SUPPLEMENTARY ESTIMATE 2018-19: ESTIMATES MEMORANDUM

Introduction

The National Archives Supplementary Estimate for 2018-19 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 Archives Inspire, The National Archives' four-year strategic priorities, and to fulfil our Public Task.

Archives Inspire

Archives Inspire sets out The National Archives' strategic priorities to be delivered between 2015-2019, to meet the needs of each of its major audiences: government, the public, the archive sector, researchers and academics – while facing the biggest challenge – digital, by:

- providing expert advice and scrutiny to government, making sure that the record survives and thrives
- inspiring the public with new ways of using and experiencing our collection
- being an effective leader and partner for the archives sector, to sustain and develop the nation’s collection
- advancing knowledge through exemplary academic liaison and outstanding interdisciplinary research
- becoming a digital archive by design.
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 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 Digital, Culture, Media and Sport.

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 reserve claim
- a reallocation of resource spend to capital spend
- a reallocation of resource spend to 2019/20
- a reallocation of capital spend to 2019/20
- an increase in ringfenced depreciation.
The summary of changes in control totals are shown in the table below:

<table>
<thead>
<tr>
<th>Control Totals</th>
<th>Main Estimate 2018/19 £m</th>
<th>Supplementary Estimate 2018/19 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resource DEL (excl depreciation)</td>
<td>28.7</td>
<td>28.5</td>
</tr>
<tr>
<td>Resource DEL (ringfenced depreciation)</td>
<td>5.2</td>
<td>7.6</td>
</tr>
<tr>
<td>Resource DEL (incl depreciation)</td>
<td>33.9</td>
<td>36.1</td>
</tr>
<tr>
<td>Of which admin</td>
<td>9.5</td>
<td>10.0</td>
</tr>
<tr>
<td>Capital DEL</td>
<td>3.5</td>
<td>2.8</td>
</tr>
<tr>
<td>Resource AME</td>
<td>(0.06)</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Net Cash Requirement (NCR)</td>
<td>32.1</td>
<td>31.3</td>
</tr>
</tbody>
</table>

Retention of negative DEL in excess of Spending Review income level

Approval has been given for retention of up to £13m to ensure the extra income does not have to be surrendered as a Consolidated Fund extra receipt.

Explanation of significant changes compared with the Main Estimate

Reserve claim:

Allocation to cover essential EU exit spending that The National Archives are undertaking as the official publisher of UK legislation to publish retained EU legislation

Capital DEL:

A transfer of resource DEL expenditure to capital DEL expenditure to reflect the reclassification of planned schemes in line with recent changes to accounting regulations.

DEL Deferral:

A deferral of resource and capital DEL to fund 2019/20 spend.

Resource DEL (ringfenced depreciation):

Over the past two years our revaluation of land and buildings and our capital spend has resulted in a significantly higher depreciation charge. During the CSR our depreciation was not adjusted and is therefore underestimated. This increase in depreciation cannot be absorbed.
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 Digital, Culture, Media and Sport Committee have any questions on the information we have provided.

Yours sincerely,

[Signature]

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.