FOI publications schemes were re-developed and merged into one after The Information Commissioner's Office gave approval in October for our new FOI publication scheme which now covers the whole of the National Archives, drawing Public Record Office and Historic Manuscripts Commission information together.

7.4 Extensive media coverage carries the risk that demand will exceed our service capacity. We have worked hard to predict the impact of publicity on our resources and focused on ensuring that they are in the best possible shape. The screening of the second series of BBC family history programme "Who Do You Think You Are" has boosted online and onsite demand. New document releases and the launch of our archive of memorable Public Information Films have attracted huge audiences. Contingency planning for anticipated surges in demand has been effective.

7.5 We have continued to enhance our online services by introducing the wireless internet service (WIFI) in the public restaurant and conference suite allowing readers with WIFI equipped laptops free access to internet and emails. Furthermore, a global search engine for all content available on our website has been implemented.

7.6 Ongoing work continues to carry out enhancements to our IT infrastructure to increase its

resilience, availability, security, and capacity as well as to support Seamless Flow Strategy.

7.7 We have continued to develop the Seamless Flow programme to ensure the long-term survival of digital records of research value.

7.8 We have begun to discuss with central government departments the need to ensure the survival of electronic records which have long-term research value.

7.9 To help in preserving The National Archives collections, we have expanded our technological capacity to enable analytical testing and technical examination of our records. This will significantly enhance our forensic capacity to understand the making and meaning of our collections.

7.10 To develop our public services, Digital Express, our new express digital copy service, has been piloted. Traditional photocopiers have been replaced with overhead scanners, helping to preserve our documents. Our plan is to launch this service in 2006-07. In addition, a new more user-friendly copying system, Optimus, was implemented which manages and tracks copy orders much more efficiently than the previous system.

7.11 Our new pay and grading structure reflecting recent organisational changes was introduced in 2005-06. The final outcome is a more transparent system, which offers development opportunities and encourages staff retention.

7.12 To improve internal communication within The National Archives, we introduced a new monthly newsletter called 'Freedom of Internal Information – FOI<sup>2</sup>' where all the key decisions and corporate issues are communicated clearly.

7.13 Following the terrorist events in July 2005 in London, we have put in place a range of additional security measures.



**Natalie Ceeney**  
Accounting Officer

17 July 2006



# 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 2006 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 Cashflow 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.

## Respective responsibilities of the Accounting Officer and Auditor

The Accounting Officer is responsible for preparing the Annual 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 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 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. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, 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 pages 26 to 29 reflects the Department's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover 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. This other information comprises only the Chief Executive's foreword, Our Values, the organisation's Performance against key Ministerial targets and Milestones, Key targets 2006-07, the Annual Report 2005-06 by the Independent Complaints Reviewer, the Third Annual Report 2005-06 by the Advisory Council on National Records and Archives, the unaudited part of the Remuneration Report, and the Management Commentary. I consider the implications for my report 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 opinion

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.

## Opinion

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 2006 and the net cash requirement, net resource outturn, resources applied to objectives, recognised gains and losses and cashflows 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
- 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.

I have no observations to make on these financial statements.

**John Bourn**

Comptroller and Auditor General

18 July 2006

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

**Statement of Parliamentary Supply**  
**SUMMARY OF RESOURCE OUTTURN 2005-06**

	Note	2005-06						Net total outturn compared with Estimate saving/ (excess) £000	2004-05	
		Estimate			Outturn					Outturn
		Gross expenditure 1 £000	A in A 2 £000	NET TOTAL 3 £000	Gross expenditure 4 £000	A in A 5 £000	NET TOTAL 6 £000			
Request for Resources 1	2	47,322	(4,205)	43,117	44,218	(3,798)	40,420	2,697	36,109	
<b>Total Resources</b>		<b>47,322</b>	<b>(4,205)</b>	<b>43,117</b>	<b>44,218</b>	<b>(3,798)</b>	<b>40,420</b>	<b>2,697</b>	<b>36,109</b>	
Non-Operating-Cost A in A		-	-	-	-	-	-	-	-	
<b>Net Cash Requirement</b>				<b>39,451</b>			<b>32,438</b>	<b>7,013</b>	<b>28,012</b>	

	Note	Estimate £000	Outturn £000	2005-06 Net total outturn compared with Estimate saving/ (excess) £000	2004-05 Outturn £000
<b>Net Cash Requirement</b>	8	<b>39,451</b>	<b>32,438</b>	<b>7,013</b>	<b>28,012</b>

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

The notes on pages 37 to 55 form part of these accounts.

**OPERATING COST STATEMENT**  
for the year ended 31 March 2006

	Note	Staff Costs £000	Other Costs £000	2005-06 Income £000	Staff Costs £000	Other Costs £000	2004-05 Income £000
<b>Administration Costs</b>							
Staff costs	3	20,090			18,002		
Other administration costs	4		24,128			21,718	
Operating income	5			(3,798)			(3,611)
<b>Totals</b>		<b>20,090</b>	<b>24,128</b>	<b>(3,798)</b>	<b>18,002</b>	<b>21,718</b>	<b>(3,611)</b>
<b>Net Operating Cost</b>	7			<b>40,420</b>			<b>36,109</b>

**STATEMENT OF RECOGNISED GAINS AND LOSSES**  
for the year ended 31 March 2006

	Note	2005-06 £000	2004-05 £000
<b>Net gain on revaluation of tangible fixed assets</b>	21	4,757	13,201
<b>Recognised gains and losses for the financial year</b>		<b>4,757</b>	<b>13,201</b>

**BALANCE SHEET**  
as at 31 March 2006

	Note	31 March 2006		31 March 2005	
		£000	£000	£000	£000
<b>Fixed Assets</b>					
Tangible assets	11	106,293		105,232	
Intangible assets	12	354		254	
			<b>106,647</b>		<b>105,486</b>
<b>Debtors falling due after more than one year</b>	16		<b>36</b>		<b>44</b>
<b>Current Assets</b>					
Stocks	15	226		361	
Debtors	16	2,576		1,818	
Cash at bank and in hand	17	539		1,577	
		<b>3,341</b>		<b>3,756</b>	
<b>Creditors (amounts falling due within one year)</b>	18	<b>(3,846)</b>		<b>(3,908)</b>	
<b>Net Current Liabilities</b>			<b>(505)</b>		<b>(152)</b>
<hr/>					
<b>Total Assets less Current Liabilities</b>			<b>106,178</b>		<b>105,378</b>
<b>Provisions for Liabilities and Charges</b>	19		<b>(438)</b>		<b>(169)</b>
			<b>105,740</b>		<b>105,209</b>
<b>Taxpayers' Equity</b>					
General fund	20	72,682		76,108	
Revaluation reserve	21	33,058		29,101	
			<b>105,740</b>		<b>105,209</b>

The notes on pages 37 to 55 form part of these accounts.



**Natalie Ceeney**  
Accounting Officer

17 July 2006

**CONSOLIDATED CASH FLOW STATEMENT****for the year ended 31 March 2006**

	Note	2005-06 £000	2004-05 £000
Net cash outflow from operating activities	23a	(30,566)	(26,104)
Capital expenditure and financial investment	23b	(1,872)	(1,908)
Payments of amounts due to the Consolidated Fund		–	(186)
Financing	23c	31,400	28,000
Decrease in cash in the period	23d	<b>(1,038)</b>	<b>(198)</b>

## NET OPERATING COSTS BY DEPARTMENTAL AIMS AND OBJECTIVES for the year ended 31 March 2005

**Aims:**

- to assist and promote the study of the past through the public records and other archives in order to inform the present and the future
- to advise government on records management, archive policy and related information policy matters
- to advise record custodians in the public and private sectors on best practice in records and archives management

Objectives:	2005-06			2004-05		
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000
<b>Selection</b> Overseeing records management in government and selecting the public records to provide an information resource for our generation and for future generations.	4,086	(110)	3,976	3,716	(205)	3,511
<b>Preservation</b> Preserving the public records	12,496	(15)	12,481	11,691	(15)	11,676
<b>Access</b> Providing access to the public records and promoting their value and use as a national information and educational resource.	27,636	(3,673)	23,963	24,313	(3,391)	20,922
<b>Net Operating Cost</b>	44,218	(3,798)	40,420	39,720	(3,611)	36,109
see note 22						

Key Ministerial targets	2005-06		2004-05	
	Outturn	Target	Outturn	Target
Unit cost of selecting and preserving the public records per metre	£92.45	£97.00	£87.79	£96.00
Unit cost per information transaction with customers onsite and online	£2.66	£4.04	£3.12	£4.55

Information transactions are all types of service interactions with users. These range from onsite reader visits and delivery of documents to telephone and email enquiries and documents delivered over the Internet.

The notes on pages 37 to 55 form part of these accounts.

## Notes to the accounts

### 1 Statement of Accounting Policies

The financial statements have been prepared in accordance with the 2005-06 Financial Reporting Manual issued by HM Treasury. The particular accounting policies adopted by The National Archives are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In addition to the primary statements prepared under 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 Estimate in terms of the 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 most appropriate to the particular circumstances of the department for the purpose of giving a true and fair view has been selected. The 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 the 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 and office equipment. Computer software includes the capitalisation of costs relating to the development of databases such as Documents Online. Public records and other heritage assets held by The National Archives are not valued and capitalised. The records held by The National Archives span one thousand years and fill about 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. These records have not been valued as it would be impractical to do so.

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. Other tangible fixed assets have been stated at current cost using appropriate indices.

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. They are amortised over their estimated useful life of 5 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 instalments over their estimated useful lives. Lives are normally in the following ranges:

Freehold buildings	50 years
Computers and software	up to 5 years
Office equipment	up to 10 years
Conservation equipment	up to 25 years
Electric trucks	up to 10 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 from the Heritage Lottery Fund.

### 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

Administration costs reflect the costs of running The National Archives as defined under the administration cost-control regime, together with associated operating income.

### 1.9 Programme expenditure

The National Archives does not incur any programme expenditure.

### 1.10 Capital charge

A 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 Civil Service Pension Schemes which are described in the Remuneration Report. The defined benefit elements of the schemes are unfunded and are non-contributory except in respect of 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 employees' services by payment to the Principal Civil Service Pension Schemes (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. Prior to 2005-06, the National Archives has settled some of its liabilities in advance by making payments to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown gross of any such payments.

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



## 2 Analysis of net resource outturn by section

						Outturn	2005-06 Estimate		2004-05
	Admin. £000	Other Current £000	Grants £000	Gross resource expenditure £000	A in A £000	Net total £000	Net total £000	Net Total Outturn compared with Estimate £000	Prior-year outturn £000
<b>Request for Resources 1</b>									
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	43,071	–	–	43,071	(3,793)	39,278	41,975	2,697	36,109
Section B									
Historical Manuscripts Commission	1,147	–	–	1,147	(5)	1,142	1,142	–	–
<b>Resource outturn</b>	<b>44,218</b>	<b>–</b>	<b>–</b>	<b>44,218</b>	<b>(3,798)</b>	<b>40,420</b>	<b>43,117</b>	<b>2,697</b>	<b>36,109</b>

The variance between resources and outturn relates to ongoing commitments on electronic records development which remains on target.

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

### 3 Staff numbers and costs

A. Staff costs consist of:

	2005-06		2004-05	
	£000	£000	£000	£000
	Total	Permanently Employed Staff	Others	
Wages and salaries	16,450	14,400	2,050	15,321
Social Security costs	1,117	1,117	–	1,014
Other pension costs	2,525	2,525	–	1,729
<b>Sub Total</b>	<b>20,092</b>	<b>18,042</b>	<b>2,050</b>	<b>18,064</b>
Less recoveries in respect of outward secondments	(2)	(2)	–	(62)
	<b>20,090</b>	<b>18,040</b>	<b>2,050</b>	<b>18,002</b>

Details of Senior Civil Service staff costs are set out in the Remuneration Report.

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 was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £2,240, 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.

C. For 2005-06, employers' contributions of £2,497,390 were payable to the PCSPS (2004-05 £1,725,580) at one of four rates in the range 16.2 to 24.6 per cent of pensionable pay (2004-05: 12 to 18.5 per cent), based on salary bands. Employer contributions are to be 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.

Contributions due to the partnership pension providers at the balance sheet date were £nil. Contributions prepaid at that date were £nil.

D. Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. During 2005-06 employers' contributions of £28,112 were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent of pensionable

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

	2005-06	2004-05
	No.	No.
Selection	69	79
Preservation	77	80
Access	413	389
	<b>559</b>	<b>548</b>

#### 4 Other administration costs

	£000	2005-06 £000	£000	2004-05 £000
<b>Rentals under operating leases:</b>				
Hire of plant and machinery	419		509	
Other operating leases	642		637	
		1,061		1,146
<b>Non-cash items:</b>				
Depreciation				
Civil Estate	2,519		2,402	
Other fixed assets	1,627		1,378	
downward revaluation of fixed assets	415		866	
impairments	703		–	
loss on disposal of fixed assets	204		51	
Cost of capital charge				
Civil Estate	3,396		3,168	
Other Items	295		362	
auditor's remuneration – audit work	65		62	
Provisions:				
Provided in year	375		36	
		9,599		8,325
<b>Other expenditure</b>				
Accommodation	6,031		5,696	
Consultancy	1,075		1,030	
University of London	823		961	
Travel, subsistence and hospitality	236		229	
Recruitment & Training	631		570	
Digitisation	487		455	
IT maintenance	794		673	
Shop stores	229		231	
Conferences	187		202	
Minor software & Hardware	496		397	
Advertising	288		6	
Record copying material	205		178	
Legal expenses	181		141	
Telecommunications	194		180	
Other expenditure	3,274		3,010	
Less VAT recovery on contracted out services	(1,663)		(1,712)	
		13,468		12,247
		<b>24,128</b>		<b>21,718</b>

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

	2005-06 £000	2004-05 £000
Total non-cash transactions as above	9,599	8,325
Adjustment for loss on disposal of tangible fixed assets	(204)	(51)
Non-cash items per reconciliation of resources to net cash requirement	<b>9,395</b>	<b>8,274</b>

## 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	2005-06 Forecast Income £000	Receipts £000	2005-06 Outturn Income £000	Receipts £000
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	–	–	–	–

## 5 Operating income (continued)

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 2005-06, there was no income classified as non A in A.

2005-06 a)	Resource Outturn		Operating Cost Statement	
	Appropriated in aid	Payable to Consolidated Fund	Income	
	£000	£000	£000	
<b>Operating income analysed by classification and activity, is as follows:</b>				
Administration income:				
Fees and charges to external customers	3,701	–		3,701
Fees and charges to other government departments	97	–		97
	3,798	–		3,798

2004-05	Resource Outturn		Operating Cost Statement	
	Appropriated in aid	Payable to Consolidated Fund	Income included in Operating Cost Statement	
	£000	£000	£000	
<b>Operating income analysed by classification and activity, is as follows:</b>				
Administration income:				
Fees and charges to external customers	3,488	–		3,488
Fees and charges to other departments	123	–		123
	3,611	–		3,611

## 5 Operating income (continued)

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

	2005-06 Income £000	2005-06 Full cost £000	2005-06 Deficit £000
Record Copying services	1,299	1,716	(417)
Information and Enterprises	1,355	1,427	(72)
Other	1,144	1,144	–
	<b>3,798</b>	<b>4,287</b>	<b>(489)</b>

	2004-05 Income £000	2004-05 Full cost £000	2004-05 Deficit £000
Record Copying services	1,189	1,639	(450)
Information and Enterprises	1,267	1,863	(596)
Other	1,155	1,155	–
	<b>3,611</b>	<b>4,657</b>	<b>(1,046)</b>

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.

d) As a matter of policy, the full cost of services should normally be recovered. However, it has not proved possible in 2005-06 to recover the full cost of services provided. The main reason for the deficits of Record Copying and Information & Enterprises is the share of infrastructure costs, such as IT investments and accommodation developments, which The National Archives has undertaken. These developments will continue in 2006-07.

## 6 Outturn against final Administration Budget

	Budget £000	2005-06 Outturn £000	2004-05 Outturn £000
Gross Administration Budget	47,322	44,218	39,720
Income allowable against the Administration Budget	(4,205)	(3,798)	(3,611)
Net outturn against final Administration Budget	43,117	40,420	36,109

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

	2005-06 £000	2004-05 £000
<b>Net operating cost (Note a):</b>	40,420	36,109
Consolidated Fund Extra Receipts (CFERs)	–	–
<b>Net resource outturn (Note a)</b>	<b>40,420</b>	<b>36,109</b>

Note:

- a) Net operating cost is the total of expenditure and income appearing in the Operating Cost Statement. 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.

## 8 Reconciliation of Resources to Cash Requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate saving/ (excess) £000
<b>Net total resources</b>		<b>43,117</b>	<b>40,420</b>	<b>2,697</b>
<b>Capital:</b>				
Cash purchase of fixed assets	13	3,999	1,872	2,127
<b>Non-Operating-Cost A in A</b>		–	–	–
<b>Loss on fixed asset disposals</b>	4	–	(204)	204
<b>Accrual adjustments</b>				
Non-cash items	4	(7,665)	(9,395)	1,730
Changes in working capital other than cash	14	–	(361)	361
Use of provision	19	–	106	(106)
<b>Net Cash Requirement</b>		<b>39,451</b>	<b>32,438</b>	<b>7,013</b>

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

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

2005-06	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	44,218	–	–	44,218	(3,798)	40,420	43,117	2,697
<b>Total</b>	<b>44,218</b>	<b>–</b>	<b>–</b>	<b>44,218</b>	<b>(3,798)</b>	<b>40,420</b>	<b>43,117</b>	<b>2,697</b>
Resource outturn	44,218	–	–	44,218	(3,798)	40,420	43,117	2,697
Reconciliation to Operating Cost Statement								
Non A-in-A operating income					–	–		
Gross operating expenditure				44,218				
Operating income					(3,798)			
Net operating cost						40,420		

2004-05	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	39,720	–	–	39,720	(3,611)	36,109	38,731	2,622
<b>Total</b>	<b>39,720</b>	<b>–</b>	<b>–</b>	<b>39,720</b>	<b>(3,611)</b>	<b>36,109</b>	<b>38,731</b>	<b>2,622</b>
Resource outturn	39,720	–	–	39,720	(3,611)	36,109	38,731	2,622
Reconciliation to Operating Cost Statement								
Non A-in-A operating income					–	–		
Gross operating expenditure				39,720				
Operating income					(3,611)			
Net operating cost						36,109		



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

2005-06					Estimate £000	Outturn Compared with Estimate £000
	Capital expenditure £000	Loans, etc. £000	A in A £000	Net total £000		
Request for Resources 1	1,872	–	–	1,872	3,999	2,127
<b>Total</b>	<b>1,872</b>	<b>–</b>	<b>–</b>	<b>1,872</b>	<b>3,999</b>	<b>2,127</b>

  

2004-05					Estimate £000	Outturn Compared with Estimate £000
	Capital expenditure £000	Loans, etc. £000	A in A £000	Net total £000		
Request for Resources 1	1,908	–	–	1,908	4,592	2,684
<b>Total</b>	<b>1,908</b>	<b>–</b>	<b>–</b>	<b>1,908</b>	<b>4,592</b>	<b>2,684</b>

**11 Tangible fixed assets**

	Freehold land and buildings £000	Equipment £000	IT including databases £000	Total £000
<b>Cost or valuation</b>				
At 1 April 2005	114,272	8,282	6,588	129,142
Additions	7	564	1,077	1,648
Disposals	–	(282)	(717)	(999)
Revaluation	5,714	(793)	(632)	4,289
<b>At 31 March 2006</b>	<b>119,993</b>	<b>7,771</b>	<b>6,316</b>	<b>134,080</b>
<b>Depreciation</b>				
At 1 April 2005	18,375	2,210	3,325	23,910
Charged in year	2,519	323	1,180	4,022
Disposals	–	(184)	(611)	(795)
Revaluation	919	(177)	(92)	650
<b>At 31 March 2006</b>	<b>21,813</b>	<b>2,172</b>	<b>3,802</b>	<b>27,787</b>
<b>Net Book value at 31 March 2006</b>	<b>98,180</b>	<b>5,599</b>	<b>2,514</b>	<b>106,293</b>
<b>Net Book value at 31 March 2005</b>	<b>95,897</b>	<b>6,072</b>	<b>3,263</b>	<b>105,232</b>

a) Freehold land and buildings were valued on 25 March 2002 at £84.5m 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.

## 12 Intangible fixed assets

	Software Licences £000
<b>Cost or valuation</b>	
At 1 April 2005	407
Additions	224
<b>At 31 March 2006</b>	<b>631</b>
<b>Depreciation</b>	
At 1 April 2005	153
Charged in year	124
<b>At 31 March 2006</b>	<b>277</b>
<b>Net Book value at 31 March 2006</b>	<b>354</b>
<b>Net Book value at 31 March 2005</b>	<b>254</b>

## 13 Reconciliation of cash flows to fixed asset additions

	£000
Cash flows for tangible fixed assets	1,648
Intangible fixed asset additions	224
<b>Cash flows for total fixed assets</b>	<b>1,872</b>

## 14 Movements in working capital other than cash

	Notes	2005-06 £000	2004-05 £000
(Decrease)/Increase in stocks	15	(135)	64
Increase/(Decrease) in debtors	16	750	(1,169)
(Increase) in creditors	18	(976)	(692)
<b>Decrease in Supply working capital</b>		<b>(361)</b>	<b>(1,797)</b>

## 15 Stocks

	2005-06 £000	2004-05 £000
Reprographic materials	28	28
Work in progress	15	68
Publishing and shop stocks	183	265
	<b>226</b>	<b>361</b>

**16 Debtors**

	2005-06 £000	2004-05 £000
<b>Amounts falling due within one year:</b>		
VAT	1,225	850
Trade debtors	319	145
Deposits and advances	38	33
Prepayments and accrued income	987	783
Prepayments – early retirement	7	7
	<b>2,576</b>	<b>1,818</b>
<b>Amounts falling due after one year:</b>		
Prepayments and accrued income	36	37
Prepayments – early retirement	–	7
	<b>36</b>	<b>44</b>
	<b>2,612</b>	<b>1,862</b>

  

	2005-06 £000	2004-05 £000
<b>Debtors within 1 year</b>		
Balances with other central government bodies	1,347	1,042
Balances with local authorities	29	150
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	21	–
Balances with bodies external to government	1,179	626
	<b>2,576</b>	<b>1,818</b>

  

	2005-06 £000	2004-05 £000
<b>Debtors after 1 year</b>		
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	36	44
	<b>36</b>	<b>44</b>

**17 Cash at bank and in hand**

	2005-06 £000	2004-05 £000
Balance at 1 April	1,577	1,775
Net cash outflow	(1,038)	(198)
<b>Balance at 31 March</b>	<b>539</b>	<b>1,577</b>
The following balances at 31 March are held at:		
Office of HM Paymaster General	535	1,574
Commercial banks and cash in hand	4	3
	<b>539</b>	<b>1,577</b>
The balance at 31 March comprises:		
Cash due to be paid to the Consolidated Fund:		
Consolidated Fund extra receipts received and due to be repaid to the Consolidated Fund	–	–
Amounts issued from the Consolidated Fund for Supply but not spent at year end	539	1,577
	<b>539</b>	<b>1,577</b>

**18 Creditors**

	2005-06 £000	2004-05 £000
<b>Amounts falling due within one year</b>		
Trade creditors	1,242	689
Accruals and deferred income	2,065	1,642
Amounts issued from the Consolidated Fund for supply but not spent at year end	539	1,577
Consolidated Fund extra receipts received and receivable and other due to be paid to the Consolidated Fund	–	–
	<b>3,846</b>	<b>3,908</b>

	2005-06 £000	2004-05 £000
<b>Creditors within 1 year</b>		
Balances with other central government bodies	545	1,603
Balances with local authorities	10	2
Balances with NHS Trusts	–	–
Balances with public corporations and trading funds	–	35
Balances with bodies external to government	3,291	2,268
	<b>3,846</b>	<b>3,908</b>

## 19 Provisions for liabilities and charges

	Early departure costs £000
Balance at 1 April 2005	169
Charge for the year	375
Provisions utilised during the year	(106)
<b>Balance at 31 March 2006</b>	<b>438</b>

### Early departure costs

The National Archives meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The National Archives provides for this in full when the early retirement programme becomes binding on the department by establishing a provision for the

estimated payments discounted by the Treasury discount rate of 2.8 per cent in real terms. In past years The National Archives paid in advance some of its liability for early retirement by making a payment to the Paymaster General's Account at the Bank of England for the credit of the Civil Service Superannuation Vote. The balance remaining is treated as a prepayment.

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

	Note	2005-06 £000	£000	2004-05 £000	£000
Net Operating Cost	6	(40,420)		(36,109)	
Surrender of excess appropriations in aid and CFERs	7	–		–	
			<b>(40,420)</b>		<b>(36,109)</b>
Net Parliamentary funding			31,400		28,000
Transferred to general fund in respect of realised element of revaluation reserve on depreciation	21		800		630
Consolidated Fund creditor for unspent cash	18		(539)		(1,577)
Settlement of previous year creditor for unspent cash	18		1,577		1,588
<b>Notional charges:</b>	4				
cost of capital charge		3,691		3,530	
auditor's remuneration (notional)		65		62	
			3,756		3,592
<b>Decrease in General Fund</b>			<b>(3,426)</b>		<b>(3,876)</b>
<b>General Fund at 1 April 2005</b>			<b>76,108</b>		<b>79,984</b>
<b>General Fund at 31 March 2006</b>			<b>72,682</b>		<b>76,108</b>

## 21 Reserves

	Revaluation reserve £000
At 1 April 2005	29,101
Arising on revaluation during the year	5,658
Transfer in respect of realised depreciation	(901)
Transferred to general fund in respect of realised element of revaluation reserve	(800)
<b>Balance at 31 March 2006</b>	<b>33,058</b>
<p>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 2005-06.</p>	

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

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

Administration costs and income have been attributed to objectives in accordance with the department's normal management accounting practices.

**23 a. Reconciliation of operating cost to operating cash flows**

	Notes	2005-06 £000	2004-05 £000
<b>Net operating cost</b>		40,420	36,109
Adjustments for non-cash transactions	4	(9,599)	(8,325)
(Decrease)/Increase in stocks	15	(135)	64
Increase/(Decrease) in debtors	16	750	(1,169)
(Increase) in creditors	18	(976)	(692)
Use of provisions	19	106	117
<b>Net cash outflow from operating activities</b>		<b>30,566</b>	<b>26,104</b>

**23 b. Analysis of capital expenditure and financial investment**

	Notes	2005-06 £000	2004-05 £000
Tangible fixed asset additions	13	1,648	1,737
Intangible fixed asset additions	13	224	171
Proceeds of disposal of fixed assets		–	–
<b>Net cash outflow for investing activities</b>		<b>1,872</b>	<b>1,908</b>

**23 c. Analysis of financing**

	2005-06 £000	2004-05 £000
From Consolidated Fund (Supply): current year	31,400	28,000
Advances from the Contingencies Fund	–	–
Repayments to the Contingencies Fund	–	–
<b>Net financing</b>	<b>31,400</b>	<b>28,000</b>

**23 d. Reconciliation of Net Cash Requirement to increase in cash**

	Notes	2005-06 £000	2004-05 £000
Net cash requirement	8	32,438	28,012
From Consolidated Fund (Supply): current year		(31,400)	(28,000)
Amounts due to the Consolidated Fund – received in a prior year and paid over	18	–	186
Amounts due to the Consolidated Fund – received and not paid over	18	–	–
<b>Decrease in cash in the period</b>	<b>17</b>	<b>1,038</b>	<b>198</b>

## 24 Capital commitments

There were no major capital commitments at 31 March 2006.

## 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.	2005-06 £000	2004-05 £000
Obligations under operating leases comprise:		
Land and buildings		
Expiry after more than 5 years	642	629
	<b>642</b>	<b>629</b>
Other		
Expiry within one year	111	74
Expiry between two and five years	90	142
	<b>843</b>	<b>845</b>

## 26 Other commitments

The National Archives has a service contract ending on 31 March 2008 with the University of London for the preservation of government datasets (UK National Data Archive for Datasets). The service charge for 2006-07 will be £0.82m. This service

charge will be increased with indexation for 2007-08. 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 2006.

## 28 Related party transactions

The National Archives is a government department in its own right.

The Chief Executive reports directly to the Lord Chancellor.

None of the 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 in which it is financed, The National Archives is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 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.

## 30 Accountability

No exceptional kinds of expenditure such as losses and special payments that required separate

## 31 Post Balance Sheet Event

Since the year end it has been announced that The National Archives will merge in late 2006 with the Office of Public Sector Information.

### Liquidity Risk

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

disclosure because of their nature or amount were incurred.

# Independent Complaints Reviewer

Jodi Berg was appointed as the Independent Complaints Reviewer (ICR) for The National Archives (then the Public Record Office) in 2000. She is also ICR for Land Registry, the Charity Commission and the Housing Corporation and is Independent Case Examiner for the Child Support Agency and the Northern Ireland Social Security Agency. Jodi Berg is a solicitor, a Magistrate and a fellow of the Chartered Institute of Arbitrators.

## Foreword

I am pleased to present my annual report as Independent Complaints Reviewer for The National Archives. This year has been another quiet year as far as complaints about The National Archives are concerned. Indeed, I had only received one referral before the year end, and can again commend the Agency for being able to resolve nearly all concerns to people's satisfaction. Once again this demonstrates that complaints are handled efficiently and effectively, so that very few people indeed have need of our service.

Recently, The National Archives has renewed its commitment to the ICR process, which gives dissatisfied customers an opportunity to refer their complaints to someone independent of management. This demonstrates the Agency's willingness to be held to account for the way in which it responds to people's concerns and supports its ongoing efforts to improve customer service.

As ICR I focus my attention on the way in which The National Archives responds to complaints and the lessons that can be learned from them. The relationship between The National Archives and my office has always been co-operative. I recently met with the new Chief Executive Officer, Natalie Ceeney, and I look forward with confidence to continuing this constructive working relationship.

This report provides information about my office and explains how we go about our work. It also offers an independent perspective on The National Archives' complaint activity and customer service initiatives during the reporting year. I hope that you will find it interesting and informative.

## Role of ICR

The role of the ICR and her office is to offer an independent complaint review and resolution service, which is free to customers of The National Archives (TNA).

## What we do

Before a complaint can be referred to ICR we expect TNA to have had an opportunity to look into matters itself. People can ask the ICR to look into matters if they are unhappy with its response. We look into complaints about poor service, including:

- mistakes;
- delays;
- poor/misleading advice;
- staff behaviour;
- failure to follow procedures;
- unfairness;

We are unable to look into complaints that:

- have not had a final response from TNA itself;
- have not been referred to us within six months of that final response;
- concern matters of law or Government policy;
- are being considered within legal proceedings; or
- have been or are being investigated by the Parliamentary and Health Service Ombudsman.

To let people know about our service, information about ICR is included in TNA's own complaints handling literature. In addition, every final response to a complaint written from or on behalf of its Chief Executive Officer must tell people about their right to refer their complaints to the ICR.

We try to make access to our service as easy as possible. To help people contact us and explain why they are doing so, a simple complaint referral form is available on our web site at [www.icrev.demon.co.uk/icrbook.htm](http://www.icrev.demon.co.uk/icrbook.htm) and at the back of our leaflet "*Seeking a Fair Resolution – The Role of the Independent Complaints Reviewer*". However, we also accept referrals by telephone or in writing.

Referral to the ICR does not take away the right to ask a Member of Parliament to refer a complaint to

the Parliamentary and Health Service Ombudsman if people wish to do so following the ICR's review. More information can be obtained about the ICR office and other complaint handling schemes, including the Parliamentary and Health Service Ombudsman, by visiting the British and Irish Ombudsman Association website at [www.bioa.org.uk](http://www.bioa.org.uk).

## ICR overview of the year

During the reporting year the customer activity handled by The National Archives has remained high. Reader visits reduced by 7.5%, but remain impressive, as over 260,000 people have travelled to either the Family Records Centre in London or to Kew. TNA has responded to an increase of over 80% in telephone enquiries, now nearly 150,000 calls, matched perhaps by a decrease in the volume of letters received to less than 40,000, over 43% less than the previous year, suggesting that customers prefer access via the website or by speaking directly to staff.

Against this backdrop of activity, which clearly has the potential to generate a significant amount of dissatisfaction, TNA's Public Services Development Unit received 68 formal complaints, compared with 50 the previous year. This figure represents those complaints that are recorded within TNA's internal complaints procedure, but excludes the day to day concerns raised by TNA customers which are settled 'on the spot' by TNA staff. Although this represents an increase in formal complaints, it remains a remarkable achievement by any standards and this is yet another consecutive year where I have been able to report on such an excellent performance.

Following response from TNA only one complaint was referred to my office. This referral was received in March 2006 and our investigation is ongoing.

TNA is committed to improving the service it delivers to its customers and has actively pursued ways to increase access to its services and products. There has, for example, been an increase in the number of contact and feedback forms completed electronically (these allow the user to be put in touch 'first time' with those best able to help with their enquiry).

In line with TNA's commitment to learn from customer feedback and complaints, TNA has

improved the communication between its complaints handling team and its various departments. This has helped TNA to identify issues early on and take action before problems arose. The following are examples from the User Feedback Report to the Management Board:

- The announcement in June by the Registrar General of England and Wales of the digitisation of birth, deaths and marriage registration records, and the production in India of an electronic index could have resulted in protests to TNA from people confused by the distinct identities and roles of the two organisations. In preparation, links were established between TNA's Complaints Officer, the Press Office and the General Register Office/Office for National Statistics, to facilitate an appropriate response to complaints.
- In Early July, press attention was drawn to the revelation that certain documents relating to Heinrich Himmler were forged. This was anticipated to attract further interest from the media and the public. Prompt liaison between the Press Office, the Web Team, Contact Centre staff and Reader Advisors ensured that those likely to receive enquiries on this subject were well briefed and able to give authoritative, consistent and helpful replies to those enquiries.
- Similar proactive steps were taken in August, in anticipation of possible adverse reaction to the decision of the QinetiQ to sell the 1901 census online service contract to FriendsReunited.

Each of the above examples demonstrates that TNA anticipates potential problems and tries to prepare an Agency-wide settled approach to enquiries and or complaints arising from announcements or changes. Good communication is always the key to good customer service and I welcome this active engagement with issues of this kind.

Whilst I am able to give information on formal complaints received by TNA, I have no corresponding data on compliments. This is because there is currently no accurate record kept of this important customer interaction. This is disappointing because it does not support staff by making them aware of the regard in which they are held by customers, nor does it support the continuance of good practice.

For this reason, I am pleased to report that TNA's CEO has now taken steps to ensure that this information is recorded centrally, allowing accurate data to be provided in future years. Perhaps more importantly, compliments will be electronically accessible to staff and some will be published monthly on TNA's Intranet. Staff named by customers will receive personal congratulations in recognition of their achievements. I will monitor the response to this initiative during the coming year.



**Jodi Berg**  
Independent Complaints Reviewer

# Advisory Council on National Records and Archives

## Third Annual Report 2005-2006

To the Right Honourable the Lord Falconer of Thoroton, Lord High Chancellor of Great Britain and Secretary of State for Constitutional Affairs.

Over a year since the introduction of freedom of information, the Council has now adapted itself to a world without the thirty-year rule. Members now have much more to do, all of them having served several times on panels to advise on the public interest in the release of information. At the same time our interest in non-public records issues remains strong, and we have been glad to see developments which we hope will benefit local authority archive services and the owners of papers held in public institutions.

### Freedom of Information (Fol)

The Council has a statutory responsibility to advise on issues relating to access to public records that are historical records (ie that are over 30 years old).

We were extremely pleased to see the release in January of the first of the notebooks of the Cabinet Secretary, dating from the War years, which resulted in much press comment. We remain grateful to the Cabinet Secretary and the staff of the Cabinet Office for their positive attitude towards the release of these records.

We have approached the duty to give you advice on applications from departments to 'designate records as closed' under s66 of the Fol Act in much the same way as we used to approach extended closure applications. We are most grateful to those departments whose applications we have queried for their constructive and informative responses. We have had a number of exchanges with departments, notably the Foreign and Commonwealth Office, and much appreciate their willingness to explain the reasons for seeking closure.

The Council's panels to advise on the public interest in the release or non-disclosure of information take their duties very seriously, since we understand that freedom of information provides for no other consultation with representatives of the general public. During the course of the year, [26] panels have considered [95] cases. These fell into seven categories:

- information which would cause damage to international relations (34 cases);
- information which would cause severe mental distress to people affected by or to the victims of crime (27 cases);
- information which would identify individuals who had provided information to the police and security forces (16 cases);
- information which could hinder crime prevention or future prosecutions (6 cases);
- information which would damage national security (6 cases);
- information which would identify members of the security and intelligence services (5 cases); and
- personal information about a person considered for honours (1 case).

In the majority of cases, the exempt information formed only a small part of a file, sometimes only a name. In some cases, the department concerned indicated that the period during which it expected that an exemption would apply need only be relatively short. In four cases, panels did not initially agree that the public interest was in non-disclosure, but in each such case the panel was persuaded when supplied with further details. Panel members commented in particular that:

- they need the presentation by departments of balanced arguments on the public interest issues at stake, and we were pleased to see this improve markedly; and
- despite the release of very significant numbers of files under the Act, supervisors, directors of studies and research students should continue to consider, and if possible investigate, the likelihood of essential source materials not being available when they are deciding on research projects.

Last year we raised concerns about the application of the Act to private papers deposited on loan in an archive which is an FoI authority, or part of an authority. Many owners of such papers deposited them on conditional terms, notably that their approval be sought before access is permitted to some or all of the material, before copies are made and before extracts from it are published. We were delighted to see the issue by The National Archives, in consultation with the Information Commissioner, of detailed guidance to archivists and owners on the assessment of collections to determine their status.

## Access under the Public Records Act 1958

The Council continues to consider draft applications to you for the retention by departments of records which are 30 years old. Many of these relate to material for which selection and sensitivity reviews have yet to be completed. We have sought to ensure that departments have realistic timetables for the completion of the necessary work in the period allowed for retention.

We reported last year that the Ministry of Defence had discovered that records in one of its stores might be contaminated by asbestos. We have now learned that since they are considered to be contaminated and that there is no practicable method of decontaminating them sufficiently to ensure the safety of users and conformity with the law, digitisation followed by destruction is the only course available. A few of the most significant files might be encapsulated.

## Private papers

The public continue to benefit from the scheme which enables the owners of significant papers to donate them to the State in lieu of tax. We have been asked by the Chief Executive of The National Archives to advise on the allocation of several important collections and individual documents during the year. None raised any difficult issues.

A member of the Council asked us to investigate the fate of property title deeds. Now that compulsory registration of title to land has been extended across the whole country, more and more title deeds are ceasing to have any legal value. Their fate after registration has been completed seems to vary significantly, but we fear that many deeds which would be valuable for research are being sold by legal practitioners or destroyed. We are grateful that The National Archives has recognised that, while some 20th century deeds are of little value, all title deeds should be assessed and where appropriate preserved in a suitable repository, and is taking action to address the issue.

## Local authority archives

The Council was interested to learn of a pilot scheme for the self-assessment of local authority archive



services. We understand that this will enable The National Archives to ensure that it pays particular attention to those local authority archive services that are most in need of assistance, and will be the basis of a scheme of comparative assessment which can be used to measure performance. We recognise the value of such a development, both to The National Archives and to local archives, so long as the measures used accurately target all essential services.

## Electronic records

It is clear that organisations of all kinds, from government departments to small businesses, are going to have to adapt themselves to a new environment where records are created and stored electronically. This is already having an impact on archival services, which will have to be prepared to receive electronic records, to preserve them indefinitely and to make them available to the public. We have been impressed by the lead in this area given by The National Archives, with its very substantial Seamless Flow programme. We look forward to being consulted at frequent intervals as issues arise and experience develops.

## Membership of the Council

Four members of the Council retired at the end of 2005: Professor Caroline Barron, Professor Peter Clarke, Sir Patrick Cormack MP and Miss Rosemary Dunhill. The four of them were the last remaining former members of the Historical Manuscripts Commission, and two, Professor Clarke and Miss Dunhill, had previously served on the Advisory Council on Public Records. We are most grateful to all of them for their contributions to the Council's, and before that to the Commission's, deliberations. You appointed four new members with effect from 1 January, Dr Jeevan Deol, Professor Arthur Lucas, Mr Keith Simpson MP and Ms Janet Smith. Members during the year were:

- Professor Caroline Barron, Professor of the History of London, Royal Holloway College, University of London (*retired December 2005*)
- Sir Rodric Braithwaite GCMG, retired, formerly British Ambassador to Moscow and chairman of the Joint Intelligence Committee
- Sir Charles Chadwyck-Healey Bt DL, retired, formerly academic publisher
- Ms Else Churchill, Genealogy Officer of the Society of Genealogists
- Professor Peter Clarke, Emeritus Professor of Modern British History, University of Cambridge (*retired December 2005*)
- Sir Patrick Cormack MP, Conservative MP for Staffordshire South (*retired December 2005*)
- Dr Jeevan Deol, lecturer in the South Asia Department of the School of Oriental and African Studies, University of London (*appointed January 2006*)
- Professor Harry Dickinson, Richard Lodge 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
- Miss Rosemary Dunhill OBE, archivist of Jesus College, Oxford and formerly County Archivist of Hampshire (*retired December 2005*)
- Sir David Durie KCMG, retired, formerly Governor and Commander in Chief, Gibraltar
- Mr Peter Fox, Librarian, Cambridge University Library
- Dr Dorothy Johnston, Keeper of Manuscripts and Special Collections, Hallward Library, University of Nottingham
- Professor Arthur Lucas CBE, Emeritus Professor of Science Curriculum Studies at, and formerly Principal of, Kings College London (*appointed January 2006*)
- Professor Heidi Mirza, Professor of Racial Equality Studies, University of Middlesex
- Dr Michael Riley, senior lecturer in history, Bath Spa University College
- Rt Hon the Lord Roper, formerly Chief Whip for the Liberal Democrats in the House of Lords
- Lord Rowlands CBE, formerly Labour MP for Merthyr Tydfil
- Dr Elizabeth Shepherd, senior lecturer in archives and records management, University College London
- Mr Keith Simpson MP, Conservative MP for Mid Norfolk (*appointed January 2006*)
- Mr Andreas Whittam Smith CBE, journalist, First Church Estates Commissioner
- Ms Janet Smith, County Archivist of Hampshire (*appointed January 2006*)
- Ms Catherine Maxwell Stuart, owner of the private family and estate archive at Traquair House, Innerleithen, Peeblesshire
- Ms Stephanie Williams, author, journalist and user of archives

The secretary of the Council is Mr Tim Padfield.

During the course of this year we have seen Mrs Sarah Tyacke retire as Chief Executive of The National Archives and Dr Elizabeth Hallam Smith move to a new post in the House of Lords. They have both made very significant changes to the work of the Public Record Office, now The National Archives, and have seen its public accessibility and visibility immensely enhanced. We wish them both well for the future and thank them for all they have done. We were pleased to welcome Mrs Tyacke's successor, Ms Natalie Ceeney, to our meeting in October.

Mrs Tyacke and then Ms Ceeney attended all our meetings, and were variously accompanied by Dr David Thomas, director of Collections and Technology, Dr Hallam Smith, director of National Advisory and Public Services, Mrs W.Jones, director of Finance and Corporate Services, Mr Nick Kingsley, head of National Advisory Services, Ms Meg Sweet, head of Records Management and Mrs Vanessa Carr, head of Research, Knowledge and Academic Services, all at The National Archives.

On behalf of the members

**Sir Anthony Clarke**  
Master of the Rolls  
Chairman









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