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House of Commons
London
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MAIN ESTIMATE 2019-20: ESTIMATES MEMORANDUM

Introduction

The National Archives Main Estimate for 2019-20 seeks the necessary resources and cash to support the functions and activities of The National Archives. These are continuing from previous years and no new functions have been added within this Estimate.

The purpose of this memorandum is to provide the Select Committee with an explanation of how the resources and cash sought in the Main Estimate will be applied to support *Archives for Everyone*, The National Archives' new four-year strategic priorities, and to fulfil our Public Task.

Archives for Everyone

Archives for Everyone sets out The National Archives' strategic vision of becoming 'the 21st century national archive' – inclusive, entrepreneurial and disruptive. The National Archives has agreed with Ministers seven strategic goals for the four-year period 2019-23 in support of this vision:

- Change the culture and approach of The National Archives so that in all we do we better reflect and represent the society we serve
- Curate unique national moments of public inspiration and participation, including through the launch of the 1921 Census – the UK's largest ever online release of historical records

- Create new, inclusive and exciting spaces, physical and virtual, in which people can encounter our collection afresh – partnering with The National Archives Trust to widen the public experience and understanding of archives and our history
- Lead the archives sector to fulfil the vision set out in Archives Unlocked, promoting our shared values of trust, enrichment and openness
- Generate from our collection and expertise the cutting-edge research opportunities and commercial offers that will realise value and open out more of our collection
- Secure the future of the Government record as an essential resource for public servants and the people – providing legal certainty through legislation.gov.uk and historical perspective through our collection
- Lead the world in reimagining archival practice for the 21st century, pioneering new and ethical approaches to appraisal and selection, description, digital preservation and access

Public Task

The National Archives' Public Task under the Re-use of Public Sector Information Regulations 2015 ('the Regulations') consists of the statutory obligations of The National Archives and the duties of its officials (including those duties delegated by the Secretary of State to the Keeper of Public Records):

- under the Public Records Act 1958 and associated legislation
- under the Historical Manuscripts Commission Royal Warrant
- under Letters Patent, appointing the Controller of Her Majesty's Stationery Office, Queen's Printer of Acts of Parliament and Government Printer of Northern Ireland
- under the Scotland Act 1998, appointing the Queen's Printer for Scotland
- as official publisher of all UK legislation
- as leader of the archives sector in England
- as a non-ministerial government department sponsored by the Department for Culture, Media and Sport.

This memorandum includes information on comparisons with the resources provided in earlier years in Estimates and departmental budgets, and may also refer to future financial plans.

Spending controls

The National Archives' spending is broken down into several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit ("Resource DEL")- a net limit comprising day-to-day running costs
- Capital Departmental Expenditure Limit ("Capital DEL"): - investment in capital equipment such as computer equipment, electrical improvements and software development.

In addition, Parliament votes a net cash requirement, designed to cover the elements of the above budgets which require The National Archives to pay out cash in year.

Summary of the main spending control figures contained in the Estimate

Budgetary data

All budgets for The National Archives are Voted. The key budgetary figures are:

Control Totals	ME 2019/20 £m
Resource DEL (excl depreciation)	31.8
Of which admin	8.7
Resource DEL (ring fenced depreciation)	5.2
Capital DEL	1.9
Resource AME	0.014
Net Cash Requirement (NCR)	33.7

There are no significant changes in provision compared with the previous year

Comparison of net spending totals sought

The table below shows how the net spending totals sought for the National Archives last year. All budgets for The National Archives are Voted.

	Spending total Amounts sought this year (Main Estimate 2019-20) £m	Compared to final budget last year. (Supplementary Estimate 2018-19)		Compared to original budget last year (Main Estimate 2018-19)	
	£m	£m	%	£m	%
Resource DEL (excluding depreciation)	31.766	28.490	11	28.651	11
Resource DEL (ringfenced depreciation)	5.200	7.600	-32	5.200	0
Capital DEL	1.900	2.821	-33	3.470	-45

Key drivers of spending changes since last year

£1.21m was received at Supplementary Estimate 2018-19 to cover essential EU exit spending in relation to The National Archives role as the official publisher of UK legislation to publish retained EU legislation. This increase in funding at supplementary estimate was offset by a £0.851m Resource DEL reallocated to capital to match the accounting treatment of specific software development and £0.567m deferred to support future projects in 2019-20. At 2019-20 Mains Estimate £2.1m was received for EU exit spending and a further £0.7m funding was received for the increase in pension contribution required as a result of the revised actuarial valuation.

Business rates rising from £1.6 in 2016-17 to £3.5m in 2019/20 has resulted in significant rationalisation of administration costs.

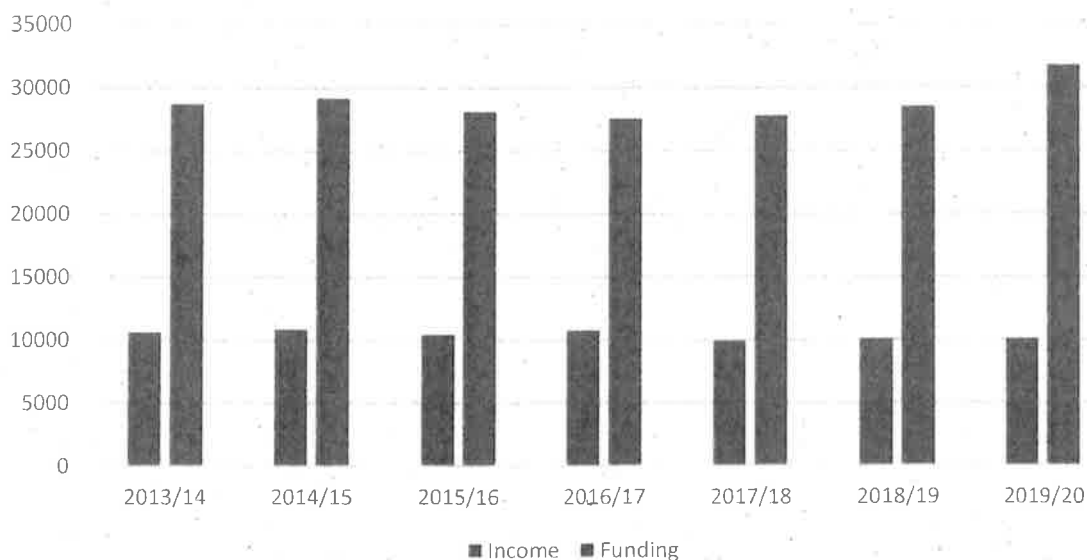
The main estimate allocation for depreciation was held at £5.2m throughout the spending review period. The value of our building has risen considerably since the spending review and is the biggest contributor to the increase in depreciation required. This is reviewed at each supplementary estimate.

The net capital DEL per the spending review settlement review was £0.4m, this increased to £1.9m as a large capital project planned for the roof planned to be completed in prior years was deferred to 2019-20.

Spending and income trends

The chart below show overall resource non-ringfenced DEL spending and income trends for the last five years, plans presented in Estimates for 2018-19, and current future spending plans.

Gross spending, funding and income, £ million



Funding: Spending Review and Budgets

The National Archives received flat funding through the last Spending Review. Expenditure in excess of this is funded through either:

- income generated from commercial activities
- additional funding added since the Spending Review, transferred from other departments for specific duties, namely the EU Exit expenditure required (£2.1m) and employer pension funding (£0.73m).

Approval of Memorandum

This memorandum has been prepared with reference to guidance in the Estimates Manual provided by HM Treasury and that found on the House of Commons Scrutiny Unit website.

I enclose a copy of the Main Estimate and have included a glossary of terms used in this memorandum as an Annex. Please contact me if you or the Justice Committee have any questions on the information we have provided.

Yours sincerely



Jeff James
Chief Executive and Keeper (Accounting Officer)
The National Archives

GLOSSARY of Key Terms

Annually Managed Expenditure (AME)

AME is spending included in Total Managed Expenditure (TME), which does not fall within Departmental Expenditure Limits (DELs). Expenditure in AME is generally less predictable and controllable than expenditure in DEL.

Departmental Expenditure Limit (DEL)

A Treasury budgetary control. DEL spending forms part of Total Managed Expenditure (TME) and includes that expenditure which is generally within the departments control and can be managed with fixed multi-year limits. Some elements may be largely demand led.

There is a small DEL Reserve from which the Treasury may support unavoidable costs that cannot be absorbed within the existing limit.

Depreciation

A measure of the wearing out, consumption or other reduction in the useful life of a non current asset whether arising from use, passage of time or obsolescence through technological or market changes.

Net cash requirement (NCR)

The limit voted by Parliament reflecting the maximum amount of cash that can be released from the Consolidated Fund to a department in support of expenditure in its Estimate. In the case of a negative net cash requirement, the department must generate a surplus of at least that amount.

Spending Review

A cross-government review of departmental aims and objectives and analysis of spending programmes. Results in the allocation of multi-year budgetary limits.

Supplementary Estimates

The means by which departments seek to amend parliamentary authority provided through Main Estimates by altering the limits on resources, capital and/or cash or varying the way in which provision is allocated. Normally presented in January each year.

The National Archives

Introduction

1. This Estimate covers the administration of the public record system of the United Kingdom under the Public Records Acts of 1958 and 1967 and the promotion of the highest standards of care and public access for the archives of historical value outside the public records.
2. The Estimate also provides for the administrative costs of leading on UK information management and re-use policy, spreading best practise, setting standards and ensuring compliance across the public sector and managing Crown and Parliamentary copyright as well as delivering cost effective publishing services and advice across government.

Part I

£

	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	36,952,000	-	36,952,000
Capital	1,900,000	-	1,900,000
Annually Managed Expenditure			
Resource	-14,000	-	-14,000
Capital	-	-	-
Total Net Budget			
Resource	36,938,000	-	36,938,000
Capital	1,900,000	-	1,900,000
Non-Budget Expenditure			
	-	-	-
Net cash requirement	33,652,000		

Amounts required in the year ending 31 March 2020 for expenditure by The National Archives on:

Departmental Expenditure Limit:Expenditure arising from:

Ensuring the UK public record - past and future - remains authentic, available and accessible to all including; providing leadership and support to the archive sector across England and Wales; leading on policy and best practice in knowledge and information management for the public sector; setting standards and driving forward the public sector information re-use agenda; official publishing services for the whole of government including publishing all UK legislation and making it accessible online; managing Crown and Parliamentary copyright; administration of The National Archives and other non-cash items.

Income arising from:

Sale of copies of documents; sale of publications and other items and services; professional fees; fees receivable from service providers; sale of non-current assets; grants received to carry out specific projects; reproduction fees and royalties for the publication of images; Crown copyright fees and royalties; fees for the management of third parties' copyright; fees for the management of the Office of the Queen's Printer for Scotland; income from contractual arrangements for official publishing and partnerships to make historical records electronically accessible; and sales and recovery of costs for goods/services provided to other government departments; public bodies and the general public.

Annually Managed Expenditure:Expenditure arising from:

Onerous lease provision and other AME non-cash items.

The National Archives will account for this Estimate.

£

	Voted Total	Allocated in Vote on Account	Balance to complete or surrender
Departmental Expenditure Limit			
Resource	36,952,000	15,260,000	21,692,000
Capital	1,900,000	1,562,000	338,000
Annually Managed Expenditure			
Resource	-14,000	-	-14,000
Capital	-	-	-
Non-Budget Expenditure			
Net cash requirement	33,652,000	14,460,000	19,192,000

Part II: Resource to cash reconciliation

£'000

	2019-20 Plans	2018-19 Provisions	2017-18 Outturn
Net Resource Requirement	36,938	36,090	34,339
Net Capital Requirement	1,900	2,821	1,329
Accruals to cash adjustments	-5,186	-7,634	-5,571
<i>Of which:</i>			
<i>Adjustment for ALBs:</i>			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
<i>Adjustments to remove non-cash items:</i>			
Depreciation	-5,200	-7,600	-6,624
New provisions and adjustments to previous provisions	-	-	120
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-48	-46
<i>Adjustments to reflect movements in working balances:</i>			
Increase (+) / Decrease (-) in stock	-	-	24
Increase (+) / Decrease (-) in debtors	-	-	662
Increase (-) / Decrease (+) in creditors	-	-	287
Use of provisions	14	14	6
Removal of non-voted budget items	-	-	-
<i>Of which:</i>			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	33,652	31,277	30,097

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

£'000

	2019-20 Plans	2018-19 Provisions	2017-18 Outturn
Gross Administration Costs	9,695	10,020	9,037
<i>Less:</i>			
Administration DEL Income	-	-	-69
Net Administration Costs	9,695	10,020	8,968
Gross Programme Costs	37,343	36,170	35,234
<i>Less:</i>			
Programme DEL Income	-10,100	-10,100	-9,863
Programme AME Income	-	-	-
Non-budget income	-	-	-
Net Programme Costs	27,243	26,070	25,371
Total Net Operating Costs	36,938	36,090	34,339
<i>Of which:</i>			
Resource DEL	36,938	36,090	34,457
Capital DEL	-	-	-
Resource AME	-	-	-118
Capital AME	-	-	-
Non-budget	-	-	-
<i>Adjustments to include:</i>			
Departmental Unallocated Provision (resource)	-	-	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-	-	-
<i>Adjustments to remove:</i>			
Capital in the SoCNE	-	-	-
Grants to devolved administrations	-	-	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-	-	-
Other adjustments	-	-	-
Total Resource Budget	36,938	36,090	34,339
<i>Of which:</i>			
Resource DEL	36,952	36,104	34,463
Resource AME	-14	-14	-124
<i>Adjustments to include:</i>			
Grants to devolved administrations	-	-	-
Prior period adjustments	-	-	-
<i>Adjustments to remove:</i>			
Consolidated Fund Extra Receipts in the resource budget	-	-	-
Other adjustments	-	-	-
Total Resource (Estimate)	36,938	36,090	34,339

Part III: Note B - Analysis of Departmental Income

£'000

	2019-20 Plans	2018-19 Provision	2017-18 Outturn
Voted Resource DEL	-10,100	-10,100	-9,932
<i>Of which:</i>			
Administration			
Sales of Goods and Services			-21
<i>Of which:</i>			
A The National Archives (DEL)			-21
Other Income			-48
<i>Of which:</i>			
A The National Archives (DEL)			-48
Total Administration			-69
Programme			
Donations			-49
<i>Of which:</i>			
A The National Archives (DEL)			-49
Sales of Goods and Services	-10,100	-10,100	-6,714
<i>Of which:</i>			
A The National Archives (DEL)	-10,100	-10,100	-6,714
Other Grants			-511
<i>Of which:</i>			
A The National Archives (DEL)			-511
Other Income			-126
<i>Of which:</i>			
A The National Archives (DEL)			-126
Taxation			-2,463
<i>Of which:</i>			
A The National Archives (DEL)			-2,463
Total Programme	-10,100	-10,100	-9,863
Total Voted Resource Income	-10,100	-10,100	-9,932

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2019-20 or 2018-19. No CFER income or receipts were received in 2017-18.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer: Jeff James

Jeff James has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;
- making judgements and estimates on a reasonable basis;
- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and
- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.