SUPPLEMENTARY ESTIMATE 2014-15: ESTIMATES MEMORANDUM

Introduction

The National Archives Supplementary Estimate for 2014-15 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 Supplementary Estimate will be applied to support our business plan and to fulfil our public task as follows:

- We will redefine and collect the future record, transparently and seamlessly
- We will innovate to ensure optimal physical and digital preservation
- We will widen our funding base to generate more support in tough times
- We will be agile and confident, trusted and efficient
- We will provide a record that is more open, inclusive and used than ever before

This memorandum includes information on details of changes in resources relative to original plans set out in the Main Estimate. There are no non-voted budgets or activities for The National Archives.
Summary of Changes

This Supplementary Estimate details the changes resulting from:

- a reduction in Resource DEL (Administration and Programme) and corresponding increase in Resource AME

The summary of changes in control totals are shown in the table below:

<table>
<thead>
<tr>
<th>Control Totals</th>
<th>Main Estimate 2014/15 £m</th>
<th>Supplementary Estimate 2014/15 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource DEL (excl depreciation)</td>
<td>29.5</td>
<td>28.9</td>
</tr>
<tr>
<td>Resource DEL (ringfenced depreciation)</td>
<td>5.6</td>
<td>5.6</td>
</tr>
<tr>
<td>Resource DEL (incl depreciation)</td>
<td>35.1</td>
<td>34.5</td>
</tr>
<tr>
<td>Of which admin</td>
<td>9.2</td>
<td>8.9</td>
</tr>
<tr>
<td>Capital DEL</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Resource AME</td>
<td>(0.1)</td>
<td>0.6</td>
</tr>
<tr>
<td>Net Cash Requirement (NCR)</td>
<td>31.5</td>
<td>30.9</td>
</tr>
</tbody>
</table>

Explanation of significant changes compared with the Main Estimate

Resource DEL (RDEL) – excl depreciation:

Comparisons with the Main Estimate allocation show a reduction of (£0.6m) which represents delays in Administration and Programme spend so as to cover a forecast rise in Resource AME.

Resource AME (RAME)

Comparisons with the Main Estimate allocation show a rise of £0.6m which has been caused by a forecast increase in an existing provision (for Early Departures) and the establishment of a new provision for an onerous lease related to property.

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 draft copy of the Supplementary 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.