

The National Archives (UK): Enhancing the Value of Content through Selection and Curation

Case Study Update 2011

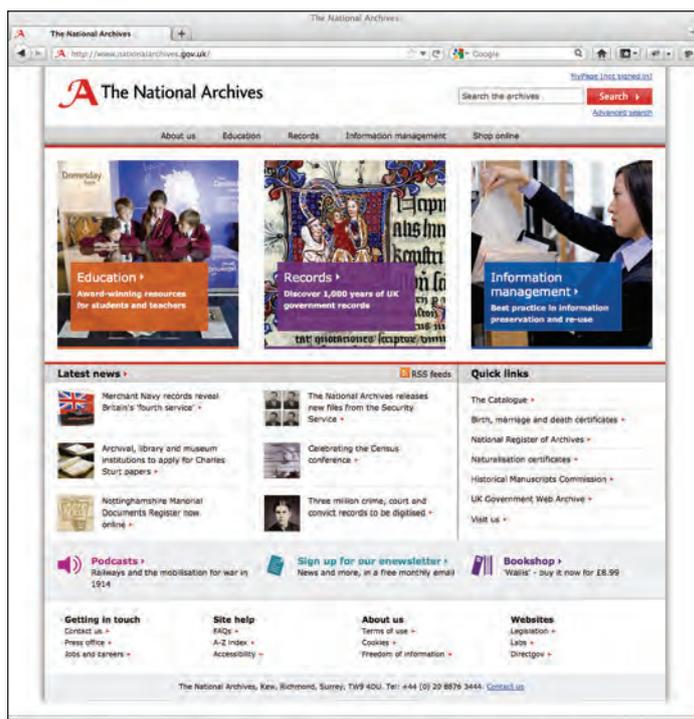
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Ithaka Case Studies in Sustainability

In 2008, we examined the activities of the Licensed Internet Associates programme (LIA), a business operation within The National Archives (TNA) that licenses TNA's holdings to commercial entities. Beyond providing direct revenue to TNA in the form of royalty income, the LIA programme has played a major role in the rapid digitisation of TNA's documents at an extremely low cost, outsourcing the function to its licensing partners. In the face of a projected 25% cut in government funding over the next four years, TNA has sought to generate more revenue through this project than in the past, by using commercial techniques of valuation and actively seeking out new collections of content for the market, as licensing revenue shifts from being an extra bonus to becoming a 'must have'.

The National Archives (TNA), the official archive of the government of the United Kingdom and for England and Wales, is one of the most significant historical collections in the world, including archival materials from across the United Kingdom spanning the past 1,000 years.¹ The archive is close to achieving its mission of having 100 million documents digitised by 2011 so that they can be accessed and used by the public. In 2009-2010, TNA's own website had 20 million online visits, compared to 14.4 million in 2007-2008, and the ratio of online to on-site document delivery increased to 221:1 in 2009-2010 from under 200:1 in 2008.²

The Licensed Internet Associates programme (LIA) has been a major factor in this plan, and it continues to grow. By allowing vendors such as Findmypast.com and Ancestry.com to bid on content packages and digitise content for



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re-use, the LIA programme both saves on the direct costs of digitisation and earns revenue through the royalties TNA receives. TNA staff have continued to mine the collection for content that is appealing for its name-rich content. Recent licences offered include those for the Chelsea Pensioners (British Army) records; Crime, Courts and Convicts; and Railway Service Records.³

Original sustainability model (2009)

When it began in 2004, the LIA programme was considered a critical means to digitise the archives at very low cost: TNA staff would select and 'package' bundles of content and put them out to bid, and the winning commercial bidder would

¹ Rebecca Griffiths and Nancy L. Maron, 'The National Archives (UK): Digitisation with Commercial Partnerships via the Licensed Internet Associates Programme' (New York: Ithaka S+R, 2009), www.ithaka.org/ithaka-s-r/research/ithaka-case-studies-in-sustainability/case-studies/SCA_BMS_CaseStudy_NatArchives.pdf

² The National Archives, 'Annual Report and Resource Accounts 2009-2010', July 2010; available at www.nationalarchives.gov.uk/how-we-are-run/our-performance.htm

³ www.nationalarchives.gov.uk/business/licensing.htm

In 2009, Ithaka S+R published twelve detailed case studies of online digital resources, exploring the strategies project leaders were using to sustain those projects for the long term. All of the case studies have been updated in 2011, to revisit the original sustainability models and see how they have fared over the past two years. To read the original case studies, please visit: www.ithaka.org/ithaka-s-r/research/ithaka-case-studies-in-sustainability

absorb the cost of digitising the collection in exchange for the right to exploit the content for ten years.⁴ The greatest benefit of the arrangement was essentially in cost savings, and there were inherent tradeoffs: the digitised content, for example, would be commercialised, and so while it was made freely available on-site at TNA, elsewhere it was available on a fee-only basis. In exchange, TNA was able to digitise and share a far wider range of content than it would have been able to do had the organisation needed to pay the digitisation costs itself.

In 2009, the revenue generated from this stream was not insubstantial – £1.5 million in royalty income per year – but it was still a very small part of the £45 million (\$72 million) total needed to support operations of TNA in 2010-2011. Rather, the main benefit was considered to be the investment in scanning, transcription and online provision made by private sector partners at no cost to the British tax payer, an investment estimated to have totalled £56 million (\$90 million) since 2004.

Today, these commercial partnerships are increasingly taking on a more central role. 'As an organisation, TNA's service provision would be severely restrained without this income', says Caroline Kimbell, Head of Licensing.

How the model has fared

About 75% of TNA's budget is supplied by the British government, and in October 2010, an official spending review proposed a 25% reduction in public funding to the organisation, to be phased in over the following four years. TNA leadership had anticipated this scenario, and rather than wait had instituted a 10% budget cut in 2010, with the expectation that this lower cost base combined with income from its commercial activities – of which the LIA programme is a part – would allow TNA to absorb the loss of public funds without requiring any further staff layoffs.⁵ These cost-saving measures resulted in the loss of 70 posts in 2010, and since January 2010, the Archives have been closed to the public on Mondays.

Since 2008, there have been significant changes in the staffing and management structure of TNA. Oliver Morley, the former Director of Customer and Business Development, was named Acting CEO in 2010 and was formally appointed to the role in 2011, and the position of Grants Manager has been eliminated. The LIA programme itself is still run by Kimbell, but with a reduction in staff and added responsibility for transitioning the book publishing operation to external co-publishers. The backlist of TNA book titles was sold to Bloomsbury in April 2011 as part of this initiative.

New directions and initiatives

These dramatic budget cuts have affected TNA in several ways, in particular by placing higher expectations for revenue on all commercial services and by serving as a catalyst for finding additional means to enhance the collection at low direct cost.

Continued growth of the LIA programme. In 2009-2010, royalty income from licensing contracts was £2.1 million (\$3.5 million), compared to £1.5 million (\$2.4 million) in 2008. Along with several other significant licenses, the LIA programme recorded its biggest-ever partnership deal in 2010, in which two competing genealogy websites banded together to secure the rights as second-to-market providers of the 1911 Census, a dataset of such importance that TNA decided to seek an independent outside valuation to support its asking price.⁶ 'TNA was being pushed hard', remembers Kimbell, but 'we were confident that [our price] was realistic, and so we spent money to conduct a valuation'. Since the release of the product in February 2009, there have been 4.9 million downloads from the partners' websites.

Collaboration among collections. The LIA programme and a team from the Archive Sector Development group within TNA⁷ recently formed a national consortium of 107 regional and county archives to create a licensing package of educational records. This step, in response to the 'Archives for the 21st Century' government policy issued in November 2009,⁸ provides value both to the potential partners and to holders of smaller collections who would not be in a position to independently exploit them. Though this is a promising new initiative, the amount of effort that went into developing the package was substantial, and Kimbell says that, given staff reductions, they would be unlikely to undertake a similar project today. This trend towards consolidation and coordination of archival content is only likely to continue, with the announcement in April 2011 that TNA 'will take on the leadership role for the archives sector' effective April 2012, when the Museums, Libraries and Archives Council officially closes.⁹

A foray into community-supplied content. In 2010, as part of the 'Africa Through a Lens' project, TNA posted thousands of images on Flickr, spanning over 100 years of African history, and asked the public to share its knowledge and to tag the images if they recognised anything or anyone in the photographs.¹⁰ In a departure from a more curated approach, 'we thought, we'll just put these images on Flickr and see what happens', said Kimbell. Though this is not a long-term solution to gathering information, it is an imaginative and

⁴ Terms of the licences are non-exclusive and renewable after ten years.

⁵ The National Archives, 'Comprehensive Spending Review – What It Means for Us', 20 October 2010; available at www.nationalarchives.gov.uk/news/505.htm

⁶ Among the factors that the independent valuator took into account in determining the market value of the content were analysis of the market, price sensitivity, market trends and the sales projections of the two firms involved in the bidding.

⁷ www.nationalarchives.gov.uk/information-management/projects-and-work/archives-sector-development.htm

⁸ www.nationalarchives.gov.uk/documents/information-management/archives-for-the-21st-century.pdf

⁹ See the TNA press release issued 20 April 2011: www.nationalarchives.gov.uk/documents/20-04-11-mla.pdf

¹⁰ www.flickr.com/photos/nationalarchives/collections/72157625827328771/

Sustainability dashboard

	2009 Case study*	2011 Update**	What's Changed?
Content	80 million digitised documents	Nearly 100 million digitised documents	+25%
Functionality	<ul style="list-style-type: none"> ■ Digitised records available through commercial partners ■ DocumentsOnline is freely searchable with pay-per-download function 	<ul style="list-style-type: none"> ■ Major redesign of the online catalogue to provide integrated search of TNA and partner sites ■ User-generated content site will go live in 2012 	Significant changes
Sustainability Model	<ul style="list-style-type: none"> ■ Royalty revenues ■ In-kind contribution of digitisation work 	<ul style="list-style-type: none"> ■ Royalty revenues ■ In-kind contribution of digitisation work 	No significant change in model
Costs	£113,200 (\$182,252)	Cost base is lower, due to 10% budget cuts instituted in 2010, in preparation for 25% cut in government funding to be implemented by 2014	approximately 10% reduction
Revenues	£1.5 million royalty income (\$2.4 million)	<ul style="list-style-type: none"> ■ £2.1 million (\$3.5 million) in royalties from LIA partners ■ Major commercial re-licence secured for 1911 Census 	+40% in royalty income
Impact	112 million document downloads	<ul style="list-style-type: none"> ■ 132 million document downloads in 2010-2011 ■ 1911 Census had additional 4.9 million visits on partner site 	+15%
Sustainability Bottom Line	LIA programme contributed by saving TNA digitisation costs, but yielded only a small part of TNA's income	Deep budget cuts have placed added pressure on LIA programme to generate revenue for the organisation. Some successes already, as TNA seeks market value for re-use of its content	

* These costs and revenues reflect TNA's 2008/09 fiscal year.

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proactive response to the recent budget cuts. As Kimbell put it: 'When there are huge barriers to doing things the old, expensive, cumbersome ways ... you roll your sleeves up and try it some other way'. She reports that this initiative has received positive press coverage, and British embassies throughout Africa have instructed their staff to go into the communities to solicit information about the photographs. According to Kimbell, 'Thanks to great media coverage and outreach work with African communities in London, initial submissions have been wonderful, ranging from detailed explanations of costumes, ceremonies and fishing equipment to the more informal "that's my dad's boat!"'. TNA reported nearly '10,000 visitors and 250,000 downloads on the first day alone'.¹¹

Responding to user feedback. One concern raised in the original case study was that the user experience could feel fragmented due to the various websites where content and its metadata were being offered. In 2009-2010, drawing on the results of a comprehensive market research study,

TNA completely revamped its website and redesigned its online catalogue to be more accessible to users, including an improved search function and a series of online self-help tools. While in the past the LIA partner content resided only on the vendors' separate platforms and was searchable only there, centralised searches are now possible on the TNA platform that 'send you right to the image' if it is online, via services called 'looking for a place?' and 'looking for a person?'. The system will also allow users to submit their own record descriptions that are integrated on the site after being vetted by the site moderator.¹²

Sustainability outlook

Today, TNA presents an inspiring model of maximising returns on the valuable content it holds by seeking out new ways to package content, and making sure that it is receiving fair compensation from its commercial partners.

¹¹ The National Archives, 'Annual Report and Accounts 2010-11', Available at www.nationalarchives.gov.uk/documents/annualreport-10-11.pdf

¹² This first phase of this feature went live in April 2011 in beta form. See <http://discovery.nationalarchives.gov.uk/SearchUI>

Aggregating content to create packages of value for vendors.

In the past, TNA has been astute in developing content packages that will appear to vendors, rather than expecting vendors to come in and identify the pieces they want most. Extending this philosophy of curation to a wider group of smaller archives has the potential to allow smaller archives to benefit from the aggregated scale of the offer, and to allow TNA to share in a new revenue stream.

Knowing what the content is worth. By seeking a professional assessment of the market value of the 1911 Census, TNA was able to maximise the financial benefit of the biggest image resale to date and establish clear ground-rules for such sales in the future.

Experimentation at low cost. When the old, expensive ways are just not possible, experimenting with the tools available helped TNA to start learning more about its collection of vintage photographs of Africa. While it is not clear what value the community tagging exercise will ultimately have, the engagement of new communities with the collection is surely itself a valuable outcome and could end up providing annotations and contextual data that would not otherwise be available.

The challenges that lie ahead for TNA are clear: reduced staff makes undertaking innovative new projects difficult, if not impossible. The licences, while quite effective at producing digital copies quickly at low (no) cost, are for ten-year terms. While this has been a boon in the present, less certain is what is expected to happen at the end of the ten-year licence, since TNA does not host the content itself.

Having nearly reached the 100 million document point, though, how many more LIA partnerships will be possible once the largest series of documents have been digitised? TNA is hoping that negotiating more advantageous royalty arrangements for those collections with the greatest appeal will help support its other ongoing costs well into the future.

Lessons learnt over the past two years

- Knowing your resource's worth is essential for maximising financial benefits
- Packaging content to suit users' needs is key to success
- It can be highly cost effective to find ways to work with digital partners and/or commercial firms, when scale merits such an approach

Interviewee

Caroline Kimbell, Head of Licensing,
13 April 2010, 24 March 2011, email of 9 May 2011

This case study update was researched and written by Nancy L. Maron as part of the Ithaka Case Studies in Sustainability project.

Summary of revenues and costs

(~ = approximately)

	2009/09	2009/10	Comments
Total revenue	£1,500,000	£2,100,000	+40%
Royalties from LIA partners	100%	100%	
Total costs	£113,200	~£100,000	Cost base about 10% lower in 2011
Personnel costs	77%	n/a	
Non-personnel costs	23%	n/a	
Number of staff	2.22 FTE	n/a	
In-kind/volunteer contributions	LIA partners responsible for all digital production costs and content hosting		

Explanatory note

The information presented in this table is intended as a broad picture of revenues and budgeted costs associated with the project, not as a detailed financial report. It does not include in-kind contributions or other unbudgeted items, though these are described where they are known. The financial data, which are presented in the currency in which the project reported the information, were compiled as part of the interview process with project leaders and staff, and in some cases were supplemented with publicly available documents, such as annual reports. Many of the figures are rounded or best estimates. Some leaders preferred not to offer figures at all, but suggested percentages instead. Because of the variability in the way each institution estimated the various categories of revenues and costs, the information presented in the table is of limited value for detailed cross-project comparisons.