

Annual Report and Accounts of The National Archives **2015-16**

including the Annual Report of the Advisory Council
on National Records and Archives 2015-16

Annual Reports presented to Parliament pursuant
to section 1(3) of the Public Records Act 1958

Accounts presented to the House of Commons pursuant to
section 6(4) of the Government Resources and Accounts Act 2000

Accounts presented to the House of Lords by Command of Her Majesty

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This is part of a series of departmental publications which, along with the Main Estimates 2015-16 and the document *Public Expenditure: Statistical Analyses 2015*, present the Government's outturn for 2015-16 and planned expenditure for 2016-17.



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1. Performance Report

1.1 Overview

Introduction from the Chief Executive and Keeper

To the Right Honourable John Whittingdale, Secretary of State for Culture, Media and Sport



I am pleased to present the Annual Report and Accounts for The National Archives 2015-16. This year's report marks the first year of *Archives Inspire*,¹ our ambitious four-year strategy, and highlights our achievements in meeting the needs of each of our major audiences, and our single biggest challenge – digital. During 2015-16, we have taken many transformative steps to build on the increasing awareness of the essential role and positive impact of archives.

We are the UK Government's trusted experts in the management, use and re-use of information, and we work to preserve the official record in its paper and digital forms. Last year, our independent Information Management Assessment (IMA) programme moved from strength to strength in facilitating improved government record keeping. Assessments took place at a range of central government departments, including HM Treasury and the Department for Education. Recent reviews of government records management have strengthened the IMA programme and, for the first time, both Houses of Parliament participated in an IMA. We are working closely with Cabinet Office on solutions for the future of managing and preserving digital records, to ensure continued transparency and accountability, especially in anticipation of further born-digital information being transferred to The National Archives.

We sit at the heart of a diverse network of archives and places authorised to hold public records, which form a vital part of the nation's archival heritage. Over the last year, our leadership and support for the sector has encouraged the growth of a range of regional archive collaborations and innovative ways to sustain archive services. In March, the first white paper for culture in more than 50 years was published, outlining the government's strategy for the cultural sector. I am delighted that archives are highlighted in the paper as a key part of these aspirations.

¹ nationalarchives.gov.uk/archives-inspire/

We continue to provide our audiences with access to our collection via our website and through Discovery, our online catalogue. In November, in association with Findmypast, we launched the 1939 Register – the only surviving summary of the civil population of England and Wales at the outbreak of the Second World War. It is a remarkable example of our role in connecting our audiences to unique archival materials and an important resource for research into the impact that the onset of the conflict had on families and society at the time.

Archives are a vital part of the nation's cultural history. 'By me William Shakespeare' was our first major exhibition run in partnership with King's College London. Collaborative research on Shakespeare's will is realising rare historical insights about the playwright, and inspiring new discoveries today, for future generations to explore. I am delighted that we are part of the Shakespeare400 nationwide events that are having a positive impact worldwide, and allow anyone from anywhere to experience history in new ways.

The most pressing challenges facing archives across the world are those presented by digital preservation. Though we have created, and continue to develop, the infrastructures needed to collect digital records, we know there is more to be done. Last year, we successfully completed the first pilot transfer of born-digital records from the Welsh Government into Discovery. Earlier this year, we received born-digital information about matters of significant public interest – evidence records from the Penrose Inquiry, and the website and inquiry evidence database of the Al-Sweady Inquiry. Our work to find new preservation tools is increasingly important, as we receive new formats of born-digital collections, for the future.

The key to our achievements throughout this year has been working in greater collaboration with a range of institutions and organisations, and the expert knowledge, professionalism and commitment of our staff. The next few years of *Archives Inspire* will be tremendously exciting.



Jeff James
Chief Executive and Keeper
7 July 2016

Who we are

The National Archives is a non-ministerial department,^{2,3} and the official archive and publisher for the UK Government, and for England and Wales. We work to bring together and secure the future of the public record, both digital and physical, for future generations. Our collection is accessible to anyone all over the world.

We are many things to many audiences. Over the next four years, *Archives Inspire*, our ambitious strategic plan, will see us think and organise ourselves differently to meet the needs of each of our major audiences, and to face our biggest challenge – digital.

Tackling the complexities that digital technology presents is at the heart of our plans. Digital technology has changed forever what it means to be an archive, a government department, an organisation, business or charity.

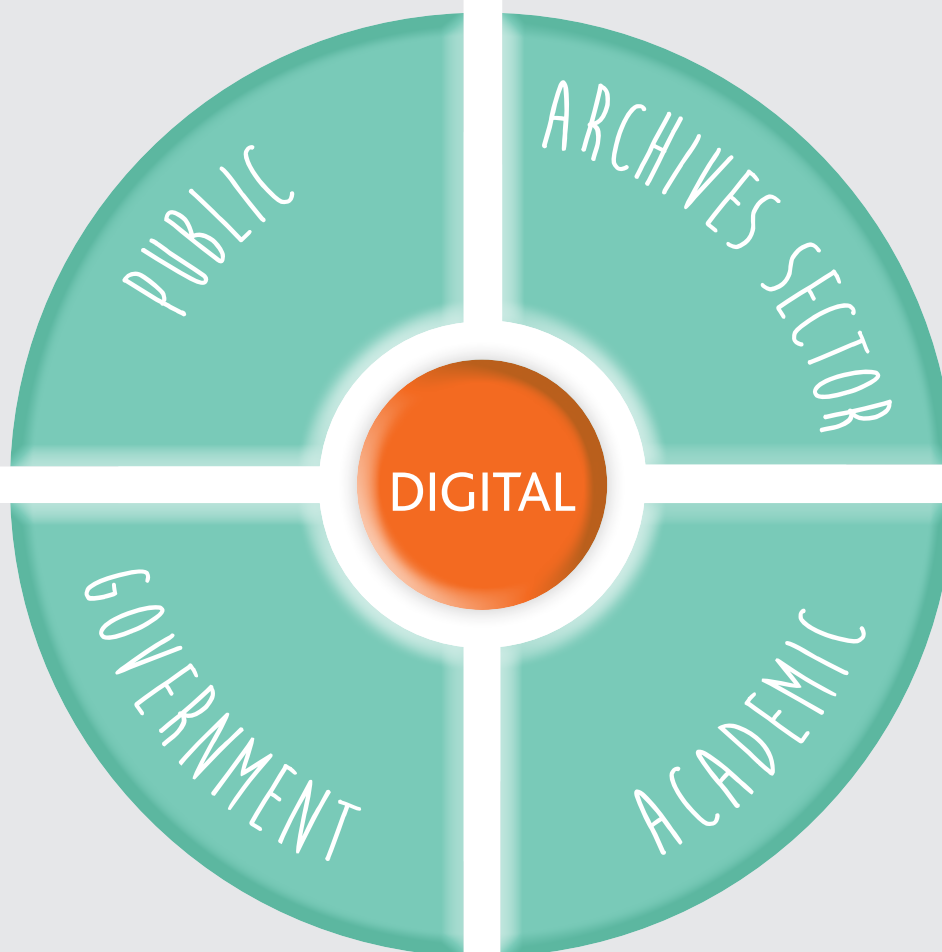
It has changed how people tell their everyday stories, and how we forever preserve the records and information that make up our national collection. We are creating the online and digital capacity to meet each of our audiences' needs, and to become a digital archive by instinct and design.

² On 17 September, following a machinery of government change, The National Archives' parent department changed from the Ministry of Justice to the Department for Culture, Media and Sport: www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-09-17/HCWS209/

³ The Chief Executive and Keeper reports annually to the Secretary of State for Culture, Media and Sport on the work of The National Archives. The report is laid in both Houses of Parliament in accordance with section 1(3) of the Public Records Act 1958. The Minister with day-to-day responsibility for The National Archives is Baroness Neville-Rolfe

For the public, we provide access to more than 1,000 years of the nation's history and connect people and communities with the millions of stories contained in our collection.

For the archives sector, we provide leadership and support, helping archives to build the skills and capacity needed to sustain the nation's archival heritage.



For government, we are the custodian of the public record and trusted experts in managing, preserving and using information.

For the academic community and others engaged in scholarly research, we offer opportunities for working together across a broad range of disciplines – to provide solutions to our key challenges, and to open up greater access to our collection.

Our audiences and the digital challenge

For government,

we provide expert advice and scrutiny, ensuring that the record survives and thrives. We have a strong reputation for our trusted information management expertise. We safeguard both the paper and digital public record, so that anyone can access, understand, use and re-use our information in the digital age.

We hold government departments to account for their record handling, to keep the transition to the 20-year rule on track

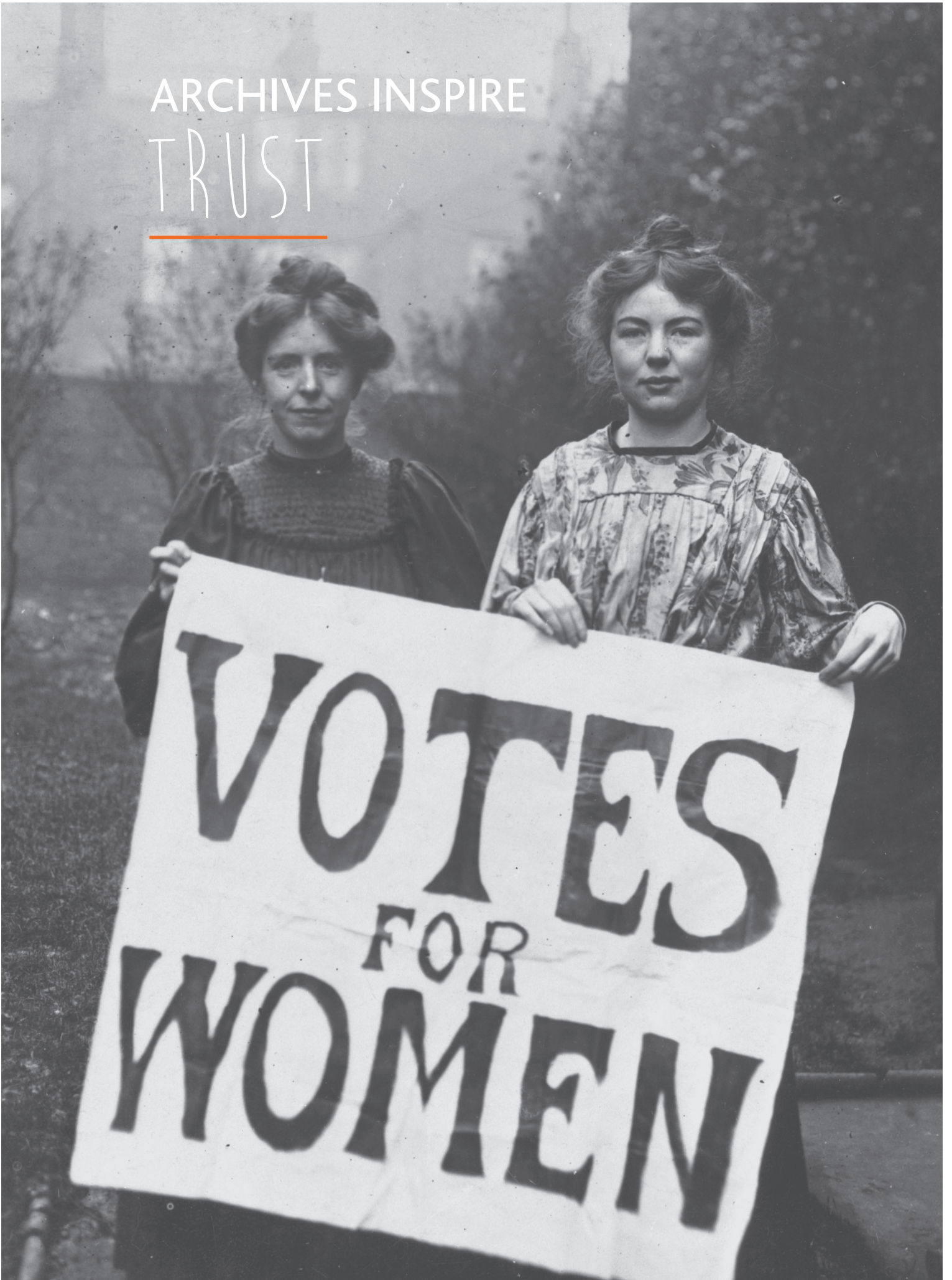
Our expert advice to government in reviewing, selecting and transferring its records for permanent preservation enabled file releases to be planned and completed more efficiently throughout the year. Among the many records made available to the public, hundreds from the UK Security Service were released onto Discovery, our online catalogue, in August. This was followed by the release of over 400 files from the Foreign and Commonwealth Office, Cabinet Office and the UK Security Service in October, resulting in extensive media coverage about the Cambridge spy ring revelations. In February, as part of the transition to the 20-year rule⁴, we released files from the Cabinet Office spanning 1986 to 1988, which included discussions about the Westland crisis and the arrangements for the 1986 Commonwealth Games. In March, in conjunction with the Foreign and Commonwealth Office, we released over 900 original records of financial assistance

claims from the mid-1960s by UK victims of Nazi persecution. The records will be made available in four tranches between March 2016 and spring 2017.

Our independent Information Management Assessment (IMA) programme has become one of the most effective and valuable ways for government departments to review their record keeping. It provides a robust assessment and ensures that departments understand the value of their information which may one day form part of the permanent public record. Last year, an IMA was undertaken at both Houses of Parliament for the first time. With the completion of IMAs for both the Home Office and the Northern Ireland Office, we succeeded in our commitment to ensure that all major government departments had completed an assessment. Our IMA programme supports government transparency and openness in information management capability.

⁴ The Constitutional Reform and Governance Act 2010 contained provisions to bring down the point at which selected government records are transferred to The National Archives, from 30 years to 20 years. The timetable for transitioning to the 20-year rule was established by statutory instrument in 2012, setting out that two years of files will be reviewed each year until 2023 when the transition will be complete

ARCHIVES INSPIRE
TRUST



Suffragettes Annie Kenny and Christabel Pankhurst, 1906
Catalogue reference: COPY 1/494

We are exploring shared service innovations and good practice in information management, and piloting solutions for the transfer of digital records

Born-digital records – those natively created in digital format such as text documents and spreadsheets – comprise a wide variety of formats. With this, they present challenges of scale, diversity and complexity and, ultimately, how to preserve them for the future. We are working with government departments to find solutions in appraising, selecting and sensitivity reviewing born-digital information to secure it for the long term. Following last year's successful pilot transfer of born-digital records from the Welsh Government to The National Archives, we have now completed several transfers of born-digital collections, including the UK Supreme Court, which contains broadcast-quality video that can be accessed for the first time through a new video streaming platform on Discovery. Archives around the world use and contribute to our Digital Records Infrastructure (DRI) to share best practice. We have improved and made enhancements to our DRI and digital preservation tools, including a significant upgrade that has introduced improved ways to manage digital records.

Last year, Sir Alex Allan completed his review of government digital records.⁵ In partnership with the Cabinet Office, we are responding to his recommendations, working with our colleagues across government to review the digital landscape. As part of the Digital Transfer Project, we shared our thinking with archives and institutions across the world. These included the National Archives and Records Administration, Washington, D.C. the University of Melbourne and the Swiss Federal Archives, who helped to inform our development of a scalable process for transferring born-digital information. In February 2016, we published two reports. The first explores the current digital landscape in government. The second provides insights into the opportunities that technology-assisted review can provide for managing born-digital data. With the Crown Commercial Service and the Cabinet Office, we are shaping effective born-digital information frameworks.

We are providing a government network for knowledge and information management leaders, to enhance capability

As public scrutiny of and media interest in government records management increases, we are leading government-wide networks to develop ways of sharing best practice. We lead the Knowledge and Information Management Leaders' Network and continue to share our expert knowledge with colleagues to facilitate greater awareness on matters of significant public interest, including the Independent Inquiry into Child Sexual Abuse. Earlier this year, we preserved born-digital records from both the Penrose Inquiry and the Al-Sweady Inquiry.

Over the course of five years, we delivered the nationwide Cabinet Office-sponsored information assurance and cyber security programme. The programme delivered vital training to thousands of stakeholders, including 13 ministerial departments, 76 central government arm's-length bodies and other agencies, and 31 local government bodies. In 2015, the programme's final year, we delivered training to over 1,500 dedicated information assurance professionals across the UK, and hundreds more at executive board level. 'Information Risk '15', the second flagship event for Senior Information Risk Owners (SIRO), took place last autumn in Westminster. Delivered in collaboration with the Office of the Government SIRO, the event looked at the challenges and threats relating to cyber security for society.

We delivered the e-learning course 'Responsible for Information' that has equipped almost 200,000 civil servants with the tools and knowledge required to manage information securely online. The information assurance and cyber security work is now an integral part of our wider expert information management offer to government.

⁵ Government digital records and archives review by Sir Alex Allan: www.gov.uk/government/publications/government-digital-records-and-archives-review-by-sir-alex-allan

We enable greater government transparency, an increasingly open record and innovation in the use, re-use and sharing of data

We drive and shape government policy on making the re-use of public sector information more accessible and transparent. We work to ensure that public sector information remains available as open data which can be freely repurposed, supporting and inspiring the creation of goods, services and tools that can bring socio-economic benefits.

Public sector information covers a wide range of data that bodies collect, produce, reproduce and share, which contributes to carrying out their public roles. Last year, we led on the UK's commitment to transpose the EU Directive on the Re-Use of Public Sector Information into UK law. Specifically, the Directive brought museums, libraries (including university libraries) and archives into scope, maximising the availability and re-use of a wide range of public sector information from these bodies for the first time. In line with government's policy and commitment to better governance and greater transparency across the public sector, responsibility for any complaints made under the regulations was transferred to the Information Commissioner, with a right of appeal at tribunal level.⁶

We are shaping and delivering outstanding legislative platforms and services which underpin the responsibilities of the UK Parliaments and Assemblies

Legislation.gov.uk is our innovative online resource that provides free access to all UK legislation. It also creates opportunities for social and economic innovation, and enables the use of open data for anyone to develop

their own products and services. Throughout the year, we updated over 1,400 Acts. For the first time, the public has ready, free and easy access to current versions of primary legislation. We also introduced a new service standard for keeping legislation.gov.uk updated for the future. In collaboration with our partners in government, the UK Parliament and the Scottish Parliament, we developed a beta version of a new browser-based drafting and amending tool for legislation, creating a single point of reference that details all stages of the creation of legislation. In addition, we have introduced new streamlined publishing processes for Orders in Council, Welsh Statutory Instruments and Northern Ireland Statutory Rules. In September, we won the Halsbury Legal Award for Innovation 2015 for our work to develop a revolutionary approach to managing and organising legislation. We shared our insights and innovation with drafters, policy makers and academics around the world.

The UK Government Web Archive continues to provide the capacity to capture and preserve a diverse range of digital records, including videos uploaded by government departments. Working with the University of Sheffield, we are exploring ways to provide better searching tools for the UK Government Web Archive in order to improve the usability of the resource, and to gain insight into how we may meaningfully search across digital records at scale. We continue to support government in its efforts to streamline and improve online government services. The ongoing web archiving programme takes regular website snapshots and allows outdated content to be removed from servers, while providing continued access to the content for users and researchers of the government web estate.

We delivered the e-learning course 'Responsible for Information', which has equipped almost 200,000 civil servants with the tools and knowledge required to manage information securely online

⁶ Before this, a Triennial Review of the Advisory Panel on Public Sector Information (APPSI) had recommended that its advisory role on changes and re-use opportunities in the information industry, which it had carried out for over a decade, was no longer required. With the transfer of its statutory complaints appeal role, APPSI ceased to exist on 18 October 2015

Our audiences and the digital challenge

For the public,

we work to inspire new ways for people to use and experience our diverse collection. Our documents are full of stories that anyone can access, discover and share, both on site and online. Our records are available to anyone, from all over the world.

We are developing new and exciting public programmes and services which rival those of other pre-eminent institutions

2016 marks the 400th anniversary of the life and death of William Shakespeare,⁷ and we are proud to be a part of Shakespeare400, the nationwide consortium that is coordinating commemorative activities, providing audiences with numerous opportunities to learn more about the iconic playwright. In February, we opened our first major exhibition, 'By me William Shakespeare', in partnership with King's College London, at the Inigo Rooms, Somerset House, East Wing. We hold the world's largest collection of documents relating to Shakespeare's life, and the exhibition brought together nine key documents – including his last will and testament – and four of his six known signatures. The exhibition, and our work supporting it, allowed audiences to discover the stories behind key moments in his life. We are also part of 'Shakespeare, Life of an Icon' an online collection created by the Folger Shakespeare Library, Washington. It contains over 100 Shakespeare documents, including imagery and documents from our collection.

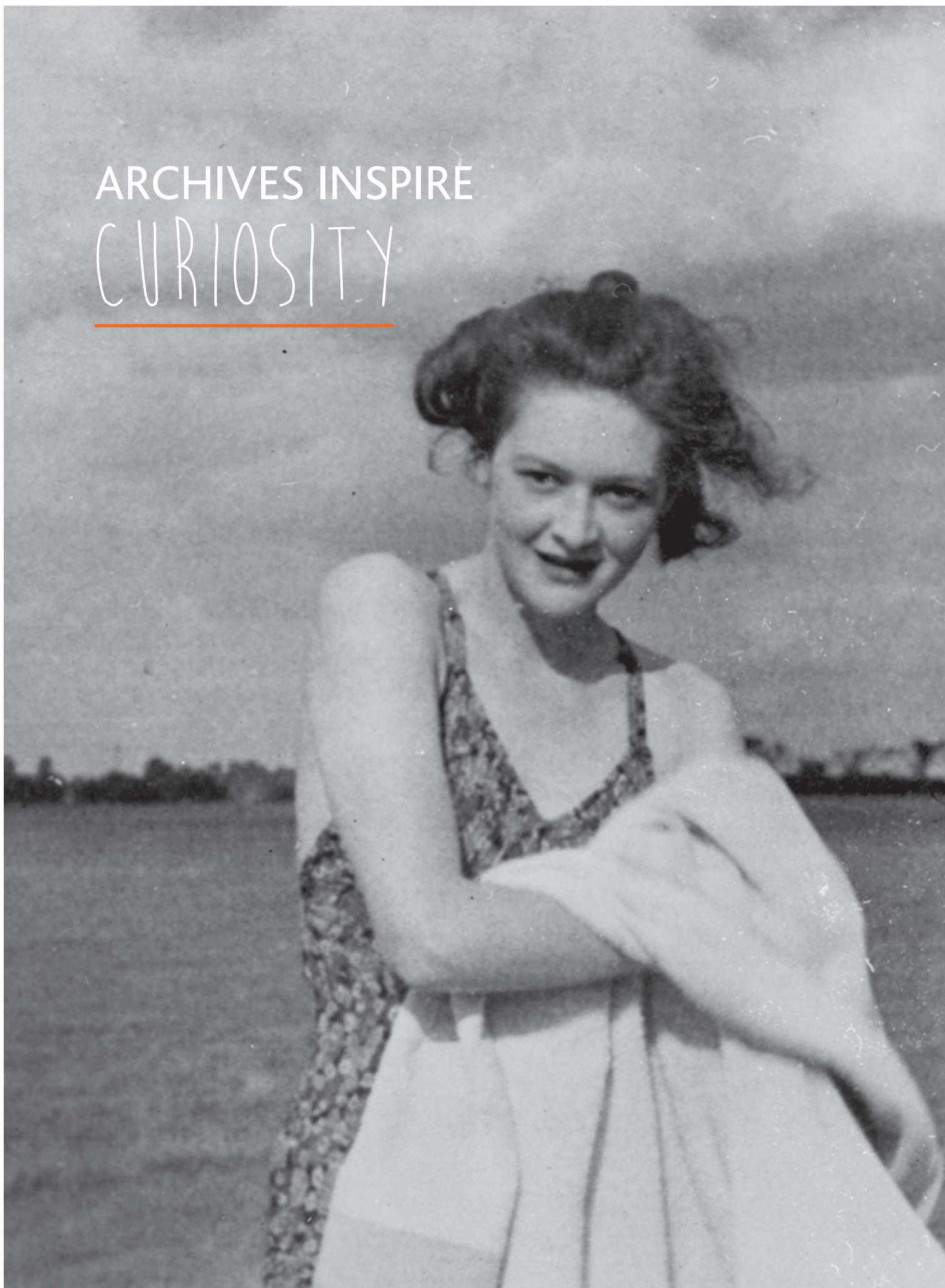
We work to provide access to our collections as a joined-up experience on site and online, and are growing our audience by connecting with new users

In November, in association with Findmypast, we launched the 1939 Register, the only surviving record of the population of England and Wales between 1921 and 1951. The survey was conducted as part of preparations for war, providing insight into the demographics of the time. It was also subsequently used to provide data for the founding of the NHS. From this collection, information relating to over 32 million people is now available and searchable online. Our commercial and licensing partnerships allow us to continue to provide access to a rich mix of digitised materials without cost to the taxpayer.

Our comprehensive education and outreach activities engage people of all ages and backgrounds with the stories in our collections. In collaboration with the University of York, a programme is being developed to create innovative teaching resources based on the research of the 'England's Medieval Immigrants 1330-1550' project. Funded by the Arts and Humanities Council, the programme will include a thematic study of migration from AD1000 to the present day, and complements new nationwide GCSE curriculum specifications.

⁷ www.shakespeare400.org/

ARCHIVES INSPIRE
CURIOSITY



Photograph of 'girlfriend' from Operation Mincemeat, 1943
Catalogue reference: WO 106

Last year, we taught more than 6,700 students on site at Kew and via our virtual classrooms. Our contributions to the Magna Carta commemorations across the country continued into this year with an interactive, large-scale learning event. A live broadcast via Discovery Education reached more than 300,000 children in more than 20 different countries – a first for us and for archives as a multimedia educational resource. Our Magna Carta documents formed part of major exhibitions and events across the country, including the British Library's 'Magna Carta: Law, Liberty, Legacy', Durham University's 'Magna Carta and the Changing Face of Revolt', and Lincolnshire's 'Great Exhibition'. Our pioneering online Magna Carta resource, developed in partnership with Parliament, won two awards for educational technology innovation: a Bett Award and a MEDEA Award.

We are inspiring curiosity about The National Archives and the hidden gems in our collection, and reimagining our Kew site to be a vibrant and welcoming learning environment

During 2015-16, we began to transform our site at Kew. The development of a new programme of events and exhibitions allowed us to reimagine our public spaces to encourage people to experience our collection in new ways. Inspired by our First World War 100 programme, 'Care and Comfort' explored the lesser-known stories of millions of people from non-European backgrounds. It involved working closely with a community group who explored the stories within our records, and culminated in an installation that was displayed at Kew. 'Centenary Stitches' was the first exhibition to be held in our open reading room this year. It displayed a range of clothing created by a community knitting project for a film telling the true story of a First World War soldier and his family, revealing the extraordinary range of knitted items that were produced back home for men in the trenches during the conflict. For the anniversary of the Battle of Agincourt, and supported by the Agincourt 600 Fund, groups of families witnessed re-enactors from the Royal Armouries use historic weaponry and armour as props to educate the audience about the battle.

We held our first 'Archives at Night' events as part of the nationwide Museums at Night activities: these invite heritage sites to open after hours for people to experience their collections in surprising ways. The first took place in the spring and audiences participated in a range of First World War-related activities and exhibitions throughout the Kew site. The second event took our visitors on a journey through centuries of spies, from medieval times to the Cold War, and featured late-night behind-the-scenes tours. Both events were fully booked and received extremely positive feedback.

Elsewhere in our What's On programme, our annual diversity week supports and raises awareness of diverse histories, allowing people to learn about aspects of their own histories they may never have known before. The week included talks about the role of gender diversity in today's world, Black British civil rights using our Mangrove Nine records, and an interactive creative writing session using our records relating to civil rights and sexuality. To mark the 40th anniversary of the death of the artist Barbara Hepworth, our material about the artist complemented an exhibition at the Tate Gallery with talks and workshops featuring the Tate's curators.

We won two awards for our web-based resource 'Magna Carta and the Emergence of Parliament' created in collaboration with Parliament – a Bett award and a MEDEA Award

Find out more about these awards and others on page 54.

Our audiences and the digital challenge

For the archives sector,

we are an effective leader and collaborator.

We support archives of all kinds to sustain and develop their services. We work to make the case for archives as a vital part of culture and heritage.

We engage and collaborate with other archives to sustain vibrant collections and services

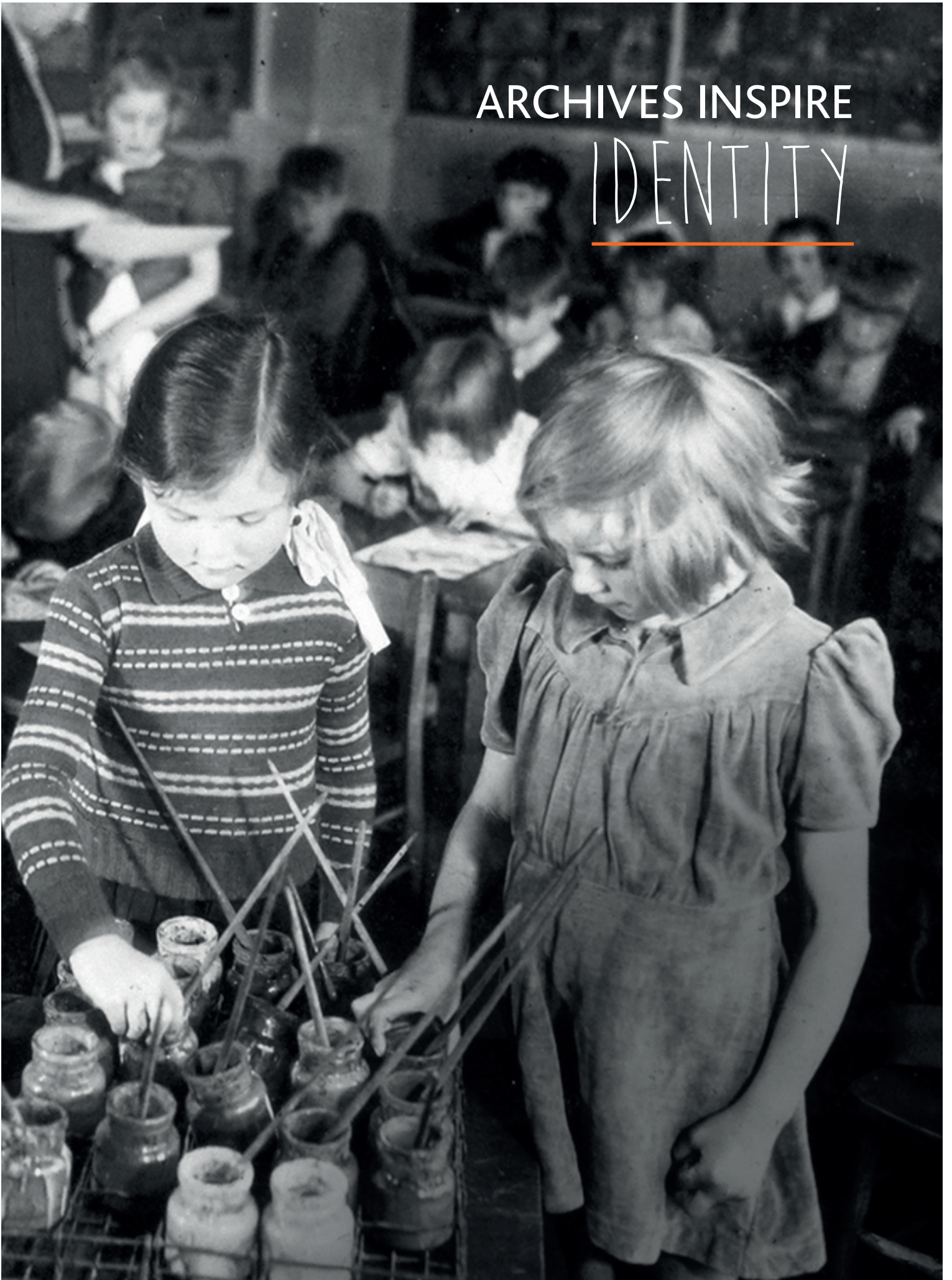
We lead 2,500 archives in England and over 200 archives approved to hold public records. Together, they form a fascinating national network of archival collections. We have supported the establishment of five regional archive collaborations with their strategic plans to tackle key challenges such as digital preservation and income generation. These collaborations have been formed across Greater Manchester, West Midlands, London, the South and Yorkshire. The 'Transforming Archives' traineeship programme, funded by the Heritage Lottery Fund, continues into a third year and provides traineeships for people who are new to the archive sector, bringing with them diverse skills for the future. Hull History Centre's trainees designed 'Hullcraft', a project that used 'gamification' to build an interactive online environment recreating the city based on the archive's records and a popular videogame. Via the National Cataloguing Grants Scheme and the National Manuscripts Conservation Trust, the 'Boaters and Bright Sparks' project, created by Warwickshire Record Office, saw the cataloguing of the Willans and Robinson Archive, a collection of papers, drawings, and photographs from a local

engineering firm based in Rugby. Later this year, we will work with the archives sector to launch strategic projects that will address the needs of science and charity archives, and archives at risk.

We influence the future through a new strategic approach which actively promotes the archival health of the nation

Our targeted programme of support is enabling archives to diversify their funding base. With support from the Heritage Lottery Fund, we relaunched Fundraising for Archives, a two-year mentoring programme, and tailored training will be provided to over 90 archives throughout this year. We have also commissioned comprehensive guidance for archives to develop sustainable strategies using their collections and expertise. As part of the Archive Service Accreditation scheme, a total of 45 diverse educational, public and independent archive services were accredited, recognised as providing robust, sustainable services and preserving their collections in line with national standards. Those accredited include Bedfordshire Archives and Records Service, Gwent Archives, the University of Huddersfield at Heritage Quay, Bowes Museum Archive in County Durham and the Rambert Archive in London.

ARCHIVES INSPIRE IDENTITY



Art class at Junior School in Holloway, 1939-45
Catalogue reference: INF 43

As part of our expert programme of support on the transition to the 20-year rule, we provided training sessions and guidance to bodies that create public records and deposit them locally, including courts, prisons and hospitals. In March, for a second year, we participated in panel discussions about the future of local authority archives at the high-profile annual Local Government Association Culture, Tourism and Sport conference in Leicester.

In March, government published the first culture white paper in over 50 years, its strategy outlining how it will ensure the arts, culture and heritage remain open to all. We are delighted that archives are a part of this vision and, in collaboration with other leading cultural heritage bodies, we continue to develop nationwide approaches to achieving common goals. Recently, we signed a refreshed Memorandum of Understanding with Arts Council England that sets out how both organisations can work together to strengthen our respective sectors. Earlier this year, we launched a focussed period of engagement with archive professionals, organisations and key stakeholders from across the cultural, creative, commercial and digital sectors, to shape a new strategic vision for the archives sector in England.

We are a strong advocate for the sector to raise awareness of the importance and potential of archives

Over the last year, archives of all kinds have been working to raise awareness of the richness of their collections and attract new audiences. In June 2015, archives from across the globe, including The National Archives, came together to celebrate 'democracy and rights' by presenting their collections online for International Archives Day. In November 2015, the annual 'Explore Your Archive' campaign, run in partnership with the Archives and Records Association, saw contributors take part in widespread activity, including events and open days across the country, and via social media. On Twitter, #explorearhives trended with over 14,500 tweets. The campaign was launched at Liverpool Library, where speakers reinforced the positive impact that local records, libraries and archives hold in allowing people to connect to their histories. In February 2016, a highly engaging online and on site 'Meet the Keeper' event saw a range of people, including many in the archives sector, put questions to the Chief Executive and Keeper of The National Archives. Topics included the importance and recognition of digital skills, sustainability and funding, and the role of archives in the future.

In October 2015, the third 'Discovering Collections, Discovering Communities' conference took place at the Lowry in Salford, Greater Manchester. Over 400 delegates from the UK and abroad explored the innovative ways in which collections can make a positive impact socially, economically and culturally. This hugely successful conference was run in collaboration between The National Archives and Research Libraries UK, and was supported by JISC, the Wellcome Library and British Library. The conference returns to Salford this October.

We encourage creativity, good practice and the sharing of knowledge through programmes, surveys, tools and guidance

Discovery, our online catalogue, supports archives across the UK in making a range of fascinating collections held outside of The National Archives more accessible. Last year, it provided users with over 1,900,000 descriptive views of records held by other archives.

Our Accessions to Repositories survey invites archive services across the UK and Ireland to tell us what they have taken in over the last year. The 2014 survey highlighted over 3,700 newly accessioned collections. So far for 2015, over 2,000 accessions taken in by archives across the UK have been recorded. By the end of this survey, we expect to publish information about newly accessioned collections from hundreds of participating archives.

We completed the first year of the Higher Education Archives Programme, which meets the needs of university archives by exploring innovative collaborative working and tools. We also completed the three-year Archiving the Arts programme, which gave targeted advice to over 300 arts organisations and individuals, strengthening our relationships with a range of partners.

**During 'Explore Your Archive',
the hashtag #explorearchives trended
on Twitter with over 14,500 tweets**

Our audiences and the digital challenge

For academics and researchers,

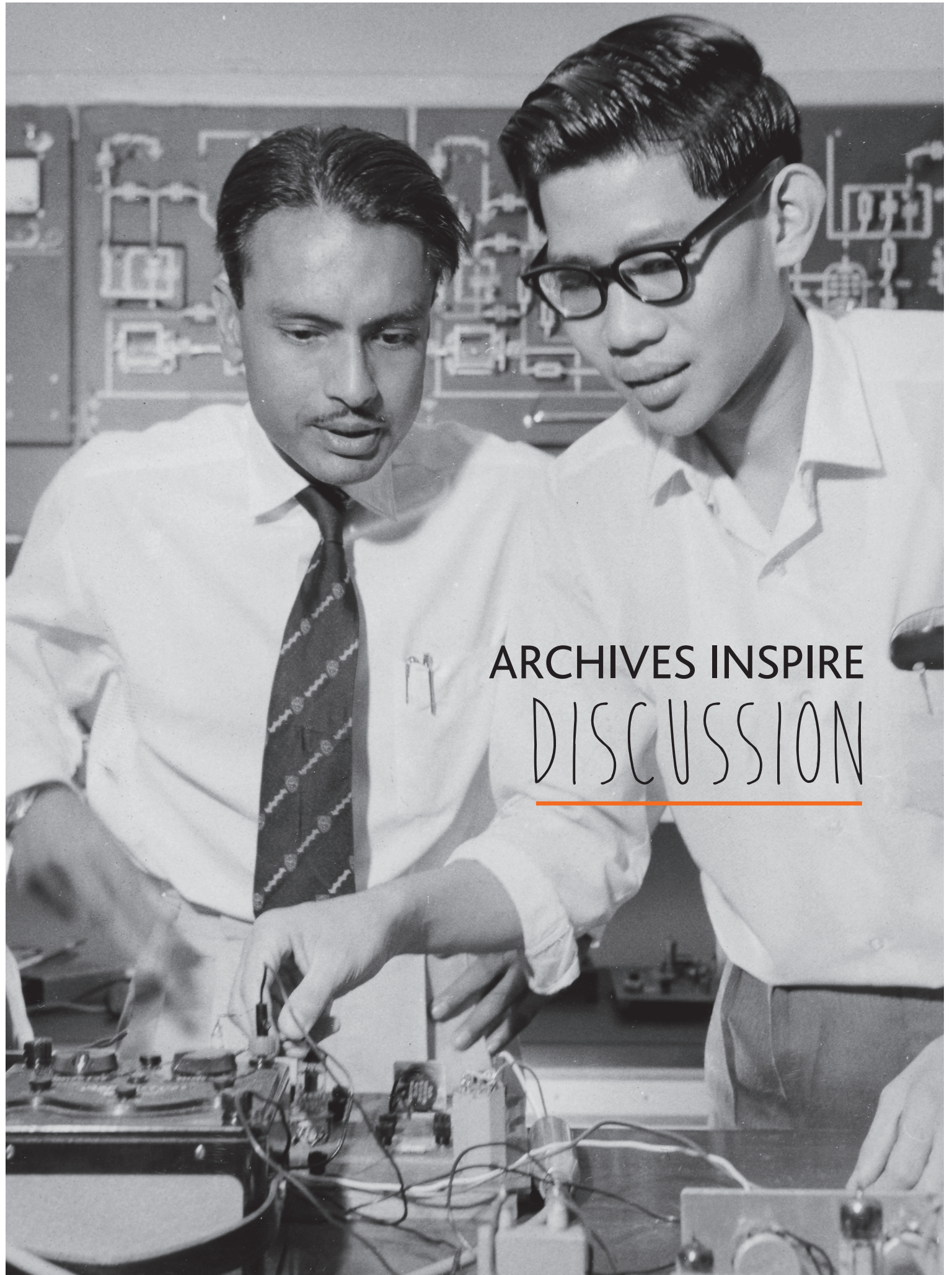
we are focussed on advancing knowledge through exemplary academic liaison and outstanding interdisciplinary research. Our strong, collaborative links across the research communities will inform and support our research ambitions and priorities, particularly in the digital sphere.

We are expanding our national and international reputation for pioneering research and collections management in line with our status as an Independent Research Organisation

Research is a core part of our work. Our unique collections and the specialist knowledge we have about our records allows us to lead, support and collaborate on pioneering new research that unlocks new discoveries. In March, as part of research undertaken on William Shakespeare's will, we completed innovative scientific and curatorial analysis. This research has uncovered fresh insights and posed new questions about the period of time over which Shakespeare's will was drafted, and introduces new theories about the playwright's personal motivations in leaving a legacy for his family. Conservators at The National Archives treated the will over a four-month period, and, working with our records specialist colleagues, by using multispectral imaging carried out at the British Library, analysis was completed that helped to illuminate some of these findings. It was the first time that archival research of this kind has received extensive media coverage, and exemplifies our desire to share and celebrate our work.

The outcomes of this ground-breaking research present exciting possibilities and shine a new light on this historic document.

Some of our most recent and successful collaborations have helped to raise the profile of our work in partnership with our peers. Last year, as part of the Arts and Humanities Research Council's (AHRC) 10th anniversary, we participated in one of five successful national debates on themes relating to the humanities. In June, 'Curating the Nation', held at the British Museum, was a great opportunity for archives to be represented at the heart of discussions about the cultural heritage sector. We jointly organised a twinned set of events with the Royal Historical Society and the Institute of Historical Research, exploring new approaches to archives and demonstrating our continuing success in collaborative relationships. Archivists, archival scholars, historians and other delegates explored 'The Production of the Archive' in January. The second event, 'The Experience of the Archive', took place in April 2016.



ARCHIVES INSPIRE
DISCUSSION

D K Ghosh and engineering student University of Malaya, 1964
Catalogue reference: CO 14

We are increasingly building on our international reach and influence. This year, we hosted a meeting of Interpares, an international archives research project. In June, we delivered a key research paper at the meeting of European archives in Latvia, contributing to international conversations about the state and future of research for archives of all kinds.

We aim to enhance our current research reputation to develop funding success

Our colleagues are engaged in collaborative projects that are at the heart of physical and digital preservation, historical research and data science. The 'Death, Dirt and Disease' project involves the cataloguing of 19th-century records relating to public health. Extended support and funding from the Wellcome Trust has allowed us to broaden our understanding and widen the potential of this core collection of records. Similarly, the 'Unknown Treasures' project has identified and made available an historic set of medieval and early modern records that were unsorted, never accessioned or made available before. The project has brought to light almost 5,000 files from the Court of Common Pleas and demonstrates the power that lies in significant research undertaken on legacy documents.

We are shaping a programme of world-class digital research

The outcomes of 'Traces through Time', our ground-breaking collaborative research project that identifies individuals across different datasets, have been integrated into Discovery. The new 'other possible matches' feature links over half a million individual names across 20 of our First World War collections. This feature will continue to be developed throughout this year. We are working to improve the quality of the datasets in our catalogue through our State of the Catalogue programme. We also carried out two pilots to catalogue government public information films held on our behalf at the British Film Institute (BFI). An award was made to The National Archives by the Heritage Lottery Fund and BFI's 'Unlocking Film Heritage' fund, to transfer specific public record films into stable and accessible digital formats. Some of these films will be made available through the BFI Player online later this year. We continue to engage with other leading bodies in establishing nationwide digital research initiatives, including the new Alan Turing Institute, based at the British Library.

We are responding to the changing needs of the academic and research sector

We recognise that our contributions to research across a range of fields can support both the challenges and opportunities that cultural, heritage and educational bodies are facing. We were delighted to be funded by the AHRC for a second tranche of collaborative doctoral studentships, a vital element in sharing new knowledge and learning between cultural heritage institutions and the higher education sector. Last autumn, we began a Collections Strategy programme which focuses on our own collecting activity in the context of the archive sector. The programme aims to review what, how and why we collect, and to investigate the idea of a national distributed collection, alongside stakeholders and partners from across the archive and cultural heritage sectors.

This year, we successfully completed our first Knowledge Transfer Partnership (KTP) project with industry partner the IMC Group Ltd. KTPs are a UK-wide scheme that enables organisations to access knowledge, technology or skills from across the country – including universities, further education colleges, and research and technology bodies. Our research expertise helped to inform the development of specialised software to assess risk in preserving collections; to develop tools to evaluate environmental data; and to establish preservation benchmarks. This partnership demonstrates the potential of research in spearheading technical developments and products, encouraging commercial and licensing possibilities.

Unique, collaborative scientific and curatorial research on William Shakespeare's will received widespread media coverage – including BBC Radio 4's flagship *Today* programme, the BBC World Service, most UK broadsheet newspapers, and news outlets in the USA and Australia

Facebook stats:

1.15 million reach, 717 shares
and 4,154 likes by noon on the day of release

1.2 Performance analysis

Financial approach and results

Preparation of the accounts

The accounts are prepared in accordance with the direction given by HM Treasury in pursuance of section 5(2) of the Government Resources and Accounts Act 2000.

Going concern basis

The National Archives is financed by amounts drawn from the UK Consolidated Fund, approved annually by Parliament to meet the department's Net Cash Requirement for the year. As with other government departments, the ongoing financing of The National Archives' activities and related liabilities is met by future grants from the UK Consolidated Fund and the application of future income, both to be approved annually by Parliament. Such approval for amounts required for 2016-17 has already been given. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Financial control

The National Archives is funded through Supply Estimates. These are the formal means by which government seeks authority from Parliament for its own spending each year. The National Archives' net total resources provision, for which authority was sought and approved during the year, was £34.2 million. A copy of our final budgetary control limits is available online at www.gov.uk/government/publications/supplementary-estimates-2015-16

Cash requirements are forecast on a monthly basis and we liaise with HM Treasury to enable these funds to be made available through the Government Banking Service, which was The National Archives' banking facility during the reporting period.

Management information is reported monthly to the Executive Team and at each Board meeting.⁸ We run a very effective delegated budget system where all budget holders go

through regular reviews of all of their costs and revenue with their finance business partners and management accountants. These reviews enable us to respond quickly to variances, identify where action is required and make sure that the best use is made of public money.

Financial position

In 2015-16, The National Archives' net resource outturn was £33.8 million compared to a budget allocation of £34.2 million. The non-ring-fenced element, which is the controllable element of our expenditure, was managed to within £0.3 million (1%) of our allocation.

The ring-fenced outturn was £5.7 million compared to the budget allocation of £5.8 million. Ring-fenced expenditure is mainly for depreciation and amortisation costs. The increase of £0.2 million from 2014-15 was primarily due to the revaluation of the buildings.

Annually Managed Expenditure (AME) was in line with our budget allocation, but £0.7 million lower than 2014-15. This was due to new provisions created in 2014-15, £0.5 million of which were an onerous lease provision for office space within a government building that was vacated in Norwich. 2015-16 AME spend relates to the release of this provision.

The total net capital expenditure of £1.1 million is £0.1 million lower than our budgeted allocation of £1.2 million, and £0.9 million lower than 2014-15. The prior financial year was higher as it included £0.9 million towards developing the infrastructure for a digital repository to enable us to meet the challenges of receiving large volumes of digital records into The National Archives.

The net cash outturn for the year was in line with our net cash allocation of £29.6 million. The National Archives has no significant liabilities to report.

⁸ Prior to December 2015, the Board was called The National Archives' Management Board consisting of the Chief Executive and Keeper, the five directors and up to four Non-executive Directors. The change in name is the result of a review of corporate governance arrangements. Full details are reported in the Governance statement on pages 47-56

Reconciliation of resource expenditure between estimates, accounts and budget

	£000 2015-16 Estimate	£000 2015-16 Outturn	£000 2014-15 Estimate	£000 2014-15 Outturn
Net Resource Outturn (Estimates)	34,170	33,801	35,073	34,670
Consolidated Fund Extra Receipts in the Operating Cost Statement	-	-	-	-
Net Operating Cost (Accounts)	34,170	33,801	35,073	34,670
Resource Budget Outturn (Budget)	34,170	33,801	35,073	34,670
<i>Of which:</i>				
Departmental Expenditure Limits (DEL)	34,301	33,941	34,494	34,093
Annually Managed Expenditure (AME)	(131)	(140)	579	577

Contingent Liabilities

There were no contingent liabilities at the reporting date.

Statement of payment practice

The National Archives operates in line with government's commitment to pay suppliers promptly. During 2015-16, we estimate that 93% were paid within agreed credit periods.⁹

The proportion of the amount owed to suppliers at the end of the reporting period to the total amount invoiced by suppliers during the year, expressed in number of days, represents 20 days, which is normal at the end of the year.

⁹ The majority of the 7% relates to invoices with outstanding queries

Performance against our business priorities

We will provide expert advice and scrutiny to government, ensuring the record survives and thrives

Our goal	How we were to achieve this	Status
<p>Explore shared service innovations and good practice in information management, and pilot solutions for the transfer of digital records</p>	<p>We will develop a repeatable and scalable process for the transfer and preservation of digital records with training and advice to government on the management of their information.</p>	<p>Achieved. Piloted and first transfer delivered.</p>
	<p>We will improve the effectiveness and efficiency of the training we provide to government departments in the management of their information and records.</p>	<p>Achieved. E-learning capability developed and first module launched.</p>
<p>Provide a government network for knowledge and information management leaders, to enhance capability</p>	<p>We will share knowledge and expertise in information and records management through themed networking meetings, in the UK and internationally.</p>	<p>Achieved.</p>
<p>Hold government departments to account for their record handling, to keep the transition to the 20-year rule on track</p>	<p>We will deliver our action plan in support of the recommendations of Sir Alex Allan's review of record keeping in government.</p>	<p>Achieved.</p>
	<p>We will continue the transition to the 20-year rule and support departments in the review and transfer of their legacy records.</p>	<p>Achieved. New Burdens funding for places of deposit in place for allocation as planned in 2016-17.</p>
	<p>We will raise awareness of information assurance and cyber security issues across government and help departments develop their skills in this area. With our delivery partners, we will train and produce guidance for Information Asset Owners, Senior Information Risk Owners and executive boards, and provide e-learning for all public sector staff ensuring a coherent and effective offer.</p>	<p>Achieved. National Cyber Security programme closed and has become part of The National Archives' information management processes.</p>

Our goal	How we were to achieve this	Status
<p>Enable greater government transparency, an increasingly open record and innovation in the use, re-use and sharing of data</p>	<p>We will work across government and with key external stakeholders and partners to deliver expert leadership on the re-use of public sector information and the legislative framework of public records, Crown rights and official publishing.</p>	<p>Achieved.</p>
	<p>Working with other parts of government across the four UK jurisdictions, we will reinforce 'digital first' publishing for official materials, continue the shift to online accessibility for the user and provide expert support for government as a whole to act as an 'intelligent client' in official publishing.</p>	<p>Achieved.</p>
<p>Shape and deliver outstanding legislative platforms and services which underpin the responsibilities of the UK Parliaments and Assemblies</p>	<p>We will bring the revised primary legislation on legislation.gov.uk up to date.</p>	<p>Partially achieved. A new service standard was introduced from 1 January 2016 for revised legislation. As at 31 March, 78% of Acts were up to date.</p>
	<p>We will work with our partners, the drafters of legislation in government and the Parliaments and Assemblies of the UK, sharing our platform and collaboratively developing tools for drafting, amending and publishing legislation. We will reshape our services, and the contracts that underpin them, to maximise the opportunities from collaboration and to minimise costs.</p>	<p>Achieved. Legislation drafting, amending and publishing project moved into beta development.</p>
	<p>We will improve public access to legislation for people in all parts of the UK, gathering and curating data about legislation to provide readers with the context they need.</p>	<p>Achieved. Supportive user response noted through surveys.</p>

Performance against our business priorities

We will inspire the public with new ways of using and experiencing our collection

Our goal	How we were to achieve this	Status
<p>Grow our audience by connecting with new users</p>	<p>We will build links with new, under-represented and non-traditional audiences engaging them with our outreach and mainstream programming.</p>	<p>Achieved. Full programme of community-based outreach programmes delivered.</p>
	<p>We will increase awareness of our role and services and attract a greater and more diverse audience.</p>	<p>Partially achieved. Research undertaken this year into our audiences across a range of media has provided us with the foundation to further develop the diversity of our audiences.</p>
	<p>We will work with the British Fashion Council and other relevant partners to raise awareness of the Design Collection online service among the fashion and interiors industry, design colleges and students.</p>	<p>Deferred. Project deferred as resources were apportioned to other business priorities.</p>
<p>Provide a joined-up on site and online experience and use technology to make our routine services more efficient</p>	<p>Through changes to our business processes, developing new supporting software and updating our fee structure, we will enhance the user experience and move our record copying service closer to becoming digital by design.</p>	<p>Achieved.</p>

Our goal	How we were to achieve this	Status
<p>Develop new and exciting public programmes and services which rival those of other pre-eminent institutions, and inspire curiosity about The National Archives and the hidden gems in our collection</p>	<p>We will commemorate the centenary of the First World War through a range of public programmes, both online and at Kew. We will work in partnership with other organisations to showcase our unique collection of First World War records.</p>	<p>Achieved. A successful completion to the second year of a five-year programme commemorating the centenary of the First World War.</p>
	<p>We will use the 400th anniversary of Shakespeare’s death to engage new audiences and enhance our reputation within the wider cultural and heritage sector.</p>	<p>Achieved. The programme will continue until autumn 2016.</p>
	<p>Mark the 800th anniversary of Magna Carta with events at Kew for academics and school students – bringing the researchers and historians of today and the future into the heart of The National Archives. Broaden access to our collection and extend our reach through loaning our copies of Magna Carta and other related records to high-profile exhibitions throughout the anniversary year.</p>	<p>Achieved. In addition, our Magna Carta online education resource won two awards – a Bett award and a MEDEA award.</p>
<p>Reimagine and reconfigure our Kew site to be a vibrant and welcoming learning environment</p>	<p>Agree and commission changes to our building and grounds to inspire our visitors to use and experience our collection in new ways.</p>	<p>Achieved. A successful first year of development as part of a multi-year programme.</p>

Performance against our business priorities

We will be an effective leader and partner for the archives sector, to sustain and develop the nation's collection

Our goal	How we were to achieve this	Status
<p>Influence the future through a new strategic approach which actively promotes the archival health of the nation</p>	<p>We will agree the strategic objectives for our leadership of the sector in the period to 2020 and develop with the sector an action plan to implement them.</p>	<p>Partially achieved. Minister commissioned The National Archives to begin work on developing a new strategic vision for archives in England, for consultation during 2016-17.</p>
<p>Be a strong advocate for the sector to raise awareness of the importance and potential of archives</p>	<p>We will use a wide range of events, publications, partnerships and other engagement opportunities to demonstrate the value, needs and impact of archives.</p>	<p>Achieved.</p>
<p>Engage and collaborate with other archives to sustain vibrant collections and services</p>	<p>We will support archives of all kinds to maintain and develop the capacity, skills and services needed to preserve our archival heritage and meet the diverse needs of archive users.</p>	<p>Achieved.</p>

Our goal	How we were to achieve this	Status
Develop the funding and investment capacity and opportunities of the sector to increase its financial sustainability	We will provide guidance, training and advice to help and encourage archive services to diversify and grow their funding streams.	Achieved.
Encourage creativity, good practice and the sharing of knowledge through programmes, surveys, tools and guidance	We will develop and deliver programmes, surveys, tools and guidance to support best practice, joint working and shared services in the archives sector. We will support the wider archives sector in making the shift to digital record keeping. ¹⁰	Achieved.
	We will review the training and advice we offer to the wider archives sector on the management and care of their collections.	Partially achieved. Key thematic areas agreed in response to needs identified by the sector. Discussions are under way with potential delivery partners.

¹⁰ This business priority was incorporated into the 'Build partnerships, including with commercial partners, which provide innovative online services to our users' priority, on page 36

Performance against our business priorities

We will advance knowledge through exemplary academic liaison and outstanding interdisciplinary research

Our goal	How we were to achieve this	Status
Expand our national and international reputation for pioneering research and collections management in line with our status as an Independent Research Organisation	We will scope the current research landscape and our reputation within it.	Achieved.
	We will develop a new collections, collections development and cataloguing strategy for the records we hold.	Achieved.
	Through our 'Unknown Treasures' project, we will further tackle our cataloguing backlog, sorting and making available in Discovery enhanced descriptions of medieval and early modern files.	Achieved.
Enhance our current research reputation to develop funding success	We will refresh our research and grants approval process to focus on delivery of high-quality successful projects and grants applications that meet our business objectives.	Partially achieved. Deferred to 2016-17 pending the appointment of new Head of Research.
	We will develop a strategy to extend our funding reach. We will provide better research coordination, aligning our needs and those of the archives sector to eliminate overlap and duplication.	Achieved.

Our goal	How we were to achieve this	Status
<p>Shape a programme of world-class digital research</p>	<p>We will identify and prioritise the key digital research challenges facing The National Archives and the wider archives sector.</p>	<p>Partially achieved. Digital research scoping study commissioned and completed in year to identify and prioritise research challenges. Awaiting formulation of our digital strategy in order to coordinate projects across The National Archives.</p>
<p>Establish a renowned research centre to coordinate and galvanise our long-term research programme</p>	<p>We will shape new strategies to build and demonstrate our research capacity, capability and impact, and for the wider archives sector. We will also explore different approaches to fostering an enhanced research culture within The National Archives.</p>	<p>Achieved.</p>
<p>Respond to the changing needs of the academic and research sector</p>	<p>We will improve coordination of our academic engagement, reaching out to national and international research sectors in higher education and government at a new strategic level and prioritising responses to needs identified by our research scoping study.</p>	<p>Achieved. New academic liaison team established.</p>

Performance against our business priorities

We will become a digital archive by design

Our goal	How we were to achieve this	Status
Lead a transformation in how digital records are managed at scale, from creation to presentation	We will further enhance the Digital Records Infrastructure (DRI) system and optimise our processes to increase our ability to manage digital records at scale, and we will develop a roadmap for DRI to ensure its viability and long-term sustainability. We will provide our users with new ways of searching, browsing and receiving born-digital records in Discovery.	Partially achieved. The transfer of born-digital records from the Penrose and Al-Sweady Inquiries are evidence that all workflows have been successfully implemented. We will continue to develop our capability to ingest and present born-digital records.
	We will provide effective leadership and support to other government departments in order to address the challenges of digital record keeping.	Achieved.
Build partnerships, including with commercial partners, which provide innovative online services to our users	We will support the wider archives sector in making the shift to digital record keeping. ¹¹	Achieved.
	We will work with a commercial partner to digitise the 1939 Register and launch an online service to provide access to this unique resource for family historians and other interested parties.	Achieved.

¹¹ See the business priority 'Encourage creativity, good practice and the sharing of knowledge through programmes, surveys, tools and guidance', on page 33

Our goal	How we were to achieve this	Status
<p>Make Discovery the primary destination for anyone wanting to access archives in the UK, and provide platforms and tools which help other archives put more of their collections online</p>	<p>We will develop Discovery as the archival resource discovery tool of choice for the UK. In this phase, we will develop a series of tools to enable data contributors in UK archive repositories to upload and maintain their own catalogue data directly in Discovery. We will also investigate a tool to allow the automated import and updating of data from the APIs of major repositories and other aggregators.</p>	<p>Not achieved. Enhanced capabilities were developed in Discovery to manage contributions from other UK archive repositories. As a result, further development is needed so that contributors can maintain their own data.</p>
<p>Meet changing customer expectations in a digital world</p>	<p>We will build the skills, structures and governance we need to meet our digital and technology challenges.</p>	<p>Achieved.</p>

Performance against our input indicators

Input indicator	2015-16 Outcome	2014-15 Outcome
Original records delivered to on site users ¹²	615,001	647,140
Electronic records delivered to online users ¹³	190,805,999	198,704,334
Staff diversity¹⁴		
Women	53.43%	54.5%
Top management women ¹⁵	48.37%	44.1%
Black and minority ethnic	20.13% ¹⁶	20.2%
Disabled	10.42% ¹⁷	10.8%
Staff engagement (as reported by the Civil Service People Survey)	70%	70%
Time taken to deliver original records to on site users	98% of documents delivered to users within one hour	96.7% of documents delivered to users within one hour
Time taken to respond to Freedom of Information, Data Protection and Environmental Information Regulation Requests¹⁸	95.1% of enquiries responded to within statutory deadlines	97.1% of enquiries responded to within statutory deadlines
Total departmental spend¹⁹	£29.2 million	£31.2 million
Staff sickness absence	4.3 days per member of staff (average)	5.1 days per member of staff (average)
Outstanding effects on legislation.gov.uk²⁰	65,906 unapplied amendments remaining to bring legislation.gov.uk up to date	164,891 outstanding effects
Number of physical records accessioned	41,784 pieces 899 metres	35,617 pieces 800 metres

¹² Figures for the number of original records delivered to on site users – 2013-14: 674,231; 2012-13: 574,351

¹³ These numbers include downloads from our licensed internet associates. Figures for the number of electronic records delivered to online users – 2013-14: 204,122,320; 2012-13: 172,935,129

¹⁴ The method for calculating the end-of-year results for The National Archives' staff diversity metrics has been changed this year. For 2014-15, we published the last/most recent result. For 2015-16, an aggregate or average of all the results for the year has been calculated

¹⁵ This represents the percentage of women at Band G (Civil Service Grade 7) and above

¹⁶ This represents the percentage of people who declared their ethnicity, and not the total number of staff. Employees declaring ethnicity during the year ranged from 376 to 404

¹⁷ This represents the percentage of people who declared their disability status, and not the total number of staff. Employees declaring disability status during the year ranged from 356 to 372

¹⁸ Since the beginning of 2016, we have continued to receive high volumes of Freedom of Information (FOI) requests; January and February 2016 have seen more requests received than the same months of the previous year. We remain in the top ten public authorities that provide figures for FOI statistics collated by the Cabinet Office, including Departments of State, receiving in excess of 3,000 enquiries in 2015 – Freedom of Information Statistics: Implementation in Central Government: www.gov.uk/government/uploads/system/uploads/attachment_data/file/517909/freedom-of-information-statistics-2015-Q4-annual__1_.pdf

¹⁹ Total departmental spending is the sum of the resource outturn and the capital outturn less depreciation

²⁰ Last year, we reported on the number of new effects (unapplied amendments), researched effects and applied effects as follows: 233,738 new effects, 157,940 researched effects, 56,763 applied effects. An unapplied amendment is an individual change made by one piece of legislation on another. A new service standard for legislation.gov.uk was introduced from 1 January 2016 for the revised legislation to complete the shift to manage both legacy and new amendments, and the editorial system has been developed to track progress. To reflect these changes, the way we collected and presented unapplied amendments remaining to bring legislation.gov.uk was changed for 2015-16

Performance against our impact indicators

Impact indicator	2015-16 Outcome	2014-15 Outcome
Web continuity	17.2 million visits to UK Government Web Archive ²¹ 8.9 million visitors to UK Government Web Archive ²²	29 million visits to UK Government Web Archive 15.7 million visitors to UK Government Web Archive
Sustainable development	Carbon emissions from energy use in our buildings reduced by 15.3% compared with 2014-15 (a 55% reduction compared with 2009-10) Operational ('business as usual') waste reduced by 20.3% compared with 2014-15 (a 38% reduction compared with 2010-11) In 2015-16, 46.7% of our total waste was re-used or recycled Water consumption reduced by 11.7% compared with 2014-15 (a 36% reduction compared with 2009-10)	Carbon emissions from energy use in our buildings increased by 8% compared with 2013-14 (a 46% reduction compared with 2009-10) Operational ('business as usual') waste increased by 7% compared with 2013-14 (a 27% reduction compared with 2010-11) In 2014-15, 63% of our total waste was re-used or recycled Water consumption reduced by 20% compared with 2013-14 (a 28% reduction compared with 2009-10)
Customer satisfaction		
On site users	93%	95%
Online users	60%	59%
legislation.gov.uk users	76%	71%
Records and information management services used across government	5 Information Management Assessments completed 3 Information Management Assessments reports published 1 action plan published 4 annual review reports published 8 formal review meetings undertaken	3 Information Management Assessments completed 5 Information Management Assessments reports published 3 action plans published 2 annual review reports published 6 formal review meetings undertaken

Further details of how we measure our performance can be found in *Archives Inspire*, our four-year business plan: nationalarchives.gov.uk/archives-inspire/ and on our 'Transparency' pages at nationalarchives.gov.uk/about/our-role/transparency/

²¹ The decline in use of the UK Government Web Archive is due to several factors. The discontinuation of 'web continuity redirection' by the Government Digital Service, which redirected visitors automatically to the web archive when a document was no longer on a live government website, has had a significant impact. In addition, more relevant content has been made available on GOV.UK which combined with aggressive search engine optimisation has also helped to reduce traffic. The service remains well used and we anticipate usage stabilising

²² Refer to the footnote above

Environment and sustainability

Since 2011, we have been working to achieve the Greening Government Commitments – a set of targets and outcomes that together help ensure that central government meets the Vision for Sustainability.²³

We have continued to reduce the impact of our operations on the environment in 2015-16, achieving a 55% reduction in carbon emissions compared with the baseline year of 2009-10, and against the government target of a 25% reduction. In real terms, we have more than halved the energy use of the organisation while continuing to conserve and maintain the storage of our collection in the required environmental conditions.

We have met or exceeded our obligations under the Greening Government Commitments, delivering reductions in total waste and water consumption. For further information, please see Annex A on page 101.

We continued to support the local community in the following ways:

- maintaining the grounds and ornamental ponds at the Kew site (known as the Pocket Park) as a local amenity that is open to the public from dawn till dusk 364 days a year, and appears on the London Borough of Richmond upon Thames 'Green Space' plan
- hosting the regular Police Liaison Group meetings with the Metropolitan Police Service Safer Neighbourhood Team, local neighbourhood watch representatives and residents of the Kew ward
- maintaining site drainage systems to meet our obligations to the flood defence of the local area
- hosting the annual general meeting of the Kew Society and working in collaboration with the Society and local businesses to improve directional signage from public transport links based at Kew Gardens
- providing space for the meetings of local residents' associations and other groups
- working closely with Taylor Wimpey, the developer of the adjacent former HM Revenue & Customs site, to reduce the impact of their construction works on our operations and on local residents and neighbours
- communicating regularly with our neighbours regarding planned maintenance works.

²³ Department for Environment, Food & Rural Affairs 'Action Plan' for driving sustainable operations and procurement across Government, October 2010: webarchive.nationalarchives.gov.uk/20130402151656/http://archive.defra.gov.uk/sustainable/government/documents/ap-driving-sustain-ops.pdf

2. Accountability report

2.1 Corporate governance report

Statement from Lesley Cowley OBE, Lead Non-executive Board member



Following a governance review, in January 2016, I joined The National Archives as the independent Lead Non-executive Board member. This new role includes working with the Chief Executive and Keeper to agree and lead discussions on The National Archives, key strategic challenges. Along with my fellow Non-executive Board members, we provide both guidance and challenge to the Executive Team in order to ensure that the organisation stays on track in delivering its business priorities. My role also involves liaison with senior officials at the Department for Culture, Media and Sport, to provide additional assurance to The National Archives' parent department.

2015 saw the first of many milestones reached by the organisation as part of *Archives Inspire*, its four-year strategy. It also presented both opportunities and challenges where the Non-executive Board members were able to provide strategic oversight and scrutiny. To date, as Lead Non-executive Board members, I have chaired two discussions about the organisation's long-term research and academic priorities, and its plans to invite further strategic partnerships with institutions and bodies across the world. Together, the Non-executive Board members and I will be actively engaged in the thinking and planning surrounding these key priorities.

I am looking forward to working with colleagues from across the organisation over the coming months, and I would like to congratulate everyone who contributed to the achievements highlighted in this year's annual report and accounts. I am proud to be a part of such exciting times for The National Archives.

A handwritten signature in black ink, appearing to read 'L. Cowley'. The signature is fluid and cursive, with a large loop at the end.

Lesley Cowley OBE
Lead Non-executive Board member
The National Archives' Board
7 July 2016

Directors' report

About The National Archives

The National Archives' remit is summarised on pages 8 to 25 of this report.

Management and structure

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

Directorate	Role
Information Policy and Services directorate	<p>Provides professional leadership across government in information management and policy</p> <p>Guides government and public bodies on selecting records for preservation and transfer to The National Archives</p> <p>Advises government, public bodies and local archives on information and archive policy</p> <p>Investigates complaints under public sector information regulations and delivers standards through the Information Fair Trader Scheme²⁴</p> <p>Promotes access to, and re-use of, public information through the UK Government Licensing Framework, legislation.gov.uk, and supports the delivery of government's transparency commitments through the use of open standards and linked data</p>
Public Engagement directorate	<p>Delivers and develops services for all our visitors, ensuring that our on site, online and remote services work together effectively, following best practice and complying with relevant standards</p> <p>Provides online and on site educational services to teachers and students and develops new audiences, particularly with those at risk of exclusion</p> <p>Provides expert advice, document production and other services using different channels: online, via letters, emails and by telephone, and face-to-face on site at Kew</p> <p>Raises awareness of the records we hold and the services we provide, using a combination of traditional and new media, and protects our reputation and brand</p>

²⁴ In line with the government's commitment to better governance and greater transparency across the public sector and requirements arising from the EU Directive then being transposed, in July 2015 responsibility for any complaints made under the Re-use of Public Sector Information Regulations was transferred to the Information Commissioner, with a right of appeal at tribunal level

Directorate	Role
Chief Operating Officer's directorate	<p>Maintains and develops our ICT infrastructure for the safe storage and delivery of information, and provides expertise on ICT and information assurance matters across the organisation</p> <p>Runs key projects to enhance our technological capability, and that of government, to manage and deliver government information more effectively</p> <p>Generates income for The National Archives through its commercial services and develops new business opportunities</p> <p>Ensures that our resources are allocated and used efficiently and effectively, that our corporate systems comply with best practice and meet the needs of the business, and that our statutory and legal responsibilities are discharged</p> <p>Manages and maintains our estate, providing a safe, secure and suitable environment for staff and visitors</p> <p>Develops The National Archives' human resources policy, administration and advice for all those working at Kew; all aspects of recruitment and selection; pay, learning and development; employee relations, staff engagement and wellbeing that lives up to our organisational values</p>
Research and Collections directorate	<p>Delivers The National Archives' leadership responsibilities for the wider archives sector in England</p> <p>Leads on strategic research for the organisation and supports key academic relationships</p> <p>Preserves, conserves, researches and provides access to our collection</p>
Digital directorate²⁵	<p>Develops tools, techniques and technology to ensure the long-term survival of digital records, and to make it easier to access our collection</p> <p>Ensures the capture and preservation of government's websites, data and digital documents</p> <p>Digitises our records, often working with external partners, to improve availability and access</p>

²⁵ This directorate was previously called Commercial and Digital until 30 October 2015

The National Archives' Board²⁶



Jeff James
Chief Executive
and Keeper



**Caroline
Ottaway-Searle**
Director, Public
Engagement



Carol Tullo
Director,
Information Policy
and Services



**Dr Valerie
Johnson**
Director, Research
and Collections



John Sheridan
Digital Director



**Lesley Cowley
OBE**
Lead Non-
executive Board
member^{27,28}



Dr Claire Feehily
Non-executive
Board member



**Brian Gambles
MBE**
Non-executive
Board member



Peter Phippen
Non-executive
Board member

²⁶ Prior to December 2015, the Board was called The National Archives' Management Board and consisted of the Chief Executive and Keeper, the five Executive Directors and up to four Non-executive Directors. The change in name and amendments to the terms of reference are the result of a review of corporate governance arrangements

²⁷ Following a review of corporate governance arrangements, in January 2016, five new Non-executive Board members were appointed to The National Archives' Board. Full details are reported in the Governance statement on pages 47-55

²⁸ On 1 January 2016, Maurice Goddard was appointed as Independent Member of the Audit and Risk Committee. Prior to 31 December, the Audit and Risk Committee was called the Audit Committee. Following a review of corporate governance arrangements, the result of the review affected this change of name and amendments to its terms of reference. Full details are reported in the Governance statement on pages 47-55

Company directorships and other significant interests held by Board members

No company directorships or other significant interests are held by current members of the Board that may conflict with their management responsibilities.

Audit

The financial statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General. The audit fee was £48,000 (see note 4 to the accounts). 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 is unaware. The Accounting Officer has taken all steps necessary to keep himself informed of any relevant audit information and to establish that the entity's auditors are notified of that information.

Public sector information

The National Archives has complied with the cost allocation and charging requirements set out by HM Treasury. The National Archives is one of the public sector bodies now brought fully within the scope of the Re-use of Public Sector Information Regulations 2015 and has taken steps to ensure that it complies with those regulations, including publishing a statement of its public task.²⁹ The National Archives is also an accredited member of the Information Fair Trader Scheme (IFTS) and follows IFTS guidance and principles in developing its public sector information policy and practice.

Reporting of personal data-related incidents

Details of our reporting of personal data-related incidents are shown in the Governance Statement on page 56.

Published sickness data

Staff sickness is 4.3 (2014-15: 5.1) days per member of staff (average).

Risks and uncertainties

Details of our risks and uncertainties are provided in the Governance statement on pages 51-53.

Pension liabilities

Present and past employees are covered by the provisions of the civil service pension arrangements. These arrangements are explained in more detail in the Remuneration and staff report on pages 57-62 and note 1.10 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' on page 68.

Review of activities

A review of our activities during 2015-16 can be found on pages 10-25 of this report.

The National Archives' governance

Details of The National Archives' governance can be found in the Governance statement on pages 47-56.

²⁹ The National Archives' Statement of Public Task: nationalarchives.gov.uk/documents/statement-of-public-task.pdf

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed The National Archives to prepare, for each financial year, accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the department during the year.

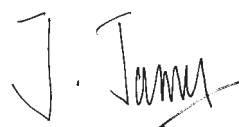
The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of The National Archives and of its net resource outturn, resources applied to objectives, recognised gains and losses, and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by HM Treasury including 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.

HM Treasury has appointed Jeff James, Chief Executive and Keeper 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.

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 HM Treasury and published in *Managing Public Money*.



Jeff James
Accounting Officer
7 July 2016

Governance statement

The National Archives' Board consists of the Chief Executive, the five Executive Directors,³⁰ a Lead Non-executive Board member and three Non-executive Board members.³¹ The Board meets at least ten times a year and is the main governance board for The National Archives.

The Board oversees the effective running of The National Archives. Its role is to make sure that The National Archives:

- has clear overall direction, and is making the right strategic choices
- is managed effectively (its people, its resources and risks)
- has well-founded reasons for making key decisions (the Board considers all key projects and all major investment decisions).

The Board considers the following issues:

- the strategic direction of the organisation – agreeing the strategic plan and strategic priorities; financial strategy; major projects/ procurements of strategic importance, the one-year business plan
- data on how we are doing – such as quarterly reports on performance, financial or risk issues, staff satisfaction
- decisions on key projects, such as the future vision for the archives sector, and investment projects.

Supporting and informing the work of the Board are three additional governance bodies: the Executive Team, the Audit and Risk Committee³² and the Nominations and Governance Committee.³³

The Executive Team is the executive decision-making body of the organisation. It consists of the Chief Executive and five directors. The Head of the Chief Executive's Office also attends Executive Team meetings which are normally held weekly. The role of the Executive Team is to:

- fulfil The National Archives' statutory responsibilities and deliver its strategic and business priorities
- drive and manage improvements in business and financial performance
- drive innovation, transparency and efficiencies that support delivery of strategic objectives and give value for money
- identify high-level risks, ensuring their effective mitigation and business continuity
- review and agree corporate policies
- direct and support managers to deliver key investments and major projects
- lead strategic staff management and resourcing.

Directors are responsible for cascading summaries of Executive Team business to the rest of the organisation.

³⁰ The number of Executive Directors on the Board varied between four and five during the year

³¹ Prior to 31 December 2015, the name of the Board was The National Archives, Management Board and consisted of the Chief Executive, the five Executive Directors and up to four Non-executive Directors. Following a review of corporate governance arrangements, the result of the review affected this change of name and amendments to its terms of reference

³² Prior to 31 December, the Audit and Risk Committee was called the Audit Committee. Following a review of corporate governance arrangements, the result of the review affected this change of name and amendments to its terms of reference

³³ Prior to 31 December 2015, the Nominations and Governance Committee was called the Remuneration Committee. Following a review of corporate governance arrangements, the result of the review affected this change of name and amendments to its terms of reference

The business of the Executive Team is managed in a way that is inclusive, regularly inviting business updates from the staff members responsible for delivery. Informal challenge encourages staff to bring real issues to the Team's attention. In addition, directors attend 'question and answer' sessions. These events can be chaired by a Non-executive Board member and are usually held quarterly. All members of staff are invited to attend and may ask any question about the running of the organisation or current concerns. Any questions may be submitted anonymously in order to encourage openness.

All Board members meet formally and informally with other senior managers and may be members of specific high-profile project and programme boards as required. We have an active group of Non-executive Board members who also engage closely with the business to give strong assurance and governance.

The Audit and Risk Committee meets quarterly and is the main oversight committee for the organisation. The members of the Committee comprise the Non-executive Board members who sit on the Board and one Independent Member of the Audit and Risk Committee. One Non-executive Board member is specifically recruited to chair the Audit and Risk Committee. Traditionally, the Chief Executive, the Chief Operating Officer and representatives from The National Archives' internal auditors (RSM Risk Assurance LLP) attend each meeting. The meetings are usually attended by our external auditors from the National Audit Office.³⁴ Other Executive Directors and senior staff members may be invited to attend particular meetings for discussion of individual agenda items or, where appropriate, as a training and development opportunity.

The main purpose of the Audit and Risk Committee is to support the Board in their responsibilities for issues of risk, control and governance and associated assurance by:

- reviewing the effectiveness of the assurance framework in meeting the Board/Accounting Officer's assurance needs
- reviewing the reliability and integrity of these assurances
- providing an opinion on how well the Board and the Accounting Officer are supported in decision-taking and in discharging their accountability obligations (particularly in respect of Financial Reporting).

The Audit and Risk Committee undertakes an annual review of its effectiveness using the National Audit Office's self-assessment checklist. This year, that self-assessment found that the Committee considered that it met most mandatory requirements, had performed well, had a good overview of activities and had kept a vigilant eye on the business. The Committee agrees meetings are being well run, with clear agendas, open dialogue and collegiality. The Committee did, however, consider they should exercise greater challenge regarding financial and audit matters. The Committee also felt that, although the reports provided significant detail on specific issues, members of the Committee should be mindful to look at the overall picture of the organisation.

The Nominations and Governance Committee meets a minimum of twice a year. The Committee is a key forum for discussion of leadership development and succession planning, and the decision-making body for the pay and bonuses of all The National Archives' Senior Civil Service staff except for the Chief Executive and Keeper. Pay increases are in line with guidance provided by Cabinet Office, who hear the outcome of the Review Body on Senior Salaries and set the pay policy for senior salaries across the Civil Service. The Committee ensures that there are satisfactory systems for identifying and developing staff with high potential. It is chaired by the Lead Non-executive Board member and membership consists of all Non-executive Board members.

³⁴ The National Audit Office, statutory auditor of The National Archives, engages Grant Thornton UK LLP to carry out the audit of The National Archives' annual report and accounts. The National Audit Office maintains oversight of the engagement, and the audit certificate remains the responsibility of the Comptroller and Auditor General

The Board's performance

Challenge on performance of the Board is provided by the Non-executive Board members and other Board members. In this the Board is informed by findings of the latest internal audit of The National Archives' governance structures.

Highlights of Board and Committee reports

The Board has a rolling agenda. Standing agenda items include budget and quarterly forecasting, monthly financial and quarterly performance reporting, strategic risk management, new initiatives, updates on major capital and business change projects, business continuity, sustainability and carbon management, and equality and diversity.

Summaries of the discussions at Board meetings are available at: nationalarchives.gov.uk/about/our-role/management-board/meeting-summaries/

In 2015-16, measures were adopted to improve the range and quality of papers submitted to the Board in order to make best use of Board members' time and allow it to provide effective advice, scrutiny and challenge. The measures addressed sponsorship of papers, brevity, clarity, completeness, style and submission timetabling. The Audit and Risk Committee agrees its outline agenda for the forthcoming year.

The Audit and Risk Committee receives a number of regular updates during the year. This year these included:

- Recommendations from internal audits and progress on implementation of recommendations. This year the Committee received assurance that management was taking appropriate action to fully implement internal audit recommendations or provided business justification if implementation deadlines (which are set by the owner as part of their management response to each recommendation) were not met

- Fraud risk assessment: this gave the Committee assurance that The National Archives has a good culture of fraud awareness and mitigation and highlights any new areas for potential fraud
- Security (physical, information assurance and data handling): the Committee noted that there were no significant breaches of security. It was also given assurance that The National Archives was taking a range of actions to protect itself against prevailing threats of armed or cyber attacks
- Business Continuity Management (BCM): this gave the committee assurance that regular testing of systems and procedures are carried out in accordance with a Test and Exercise Plan. BCM preparedness remains high with confident and well-practised management teams
- Health and safety: this gave the Committee assurance that The National Archives remains a safe working environment for staff, visitors and contractors and complies with legal requirements
- Environment and sustainability: this gave the Committee assurance that The National Archives was on track to meet all Greening Government Commitments
- Confidential reporting ('Whistle blowing'): this gave the Committee assurance that avenues for confidential reporting within The National Archives were understood and had been tested.

In addition, the Committee received regular updates and progress reports on other issues of particular interest. This year these included The National Archives' Government Remote Services team updating the Board on the team's development plans to safeguard the record.

Corporate governance

As a non-ministerial department,³⁵ The National Archives adopts and adheres to HM Treasury's *Corporate Governance in Central Government: Code of Good Practice 2011* to the extent that it is practical, appropriate and not incompatible with any statutory or other authoritative requirements. The National Archives periodically reviews the effectiveness of its Board. In May 2015, it aligned its corporate governance with good practice elsewhere across government – taking into account its unique role and responsibilities, and the statutory and non-statutory roles fulfilled by its senior officials. Changes were recommended to strengthen the ability of Non-executive Board members and to challenge the Chief Executive and Keeper and Executive Team, to clearly position it as an advisory body, and to shape the Board agenda. The new Board structure commenced on 1 January 2016.

The Board met ten times during 2015-16. The Chief Executive, Executive Directors and Non-executive Directors/Board members attended the following numbers of formal Board meetings (for which they were eligible to attend) during the year:

Attendance of Board meetings for the Chief Executive, Executive Directors and Non-executive Directors/Board members

Jeff James	Chief Executive and Keeper	9 of 10
Clem Brohier	Chief Operating Officer ³⁶	8 of 10
Mary Gledhill	Commercial and Digital Director ³⁷	5 of 5
Dr Valerie Johnson	Director of Research and Collections ³⁸	7 of 10
Caroline Ottaway-Searle	Director of Public Engagement	10 of 10
Carol Tullo	Director of Information Policy and Services	9 of 10
John Sheridan	Digital Director ³⁹	3 of 4
Prof Lisa Jardine CBE	Non-executive Director ⁴⁰	1 of 4
Peter Phippen	Non-executive Director/Non-executive Board member ⁴¹	10 of 10
Fiona Ross	Non-executive Director ⁴²	7 of 7
Trevor Spires CBE	Non-executive Director ⁴³	7 of 7
Lesley Cowley OBE	Lead Non-executive Board member ⁴⁴	3 of 3
Dr Claire Feehily	Non-executive Board member ⁴⁵	3 of 3
Brian Gambles MBE	Non-executive Board member ⁴⁶	3 of 3
Maurice Goddard	Independent Member of the Audit and Risk Committee ⁴⁷	1 of 1

The Audit and Risk Committee (previously called the Audit Committee) met four times during 2015-16. Representatives from our internal and external auditors attend all Audit Committee meetings.

³⁵ On 17 September, following a machinery of government change, The National Archives' parent department changed from the Ministry of Justice to the Department for Culture, Media and Sport. This change does not affect The National Archives corporate governance arrangements

³⁶ Resigned 31 March 2016

³⁷ Resigned 30 October 2015

³⁸ Interim Director until 2 December 2015

³⁹ Appointed 8 December 2015

⁴⁰ Fulfilled this role until 25 October 2015

⁴¹ Non-executive Director until 31 December 2015. Non-executive Board member from 1 January 2016

^{42,43} Until 31 December 2015

^{44,45,46,47} From 1 January 2016

The Audit and Risk Committee monitors the implementation of recommendations made by the internal auditors, taking reports and evidence of progress as a standing agenda item. For the reporting year, the Internal Audit annual report indicated that, taking account of any issues identified, the Board can take assurance that the controls on which the organisation relies to manage the areas of governance, risk management and control are suitably designed, are consistently applied and are effective. The Board and management will continue to seek out the areas of potential weakness in the control framework and take remedial action where necessary. The internal auditors also conduct an annual review to follow up their recommendations, which provides further independent assurance to the Committee. Any overdue recommendations are reported to the Executive Team in advance of each committee meeting, and directors may be called to appear before the Committee to account for slippage on implementation dates. Reports from the internal auditors are copied to committee members as soon as they are finalised and the minutes of committee meetings are circulated to Board members.

The National Archives' internal audit services are provided by RSM Risk Assurance Services LLP. 2015-16 was the second of a four-year programme of audit work for which they are contracted.

Managing our risks

The National Archives has a well-established approach to the management of risk at all levels and encourages risk management as an enabling tool to balance risk and innovation across the organisation.

In 2015-16 The National Archives' risks fell under the following categories:

- Financial
- Operational
- Reputational: general
- Reputational: ministers, MPs and government
- Compliance: legal
- Compliance: data and information management.

The degree of risk is measured by considering likelihood and impact. To describe our appetite for each category of risk, the Executive Team sets maximum 'residual risk' scores and the Board expects that risks at all levels in the organisation will be managed within these scores. Where a risk exceeds its residual risk score, remedial action is taken where possible to reduce either likelihood or impact, where it is cost-effective to do so.

The Executive Team has identified a set of strategic risks, linked to our strategic and business priorities and informed by internal developments, external influences and longer-term commitments. These risks, if not properly managed, would compromise our ability to provide our statutory services or diminish these services to a degree unacceptable to our users. Typically, each strategic risk is owned by a member of the Executive Team and they are regularly reviewed by the Executive Team, The National Archives' Board, and the Audit and Risk Committee.

The National Archives' most significant risks in terms of residual risk scores are outlined below:

Changes to the wider government operating environment leading to a lack of compliance:

There is a risk that changes to the constitutional and legislative structures of the UK, and/or our reporting lines within government, could impair our ability to deliver our statutory and non-statutory obligations and public task.

Overview of controls in place during the year:

- maintain strong, robust working relationships with Department for Culture, Media and Sport officials, and across other government departments, including Cabinet Office
- reinforcement of The National Archives' position and core role in government – particularly in discussions on linked policy issues – through a clear articulation of our complex public task and underpinning legal frameworks and our track record of delivery and performance

- positive engagement with ministers and their private offices
- active management and development of stakeholder relationships at all levels
- effective horizon-scanning, including EU and Parliamentary monitoring.

Through reinforcement of our position and key role in government, together with our track record of delivery and performance, our transfer of parent department from the Ministry of Justice to the Department of Culture, Media and Sport has taken place smoothly and effectively.

Failure to meet the challenges of digital:

There is a risk that we fail to sufficiently influence and shape the digital agenda and/or do not develop a suitably robust and scalable infrastructure and associated expertise to deliver our public task.

Overview of controls in place during the year:

- a Digital Director was appointed
- recruitment of new digital leaders following various key departures
- continued development of the Digital Records Infrastructure
- development and implementation of digital and IT strategies
- agreed roadmap for future development of Digital Records Infrastructure and UK Government Web Archive
- clearer definition of how we can work with the Government Digital Service to improve current and future digital information management in government departments
- continuing to develop the relationship with Government Digital Service and other digital players.

Other strategic risks considered and mitigated include:

Information management, securing the public record: if The National Archives does not continue to provide expert advice and scrutiny to government, departments may fail to comply with their responsibilities under the Public Record Act.

Economy and funding – a reduction in government funding: new financial constraints and a reduction in funding from future Spending Reviews could impair our ability to meet statutory and core responsibilities.

Economy and funding – the shift to reliance on income from commercial activities: if our commercial activity fails to deliver the anticipated levels of funding, we could be unable to fulfil our ambitions as an organisation due to financial constraints.

Poor engagement with our audiences and failure to meet their needs: failure to effectively meet our audiences' needs and/or manage their expectations could result in our reputation and credibility being compromised by lack of trust and support from key stakeholders.

Increasing security threats: The National Archives' responses to increasing and increasingly sophisticated security threats are inadequate, resulting in disruption to business and/or losses from our collections (both physical and digital), leading to significant reputational damage.

Staff, leadership and culture: continued and sustained effects of the changes across the wider civil service risk our ability to attract and retain key skills, particularly technological and commercial, impacting our ability to deliver *Archives Inspire*, our business plan.

Identifying and managing risk is not a barrier to efficiency, effectiveness or innovation, and managing our strategic risks has a minimal effect on our activities unless additional controls need to be introduced. As far as possible, we incorporate risk mitigations into our 'business as usual' activities, reinforcing the message that risk management is the responsibility of all staff.

Risks below strategic level are managed, reviewed and updated at least quarterly by directors and their management teams. A directorate's risk register captures what are considered exceptional risks. These will normally:

- be finite
- require new or enhanced risk mitigation or control
- be clearly linked with an organisation or service priority.

We expect that, over time, most directorate risks will be managed as 'business as usual'; exceptionally, directorate risks may be escalated to The National Archives' strategic risk register. At operational level, risks are managed on a day-to-day basis. Directors receive assurance on operational risks through six-monthly accountability statements from their direct reports. These statements are reviewed by directors and approved by the Chief Executive. Any significant governance or performance issues highlighted are raised with the Audit and Risk Committee.

Authors of accountability statements assess the maturity of risk management in their areas of responsibility and provide evidence for their assessment. Authors are also required to provide assurance that their staff comply with key corporate policies, including:

- financial procedure rules
- government procurement card policy
- cash security policy
- information security and data protection
- fraud policy
- anti-bribery policy
- conflict of interest policy
- complaints policy
- control of physical assets
- routes for confidential reporting ('whistle blowing').

Short- and medium-term additional governance structures are introduced for high-value projects and programmes as appropriate.

I am satisfied that we have put in place appropriate mitigations to prevent risks from occurring and, where necessary, that we have taken action to contain the impact of risk. I am confident that our risk management approach has been comprehensive, allowing the Executive Team and I to identify early, and respond to, any possible threats to the achievement of The National Archives' objectives.

At a strategic level our risks are aligned with our strategic priorities set out in *Archives Inspire*, our business plan for 2015-2019, which focusses on our four main audiences (government, the public, the archive sector, and research and academia) and the challenges and opportunities of digital records and digital services.

Other assurance sources

I obtain additional assurance from internal reporting, external validation and independently assessed awards and successful grant funding applications. Highlights during 2015-16 included:

- Spending Review: in November 2015, our revenue funding for the next four years, and capital funding for five years was settled, allowing us to continue to meet our statutory and non-statutory obligations.
- For the 12 months ended 31 March 2016, the Head of Internal Audit Opinion concluded that 'the organisation has an adequate and effective framework for governance, risk and internal control'. The Board is committed to seeking out areas where improvements to the overall control framework can be made.
- On 24 June 2015, the first born-digital government records were transferred to The National Archives. The records were transferred from the Welsh Government and consist of both digital and paper components, known as hybrid records, from the Welsh Language Board relating to the development of the Welsh language policy since 2006. The National Archives also followed the born-digital transfer process and transferred some of our own records relating to document conservation images and operational processes relating to digital preservation.

- Last year, The National Archives and the Welsh Government's Historical Review and Appraisal team were joint winners of the Government Information Group Annual Award 2015 for the work completed on electronic records review. The awards recognise major contributions to the government knowledge and information management profession. The Award's judging panel were particularly impressed with the strength of this nomination and the evidence submitted, and felt that it was a standout winner.
- Our 1915 Crew List online transcription project was recognised in the Museum Volunteer awards, receiving a Highly Commended Award in the Bringing Innovation category. Volunteers transcribed 39,000 voyages, including the names and personal details of 750,000 seamen, using electronic copies of the documents. The four-year project was started by The National Maritime Museum and The National Archives in 2012, for the First World War centenary. It attracted the help of over 400 online volunteers from as far afield as Japan, Mexico, New Zealand and Canada.
- We have been awarded a Learning Outside the Classroom (LOtC) Quality Badge for the fourth time. The LOtC Quality Badge was launched in 2009 as part of the Learning Outside the Classroom Manifesto, a national initiative to ensure young people are given more opportunities to have these experiences as part of the curriculum. It is the only nationally recognised indicator of good-quality educational provision and effective risk management.
- We won two awards for our web-based 'Magna Carta and the Emergence of Parliament' resource created in collaboration with Parliament:
 - The first was the prestigious Bett award which aims to recognise, reward and celebrate technology excellence within the education sector. The winners are seen to have excelled in ICT provision and support for nurseries, schools, colleges and special schools alike with a clear focus on what works in the classroom. The award was for the category: Free Digital Content/Open Educational Resources – single issue resource.
 - The second was a MEDEA Award: these are designed to encourage innovation and good practice in the use of media (audio, video, graphics and animation) in education. The Magna Carta resource claimed the Jury's Special Prize, and was given at the judges' discretion in recognition of exceptional innovation in pedagogic or technical design.
- The National Archives' Legislation team won the Innovation Award at the Halsbury Legal Awards for their revolutionary approach to managing and organising legislation. The Halsbury Legal Awards celebrate excellence in the law across the entire legal profession. The judges commented that: 'The winners had shown a revolutionary approach to managing and organising legislation. Their remarkable work and their vision will transform how legislation is drafted, published, used and understood. It underpins the rule of law and will change the way law works. An extraordinary achievement.'

- Our Document Services department provides popular work placements for young people from diverse backgrounds from all over the country. From May 2015 to the end of April 2016, we provided 47 placements equating to a total of 289 days. Feedback from students and schools includes:

- 'This would not have been possible without the fantastic support of The National Archives.' – Tower Hamlets Education Business Partnership.
- 'Not once did I feel lonely or out of place, and that is solely due to how friendly and helpful the entire staff were. It made me feel like a lot more like a real employee, not just a two week add on.' – Christ's School student.

We also work with the National Autistic Society and we actively welcome applications from students with autism.

- Staff engagement: staff were invited to participate in the Civil Service People Survey that involved organisations across the civil service. A key element of the survey was the Employee Engagement Index. This is a measure of how engaged employees are with their work and it is calculated from responses to five of the key statements in the survey:

- I am proud when I tell others I am part of The National Archives
- I would recommend The National Archives as a great place to work
- I feel a strong personal attachment to The National Archives
- The National Archives inspires me to do the best in my job
- The National Archives motivates me to help it achieve its objectives.

Research in the private and public sector suggests that organisations with high levels of engagement are more efficient and effective. The National Archives' Employee Engagement Index was calculated at 70% for the second year in a row. I am pleased that, with this score, The National Archives continues to be a Civil Service High Performer.

- Environmental improvements: monitoring provides me with assurance that we will continue to reduce the impact of our operations on the environment.
- Transparency: we continue to proactively publish information and data about the way that The National Archives is run, what we spend our budgets on and how well we achieve against a number of indicators. We continue to publish over and above what is required for a government body of our size.
- Our retention this year of the Customer Service Excellence standard, following a rigorous assessment process, gave me independent assurance that The National Archives continues to provide high-quality services to our customers. I was pleased to note that, during this year's assessment, we were also awarded two additional areas of 'Compliance Plus' recognising our strengths in developing customer insight. 'Compliance Plus' is defined as 'behaviours or practices that exceed the requirements of the standard, and are viewed as exceptional or as an exemplar for others – either within your organisation or in the wider customer service arena. This brings our total number of 'Compliance Plus' elements, independently assessed through the Customer Service Excellence accreditation, to 12.

Information risk

We continue to work hard to demonstrate that we are an exemplar in the field of information risk within UK government.

Lapses in data security

There were no lapses in data security in The National Archives during 2015-16.

Reporting of personal data-related incidents

Table 1: Summary of protected personal data-related incidents formally reported to the Information Commissioner's Office in 2015-16

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
No incidents	-	-	-	-
Further action on information risk	Not applicable			

Table 2: Summary of other protected personal data-related incidents in 2015-16

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the department are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment, devices or paper documents from secured government premises	0
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured government premises	0
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
IV	Unauthorised disclosure	0
V	Other	0

2.2 Remuneration and staff 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.

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 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
- 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 on the Office of Manpower Economics web pages on GOV.UK

Service contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code. The Code requires appointments to be made on merit, on the basis of fair and open competition, but also includes the circumstances when appointments may otherwise be made. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. No such compensation payments were made during the year.

Jeff James' appointment as Chief Executive and Keeper was confirmed by the Ministry of Justice on 29 July 2014 until 28 July 2018.

Trevor Spires CBE was appointed as a Non-executive Director on a three-year contract from 8 February 2009 until 7 February 2012. His contract was renewed on 8 February 2012 for a further three-year period to 7 February 2015, and further extended until 31 December 2015 to allow a review of corporate governance arrangements to take place.

Lisa Jardine CBE was appointed as a Non-executive Director on a three-year contract from 1 December 2011 to 28 November 2014. Her contract was further extended and Lisa fulfilled the role until 25 October 2015.

Fiona Ross was appointed as Non-executive Director on a three-year contract from 6 November 2012 to 5 November 2015 and further extended to 31 December 2015 to allow a review of corporate governance arrangements to take place.

Peter Phippen was appointed as a Non-executive Director on a three-year contract from 6 November 2012 to 5 November 2015, and further extended to 31 December 2015 to allow a review of corporate governance arrangements to take place. He was then appointed as a Non-executive Board member from the 1 January 2016 on a three-year contract.

Brian Gambles MBE, Lesley Cowley OBE and Claire Feehily were appointed from 1 January 2016 as Non-executive Board members on a three-year contract.

Maurice Goddard was appointed as an Independent member of the Audit and Risk Committee from 1 January 2016 on a three-year contract.

Service contracts 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.civilservicecommission.org

Salary, bonus and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior officials (i.e. Board members) of the department.

The Nominations and Governance Committee⁴⁸ is chaired by the Lead Non-executive Board member and membership consists of all Non-executive Board members. The policy on remuneration of senior civil servants, and the deliberations of the Nominations and Governance Committee adhere to Cabinet Office policy, which follows the guidance and recommendations of the Review Body on Senior Salaries. Senior staff have written objectives agreed with the Chief Executive and Keeper. Performance against these objectives, and against The National Archives' values, forms the basis of their formal appraisal and subsequent pay and bonus recommendations. This information is used by the Nominations and Governance Committee to determine pay awards according to the Review Body on Senior Salaries' annual recommendations.

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; and any other allowance to the extent that it is subject to UK taxation. Percentage salary increases, and performance bonuses, are agreed by the Nominations and Governance Committee in accordance with strict guidance and parameters set each year by the Cabinet Office.

The monetary value of benefits in kind covers any benefits provided by the department and treated by HM Revenue & Customs as a taxable emolument.

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses paid in a year relate to performance in the preceding year. As such, bonuses reported in 2015-16 relate to performance in 2014-15 and the comparative bonuses reported for 2014-15 relate to performance in 2013-14.

⁴⁸ Prior to 31 December 2015 called the Remuneration Committee

The salary, pension entitlements and the value of any taxable benefits in kind of the Chief Executive and Keeper, Executive Directors, Non-executive Directors and Non-executive Board members of The National Archives were as follows (audited):

Name	Salary		Bonus		Benefits in kind		Pension benefits		Total	
	2015-16 £000 in bands of £5,000	2014-15 £000 in bands of £5,000	2015-16 £000 in bands of £5,000	2014-15 £000 in bands of £5,000	2015-16 £ (to nearest £100)	2014-15 £ (to nearest £100)	2015-16 £000 (to nearest £1,000)	2014-15 £000 (to nearest £1,000)	2015-16 £000 in bands of £5,000	2014-15 £000 in bands of £5,000
Jeff James Chief Executive and Keeper (from 29 July 2014)	115-120	75-80 (full-year equivalent 115-120)	-	-	-	-	46	19	160-165	95-100
Clem Brohier Acting Chief Executive and Keeper (from 1 November 2013 to 28 July 2014) and Chief Operating Officer (to 31 March 2016)	105-110	105-110	5-10	5-10	-	-	32	37	145-150	140-145
Mary Gledhill Commercial and Digital Director (to 30 October 2015)	50-55 (full-year, full-time equivalent 85-90)	75-80	5-10	10-15	-	-	22	32	80-85	105-110
Valerie Johnson Director of Research and Collections (from 19 January 2015). Disclosure relates to current role	80-90	10-15 (full-year, full-time equivalent 60-65)	-	-	-	-	36	22	115-120	30-35
Caroline Ottaway-Searle Director, Public Engagement	85-90	85-90	-	-	-	-	34	32	120-125	110-115
John Sheridan Digital Director (from 8 December 2015). Disclosure relates to current role	25-30 (full-year, full-time equivalent 80-85)	N/A	-	N/A	-	N/A	27	N/A	50-55	N/A
David Thomas Director, Technology and Preservation and Chief Information Officer (to 31 July 2014). Part-time hours from 1 April 2014	N/A	15-20 (full-year equivalent 90-95)	N/A	-	N/A	-	N/A	(1)	N/A	15-20
Carol Tullo Director, Information Policy and Services	90-95	90-95	-	-	-	-	25	19	115-120	105-110

Name	Salary		Bonus		Benefits in kind		Pension benefits		Total	
	2015-16 £000 in bands of £5,000	2014-15 £000 in bands of £5,000	2015-16 £000 in bands of £5,000	2014-15 £000 in bands of £5,000	2015-16 £ (to nearest £100)	2014-15 £ (to nearest £100)	2015-16 £000 (to nearest £1,000)	2014-15 £000 (to nearest £1,000)	2015-16 £000 in bands of £5,000	2014-15 £000 in bands of £5,000
Professor Lisa Jardine CBE Non-executive Director (to 25 October 2015)	5-10 (full-year, full-time equivalent 10-15)	15-20	N/A	N/A	-	-	N/A	N/A	5-10	10-15
Peter Phippen Non-executive Director/ Board member	10-15	10-15	N/A	N/A	-	-	N/A	N/A	10-15	10-15
Fiona Ross Non-executive Director (to 31 December 2015)	5-10 (full-year, full-time equivalent 10-15)	10-15	N/A	N/A	2,600	3,100	N/A	N/A	10-15	10-15
Trevor Spires CBE Non-executive Director (to 31 December 2015)	5-10 (full-year, full-time equivalent 10-15)	10-15	N/A	N/A	1,000	1,300	N/A	N/A	5-10	10-15
Lesley Cowley OBE Lead Non-executive Board member (from 1 January 2016)	0-5 (full-year, full-time equivalent 10-15)	N/A	N/A	N/A	500	N/A	N/A	N/A	0-5	N/A
Dr Claire Feehily Non-executive Board member (from 1 January 2016)	0-5 (full-year, full-time equivalent 10-15)	N/A	N/A	N/A	700	N/A	N/A	N/A	0-5	N/A
Brian Gambles MBE Non-executive Board member (from 1 January 2016)	0-5 (full-year, full-time equivalent 10-15)	N/A	N/A	N/A	500	N/A	N/A	N/A	0-5	N/A
Maurice Goddard Independent Member of the Audit and Risk Committee (from 1 January 2016)	0-5 (full-year, full-time equivalent 5-10)	N/A	N/A	N/A	-	N/A	N/A	N/A	0-5	N/A

In addition to the above Executive Directors and Non-executive Directors/Board members, and Directors, as Interim Chief Technology Officer, Rachel Murphy was remunerated through a third party agency from the period 8 September 2014 to 27 March 2015. Fees of £90k-£95k were paid in the year (full-year equivalent £190k-£195k), net of irrecoverable VAT and exclusive of agency fees

Pay multiples

	2015-16	2014-15
Band of highest-paid Director's remuneration (£)	115-120	190-195
Median total remuneration (£)	26,996	26,398
Ratio	4.4	7.3

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid Director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Executive Director in The National Archives in the financial year 2015-16 was £115k-£120k (2014-15: £190-£195k). In 2014-15 the remuneration related to the Interim Chief Technology Officer who was contracted for a period of just under seven months to review The National Archives' ICT infrastructure, services and capabilities. This was 7.3 times the median remuneration of the workforce, which was £26,398. The 2.9 decrease in this ratio is attributable to

annualising the cost of the Interim Chief Technology Officer. Excluding the Interim Chief Technology Officer, the highest-paid Director in the financial year 2015-16 was £115k-£120k (2014-15: £115-£120k), which was 4.4 times higher than the median remuneration of the workforce (2014-15: 4.5 times). In both 2015-16 and 2014-15, no employees received remuneration in excess of the highest-paid Director.

Total remuneration includes salary, non-consolidated performance-related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer of pensions.

Pension benefits

Name	Accrued pension at pension age as at 31/03/16 and related lump sum £000 in bands of £5,000	Real increase / (decrease) in pension and related lump sum at pension age £000 in bands of £2,500	CETV at 31/03/16 ⁴⁹ £000 to nearest £000	CETV at 31/03/15 £000 to nearest £000	Real increase in CETV £000 to nearest £000
Jeff James Chief Executive and Keeper (from 29 July 2014)	0-5	2-2.5	48	18	20
Clem Brohier Acting Chief Executive and Keeper (from 1 November 2013 to 28 July 2014) and Chief Operating Officer (to 31 March 2016)	20-25	0-2.5	380	320	28
Mary Gledhill Commercial and Digital Director (to 30 October 2015)	5-10	0-2.5	91	75	7
Valerie Johnson Director of Research and Collections (from 19 January 2015). Disclosure relates to current role	10-15	2.5-5	179	134	11
Caroline Ottaway-Searle Director, Public Engagement	15-20	0-2.5	232	185	15
John Sheridan Digital Director (from 8 December 2015). Disclosure relates to current role	10-15	0-2.5	171	147	15
David Thomas Director, Technology and Preservation and Chief Information Officer (to 31 July 2014). Part-time hours from 1 April 2014	N/A	N/A	N/A	1,094	N/A
Carol Tullo Director, Information Policy and Services	85-90	5-10	499	458	25

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

⁴⁹ The factors used to calculate the CETV were reviewed by the scheme actuary in 2015, so the tables of factors used to calculate the CETV in 2015 are not the same as those used to calculate the CETV in 2016

Civil service pensions

Pension benefits are provided through the civil service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within ten years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between ten years and 13 years and five months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha, as appropriate. Where the official has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined

benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account). Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial 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. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% up to 30 September 2015 and 8% and 14.75% from 1 October 2015 (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. 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 up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the Civil Service pension arrangements can be found at the website:
www.civilservicepensionscheme.org.uk/

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) 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 figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax that may be due when pension benefits are taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include 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.

Staff report

The National Archives is committed to equal opportunities for all. Policies are in place to guard against discrimination and ensure there are no unfair or illegal barriers to employment or advancement within our organisation. Suitability for employment is based on skills, qualification and experience irrespective of race, age, gender, marital status, disability, sexual orientation, religious or political beliefs or opinions.

The National Archives follows the Civil Service Code of Practice on the Employment of Disabled People, which aims to make sure that there is no discrimination on the grounds of disability.

The average full-time equivalent staff numbers over the year, as per table on page 67, was 600 (2014-15: 609). On 31 March 2016, there were 618 employees (582 full-time equivalents) on our payroll. These were made up of 586 permanent employees and 32 employees on limited-period appointments. 313 (53.4%) were female and 35 employees (10.4% of the total who declared) declared themselves as disabled and are recognised as having a disability in the context of the Equality Act 2010. Also 77 employees (20.1% of the total who declared) identified themselves to be from ethnic minorities. We actively manage sickness absence and the average absence rate was 4.3 days per full-time equivalent (5.1 days in 2014-15).

The civil service-wide recruitment restrictions announced in May 2010 are still in place, which means that we have had to look at how best to use our talent across the organisation. We also have other people and skill resource requirements on a short-term, project-specific basis. These are fulfilled by temporary staff and contractors (see note 3 to the accounts) and this year were also subject to the recruitment freeze.

We continue to encourage and support our staff, and invest in their wellbeing. Stress-related illness accounted for 4.5% (2014-15: 2.2%) of the total sickness rate.

For the sixth year, we participated in the civil service staff engagement survey, achieving an overall engagement score of 70% and retaining our status as a civil service 'high performer'.

We are committed to training and developing our line managers. On 2 February 2016, we launched the Management Development Programme, in partnership with Civil Service Learning. The programme aims to equip line managers with the skills needed to lead and develop staff.

The National Archives, through its senior managers, meets regularly with staff and Trade Union representatives in a number of ways, including Whitley Council, Health and Safety Committee and the Staff Forum.

Equality and diversity

The National Archives continues to explore ways in which our records and resources can be used to benefit communities and across societal groups. In November 2015 The National Archives partnered with the Black Cultural Archives to run two events inviting young people to explore the largely forgotten history of Black Civil Rights in Britain. These innovative events, funded by the Being Human Festival,⁵⁰ used community and government perspectives to bring to life one of the flashpoints of black British history: The Mangrove Nine trial.

Over the past year, we have continued to develop our staff equality and diversity network and joined the Employers' Network for Equality and Inclusion. We continue to support our diversity education bursaries, which assist candidates in gaining a qualification to help them enter the archives sector. The bursaries provide financial support and help to address the socio-economic barriers to entry that may exist for some candidates, and we are pleased to have awarded four in 2015.

The National Archives' annual diversity week was a vibrant exploration of diversity in all its forms, and highlighted the work our staff do to represent diverse histories as well as educate about modern diversity issues. The range of high-quality events, activities, Twitter debates and document displays captured why archives are truly inspirational, and demonstrated that they are at the centre of topical and cultural conversations.

Health and safety

Our Health and Safety Policy sets out how we comply with our legal obligations and the actions we take to maintain a safe and healthy environment.

The National Archives has a full-time Health and Safety Advisor who works to provide a safe environment for visiting members of the public and for staff. The Health and Safety Committee includes staff representatives from across the organisation including operational areas, technical areas, Human Resources, Estates, Security, and the Trades Unions, as well as senior management. Committee members are also involved in the investigation of any reported accidents or incidents and contribute to recommendations arising from them. In 2015, the number of reported accidents and non-injury near misses remained low. We continually review procedures and improve where necessary. Our procedures for managing members of the public during an emergency are thorough and well-documented. We train our staff in evacuation procedures and assess our efficiency at every opportunity.

We have a team of 18 fully qualified first aiders who have volunteered to be called upon at any time they are on the premises. The formal training they complete is augmented by training sessions held throughout the year in line with current national first aid practices and regulations.

The Health and Safety Advisor prepares an annual report on activity relating to health and safety. The report provides statistics on accidents and incidents especially those which are reportable under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

⁵⁰ <http://beinghumanfestival.org/>

Staff numbers and related costs

Senior Civil Service (SCS) by band as at 31 March

Salary band	2015-16 Number	2014-15 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	-	1
£80,000 - £90,000	3	1
£90,000 - £100,000	1	1
£100,000 - £110,000	1	1
£110,000 - £120,000	1	1
	6	6

Average full-time equivalent number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

	2015-16			2014-15
	Permanently employed staff	Other staff ⁵¹	Total	Total
Government information management	108	37	145	132
Preservation and protection	86	18	104	113
Public access	319	32	351	364
Total	513	87	600	609

⁵¹ 'Other staff' includes staff on fixed-term appointments, limited-period appointments as well as agency staff and any specialist contractor

Staff costs comprise:

	2015-16			2014-15
	Permanently employed staff £000	Other staff £000	Total £000	Total £000
Wages and salaries	19,015	651	19,666	20,149
Social security costs	1,505	-	1,505	1,503
Other pension costs	3,765	-	3,765	3,392
Sub total	24,285	651	24,936	25,044
Less recoveries in respect of outward secondments	(95)	-	(95)	(87)
Total net costs	24,190	651	24,841	24,957

	2015-16 £000
Other staff comprise:	
Agency staff	39
Specialist contractors	612
Sub total	651

	Charged to Administration budgets £000	Charged to Programme budgets £000	Total £000
Total	5,297	19,544	24,841

Zero staff costs were capitalised during the year

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as 'alpha' – are unfunded multi-employer defined benefit schemes but The National Archives is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the schemes as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at www.civilservicepensionscheme.org.uk/about-us/resource-accounts

For 2015-16, employers' contributions of £3,686k were payable to the PCSPS (2014-15: £3,310k) at one of four rates in the range 20.0% to 24.5% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £79k were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3% to 12.5% of pensionable earnings up to 30 September 2015 and from 8% to 14.75% of pensionable earnings from 1 October 2015. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £3k (2014-15: £5k), 0.8% of pensionable pay up to 30 September 2015 and 0.5% of pensionable pay from 1 October 2015 were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £7k (2014-15: £8k). Contributions prepaid at that date were nil (2014-15: nil).

Reporting of civil service and other compensation schemes – exit packages (numbers in brackets are comparatives for 2014-15)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	- (-)	- (-)	- (-)
£10,000 - £24,999	- (-)	- (2)	- (2)
£25,000 - £49,999	- (2)	- (1)	- (3)
£50,000 - £99,999	1 (-)	- (1)	1 (1)
£100,000 - £149,999	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
Total number of exit packages	1 (2)	- (4)	1 (6)
Total resource cost - £	54,556 (78,360)	0 (127,565)	54,556 (205,925)

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the civil service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

Review of tax arrangements of public sector appointees

Table 1: For off-payroll engagements as of 31 March 2016, for more than £220 per day and that last longer than six months

Number of existing engagements as of 31 March 2016 of which:	1
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	1
Number that have existed for between three and four years at time of reporting	0
Number that have existed for four or more years at time of reporting	0

All of the above off-payroll engagements have been subject to a risk-based assessment as to whether assurance is required that the individual is paying the correct amount of tax and, where necessary, assurance has been sought.

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2015 and 31 March 2016, for more than £220 per day and that last longer than six months

Number of new engagements, or those that reached six months in duration between 1 April 2015 and 31 March 2016	3
Number of the above which include contractual clauses giving the department the right to request assurance in relation to income tax and National Insurance obligations	2 ⁵²
Number for whom assurance has been requested	3
Of which...	
Number for whom assurance has been received	3
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being given	0

Table 3: For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2015 and 31 March 2016

Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'Board members, and/or, senior officials with significant financial responsibility', during the financial year. This figure should include both off-payroll and on-payroll engagements	7

⁵² For the one off-payroll engagement for which contractual clauses have not been added, the contractor had already provided assurance therefore negating the requirement to add such clauses

2.3 Parliamentary accountability and audit report

Statement of Parliamentary Supply (SOPS)

In addition to the primary statements prepared under the *International Financial Reporting Standards* (IFRS), the *Government Financial Reporting Manual* (FRoM) requires The National Archives to prepare a Statement of Parliamentary Supply and supporting notes to show resource outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit.

Summary of resource and capital outturn 2015-16				2015-16 Estimate	2015-16 Outturn			2015-16 Voted outturn compared with estimate: saving/(excess)	2014-15 Outturn
Notes	Voted £000	Non-voted £000	Total £000	Voted £000	Non-voted £000	Total £000	£000	Total £000	
Departmental Expenditure Limit									
- Resource	SOPS 1.1	34,301	-	34,301	33,941	-	33,941	360	34,093
- Capital	SOPS 1.2	1,200	-	1,200	1,122	-	1,122	78	2,007
Annually Managed Expenditure									
- Resource	SOPS 1.1	(131)	-	(131)	(140)	-	(140)	9	577
- Capital	SOPS 1.2	-	-	-	-	-	-	-	-
Total		35,370	-	35,370	34,923	-	34,923	447	36,677
Total Resource	SOPS 1.1	34,170	-	34,170	33,801	-	33,801	369	34,670
Total Capital	SOPS 1.2	1,200	-	1,200	1,122	-	1,122	78	2,007
Total		35,370	-	35,370	34,923	-	34,923	447	36,677

Net cash requirement

Notes	2015-16 Estimate £000	2015-16 Outturn £000	2015-16 Outturn compared with estimate: saving/(excess) £000	2014-15 Outturn £000	
Net cash requirement	SOPS 3	29,641	29,630	11	30,819

Administration costs

Notes	2015-16 Estimate £000	2015-16 Outturn £000	2014-15 Outturn £000	
Administration costs	SOPS 2.1	9,225	9,097	8,660

Figures in the areas outlined in bold are voted totals or other totals subject to Parliamentary Control. Explanations of variances between Estimate and Outturn are given in Note 1 (Analysis of net resource outturn by section). The notes on pages 82 to 100 form part of these accounts.

SOPS 1. Net outturn

SOPS 1.1 Analysis of net resource outturn by section

	Administration			Programme			2015-16 Outturn	Net total £000	2015-16 Estimate Net total Outturn compared with Estimate £000	2014-15 Outturn
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000			Total £000
Spending in Departmental Expenditure Limit										
- Voted	9,124	(27)	9,097	35,246	(10,402)	24,844	33,941	34,301	360	34,093
Annually Managed Expenditure										
- Voted	-	-	-	(140)	-	(140)	(140)	(131)	9	577
Total	9,124	(27)	9,097	35,106	(10,402)	24,704	33,801	34,170	369	36,670

SOPS 1.2 Analysis of net capital outturn by section

	Gross £000	Income £000	Net £000	2015-16 Outturn	Net £000	2015-16 Estimate Net total compared with estimate £000	2014-15 Outturn
				Net £000			Net £000
Spending in Departmental Expenditure Limit							
- Voted	1,122	-	1,122	1,200	1,200	78	2,007
Annually Managed Expenditure							
- Voted	-	-	-	-	-	-	-
Total	1,122	-	1,122	1,200	1,200	78	2,007

SOPS 2. Reconciliation of outturn to net operating expenditure

SOPS 2.1 Reconciliation of net resource outturn to net operating expenditure

	2015-16 Outturn £000	2014-15 Outturn £000
Estimate - Administration costs limit	9,225	8,799
Outturn - Gross Administration costs	9,124	8,697
Outturn - Gross income relating to Administration costs	(27)	(37)
Outturn - Net Administration costs	9,097	8,660
Reconciliation to operating costs:		
Less: other	-	-
Administration Net Operating costs	9,097	8,660

SOPS 3. Reconciliation of net resource outturn to net cash requirement

	Notes	Estimate £000	Outturn £000	Net total outturn compared with estimate: saving/(excess) £000
Resource Outturn		34,170	33,801	369
Capital Outturn		1,200	1,122	78
Accruals to cash adjustments:				
<i>Adjustments to remove non-cash items</i>				
- Depreciation and amortisation	4	(5,800)	(5,674)	(126)
- Loss on disposal	4	-	(34)	34
- New provisions and adjustments to previous provisions	14		9	(9)
- Other non-cash items	5/6	(60)	(48)	(12)
<i>Adjustments to reflect movements in working balances</i>				
- Increase/(decrease) in inventories		-	6	(6)
- Increase/(decrease) in receivables	12	-	960	(960)
- (Increase)/decrease in payables	13	-	(644)	644
- Use of provisions	14	131	132	(1)
Net cash requirement		29,641	29,630	11

Parliamentary accountability disclosures

Losses and special payments

There were no losses or special payments in The National Archives during 2015-16 (2014-5: nil).

Remote contingent liabilities

In addition to contingent liabilities within the meaning of IAS 37, The National Archives also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. In the year 2015-16 there are no remote contingent liabilities to report (2014-15: nil).

Core financial tables ^{53, 54}

Table 1: Public spending

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Resource Departmental Expenditure Limits (DEL)									
Section A: The National Archives (DEL)	37,367	34,799	33,915	34,093	33,941	33,570	33,570	33,570	33,570
Total Resource DEL	37,367	34,799	33,915	34,093	33,941	33,570	33,570	33,570	33,570
<i>Of which:</i>									
Pay	23,774	24,606	24,249	24,957	24,841	25,377	25,377	25,377	25,377
Net current procurement ⁵⁵	8,160	5,207	4,481	4,217	3,286	2,933	2,933	2,933	2,933
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-	-
Depreciation	5,030	4,904	5,133	5,496	5,674	5,200	5,200	5,200	5,200
Other	403	82	50	(577)	140	60	60	60	60
Resource Annually Managed Expenditure (AME)									
Section B: The National Archives (AME)	(403)	(82)	(52)	577	(140)	(60)	(60)	(60)	(60)
Total Resource AME	(403)	(82)	(52)	577	(140)	(60)	(60)	(60)	(60)
<i>Of which:</i>									
Take-up of provisions	-	-	-	610	-	-	-	-	-
Release of provisions	(392)	(106)	(66)	(34)	(141)	(61)	(61)	(61)	(61)
Other	(11)	24	14	1	1	1	1	1	1

⁵³ The outturn numbers are based on prior year audited figures; however, the core financial tables section is not subject to the National Audit Office audit

⁵⁴ Plan numbers reflect the 2016-17 to 2019-20 Spending Review settlements. The composition of the plan numbers shown is subject to change as internal plans are further developed

⁵⁵ Net of income from sales of goods and services

Table 1: Public spending (continued)

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Resource Budget	36,964	34,717	33,863	34,670	33,801	33,510	33,510	33,510	33,510
<i>Of which:</i>									
Depreciation	5,030	4,904	5,133	5,496	5,674	5,200	5,200	5,200	5,200
Capital DEL									
Section A: The National Archives (DEL)	3,819	4,456	2,018	2,007	1,122	2,100	2,700	2,100	400
Total Capital DEL	3,819	4,456	2,018	2,007	1,122	2,100	2,700	2,100	400
<i>Of which:</i>									
Net capital procurement ⁵⁶	3,819	4,456	2,018	2,007	1,122	2,100	2,700	2,100	400
Total Capital Budget	3,819	4,456	2,018	2,007	1,122	2,100	2,700	2,100	400
Total departmental spending⁵⁷	35,753	34,269	30,748	31,181	29,249	30,410	31,010	30,410	28,710
<i>Of which:</i>									
Total DEL	36,156	34,351	30,800	30,604	29,389	30,470	31,070	30,470	28,770
Total AME	(403)	(82)	(52)	577	(140)	(60)	(60)	(60)	(60)

Table 2: Administration budgets

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans	Plans
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Administration Costs									
Section A: The National Archives (DEL)	8,704	8,489	8,570	8,660	9,097	8,500	8,500	8,500	8,500
Total administration budget	8,704	8,489	8,570	8,660	9,097	8,500	8,500	8,500	8,500
<i>Of which:</i>									
Paybill	5,242	5,249	5,243	5,241	5,297	5,329	5,409	5,490	5,573
Expenditure	3,491	3,281	3,358	3,456	3,827	3,201	3,121	3,040	2,957
Income	(29)	(41)	(31)	(37)	(27)	(30)	(30)	(30)	(30)



Jeff James
Accounting Officer
7 July 2016

⁵⁶ Expenditure on tangible and intangible non-current assets net of sales

⁵⁷ Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME

Audit certificate and report

The Certificate 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 2016 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in those reports and disclosures as having been audited.

Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2016 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the department's affairs as at 31 March 2016 and of the department's net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

12 July 2016

3. Financial statements

Accounts summary

Statement of Comprehensive Net Expenditure

This account summarises the expenditure and income generated and consumed on an accruals basis. It also includes other comprehensive income and expenditure, which includes changes to the values on non-current assets and other financial instruments that cannot yet be recognised as income or expenditure.

	Notes	2015-16 £000	2014-15 £000
Income from sale of goods and services	5	(10,429)	(10,872)
Total operating income		(10,429)	(10,872)
Staff costs	3	24,841	24,957
Depreciation and impairment charges		5,674	5,496
Provision expense		132	34
Other operating expenditure	4	13,583	15,055
Total operating expenditure		33,801	34,670
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs:			
- Net gain on revaluation of property, plant and equipment	6	(8,161)	(13,826)
- Net loss/(gain) on revaluation of intangible assets	7	3,308	(558)
- Receipt of donated asset		1	1
Comprehensive net operating expenditure for the year		28,949	20,287

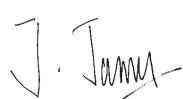
The notes on pages 82 to 100 form part of these accounts.

Statement of Financial Position

This statement presents the financial position of The National Archives. It comprises three main components: assets owned or controlled; liabilities owed to other bodies; and equity, the remaining value of the entity.

	Notes	31 March 2016		31 March 2015	
		£000	£000	£000	£000
Non-current assets:					
Property, plant and equipment	6	154,412		150,849	
Intangible assets	7	18,838		22,135	
Trade receivables falling due after more than one year	12	315		420	
Total non-current assets			173,565		173,404
Current assets:					
Inventories		94		88	
Trade and other receivables	12	883		235	
Other current assets	12	2,560		2,143	
Cash and cash equivalents	11	11		45	
Total current assets			3,548		2,511
Total assets			177,113		175,915
Current liabilities:					
Trade and other payables	13	(913)		(983)	
Provisions	14	(72)		(142)	
Other liabilities	13	(5,722)		(5,118)	
Total current liabilities			(6,707)		(6,243)
Total assets less current liabilities			170,406		169,672
Non-current liabilities:					
Other liabilities	13	(855)		(779)	
Provisions	14	(415)		(486)	
Total non-current liabilities			(1,270)		(1,265)
Total assets less liabilities			169,136		168,407
Taxpayers' equity and other reserves:					
General fund			62,924		66,991
Donated asset reserve			8		9
Revaluation reserve			106,204		101,407
Total equity			169,136		168,407

The notes on pages 82 to 100 form part of these accounts.



Jeff James
Accounting Officer
7 July 2016

Statement of Cash Flows

for the year ended 31 March 2016

The Statement of Cash Flows shows the changes in cash and cash equivalents of the department during the reporting period. The statement shows how the department generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of service costs and the extent to which these operations are funded by way of income from the recipients of services provided by the department. Investing activities represent the extent to which cash inflows and outflows have been made for resources which are intended to contribute to the departments' future public service delivery.

	Notes	2015-16 £000	2014-15 £000
Cash flows from operating activities			
Net operating cost		(33,801)	(34,670)
Adjustments for non-cash transactions	4	5,747	6,329
(Increase)/decrease in trade and other receivables	12	(960)	285
(Increase)/decrease in inventories		(6)	2
Increase/(decrease) in trade and other payables	13	610	(789)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		34	65
Use of provisions	14	(132)	(34)
		(28,508)	(28,812)
Net cash outflow from operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,055)	(1,982)
Purchase of intangible assets	7	(67)	(25)
Proceeds of disposal of property, plant and equipment		-	-
		(1,122)	(2,007)
Net cash outflow from investing activities			
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		29,596	30,805
Payment of Consolidated Fund Extra Receipts		-	(51)
		29,596	30,754
Net financing			
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund			
Payments of amounts due to the Consolidated Fund		-	-
Cash and cash equivalents at the beginning of the period	11	45	110
Cash and cash equivalents at the end of the period	11	11	45

The notes on pages 82 to 100 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2016

This statement shows the movement in the year on the different reserves held, analysed into general fund reserves (i.e. those reserves that reflect a contribution from the Consolidated Fund). The Revaluation Reserve reflects the change in asset values that have not been recognised as income or expenditure. The General Fund represents the total assets less liabilities of a department, to the extent that the total is not represented by other reserves and financing items.

	Note	General Fund £000	Revaluation Reserve £000	Donated Asset Reserve £000	Taxpayers' Equity £000
Balance at 31 March 2014		69,079	88,738	10	157,827
Net Parliamentary funding - drawn down		30,805	-	-	30,805
Net Parliamentary funding - deemed		59	-	-	59
Supply (payable)/receivable adjustment		(45)	-	-	(45)
Comprehensive net expenditure for the year	4	(34,670)	14,384	(1)	(20,287)
Non-cash charges - auditor's remuneration		48	-	-	48
Transfers between reserves		1,715	(1,715)	-	-
Balance at 31 March 2015		66,991	101,407	9	168,407
Net Parliamentary funding - drawn down		29,596	-	-	29,596
Net Parliamentary funding - deemed		45	-	-	45
Supply (payable)/receivable adjustment	13	(11)	-	-	(11)
Comprehensive net expenditure for the year		(33,801)	4,853	(1)	(28,949)
Non-cash charges - auditor's remuneration	4	48	-	-	48
Transfers between reserves		56	(56)	-	-
Balance at 31 March 2016		62,924	106,204	8	169,136

The notes on pages 82 to 100 form part of these accounts.

Notes to the Departmental Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2015-16 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply *International Financial Reporting Standards* (IFRS) as adapted or interpreted by the FReM. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of The National Archives for the purpose of giving a true and fair view has been selected. The particular 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 IFRS, the FReM also requires the department to prepare an additional primary statement. The Statement of Parliamentary Supply and supporting notes show outturn against estimate in terms of the net resource requirement and the net cash requirement.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for any material revaluation of assets and liabilities to fair value in accordance with the standards, and subject to interpretations and adaptations of those standards contained in the FReM.

1.2 Property, plant and equipment

Property, plant and equipment other than land and buildings consist of plant and machinery, furniture and fittings, transport, equipment, and information and communication technology. Expenditure on restoration and conservation work is part of the normal operating costs of The National Archives and is not capitalised. It is recorded as part of programme costs.

The National Archives building and grounds at Kew are freehold property. All non-current assets are implicitly owned by The National Archives. There are no leased assets.

Land and buildings are stated at fair value using professional valuations every five years minimum. Appropriate indices are used in intervening years for buildings. As the land has planning restrictions it is considered inappropriate to index the land in the intervening years between professional valuations. Professional valuation has been carried out in this financial year (see note 6). Other non-current assets are stated at fair value using appropriate indices only where their values are material with respect to the overall net book value of non-current assets held. Where indices are not applied, depreciated historical cost is considered as a proxy for fair value, as per FReM 7.1.14.

The minimum level for capitalisation of an individual tangible non-current asset is £5,000. Where bulk purchases are made for individual assets whose unit costs are below the threshold, but in aggregate exceed £30,000 within a financial year, the assets are capitalised.

Directly attributable costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating are also capitalised. This includes the costs of external contractors who deliver on information technology projects as well as salaries of internal staff working 100% of their time on particular capital projects.

1.3 Heritage assets

The National Archives holds more than 11 million physical records, artefacts and a significant and growing digital archive classed as non-operational heritage assets which are held in order to fulfil our statutory function which includes ensuring that important information is preserved and that it can be accessed and used.

Records of our collection have been catalogued and contain descriptions of documents from central government, courts of law and other UK national bodies, including records of interest to family historians, medieval tax, criminal trials, UFO sightings, the history of many countries and many other subjects. Further details of our catalogue, Discovery, can be found at nationalarchives.gov.uk/records.

In the opinion of The National Archives' Board, reliable information on cost or valuation is not available for the department's collection of heritage assets. This is due to the diverse nature of the assets held, the lack of information on purchase cost (as the assets are not purchased); the lack of comparable market values; and the volume of items held. As well as the aforementioned, any market value placed on these assets would not be a true reflection of the value of the assets to the nation's heritage; the assets, if lost, could not be replaced or reconstructed. These assets are therefore not reported in the Statement of Financial Position.

Certain items within the overall collection are of particular significance, including Domesday Book, one of our most prized national treasures, which has been preserved for over nine centuries and is now cared for at Kew; two contemporary versions of Magna Carta; unique records of official treaties; and a host of irreplaceable social records. Further details of the preservation and management of our heritage assets are provided in note 8 of the accounts.

1.4 Intangible assets

Intangible assets comprise software licences purchased from third parties, amortised over the life of the licence, and costs associated with systems in the course of construction as they are developed and implemented, amortised over their estimated useful life for up to five years.

In addition, The National Archives recognises licences issued to third parties and internal revenue-generating databases (such as our Digital Download and Image Library services) as intangible assets with indefinite

lives, reflecting the underlying nature of the supporting public records. The valuation adopted in each case is based on current forecasts of reasonably foreseeable future revenue-generating capacity, discounted as appropriate. Each is subject to annual review to assess at each reporting date whether there is any indication that the asset is impaired, as required by *International Accounting Standard 36: Impairment of Assets*. Further details of the effects of changes in our forecast estimates are shown under market risk in note 10 of the accounts.

1.5 Depreciation and amortisation

Freehold land is not depreciated. Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other non-current assets by equal instalments over their estimated useful lives. Assets in the course of construction are not depreciated. Lives are normally in the following ranges:

Buildings	up to 40 years
Information technology	up to five years
Plant and machinery	up to 25 years
Furniture and fittings	up to 50 years
Transport equipment	up to ten years
Software licences	up to five years
Licences issued	indefinite
Revenue-generating databases	indefinite

1.6 Inventories

Current asset stocks, as held for sale, are valued at the lower of cost and net realisable value.

1.7 Operating income

Operating income is income that relates directly to the operating activities of The National Archives. It principally comprises charges for services provided – such as for the sale of copies of documents, sale of publications and other items and services, reproduction fees and royalties for the publication of images, as well as income generated by the licensing of digital copies of historical records. Operating income also includes grants and contributions from organisations, including other government departments to carry out specific projects.

All operating income is recorded when the service is provided. Elements that relate to work not yet completed are held at the end of the reporting period as deferred income and subsequently recognised as income upon completion of the service.

1.8 Short-term staff benefits

The National Archives recognises the liability associated with the short-term staff benefit for untaken but earned annual leave entitlement at the end of the reporting period. This liability is reviewed annually.

1.9 Administration and programme expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs as set out by HM Treasury in the *Consolidated Budgeting Guidance*.

Costs classified as administration expenditure include costs to cover functions of finance, information technology, procurement, human resources and organisational development. Other costs include corporate planning and strategy services, internal corporate communications, corporate governance and board management, knowledge and information management, and project management.

Programme expenditure reflects the total costs of service delivery excluding all aforementioned administrative costs of The National Archives. These costs are for providing direct services of, for example, public access to national records, family records and archives at Kew; the publishing, conservation and preservation of records; and UK information management advice and policy including standards, compliance and copyright.

1.10 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes (PCSPS) which are described in the Remuneration and staff report. The defined benefit elements of the scheme 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 the employees' service by payments to the 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. See note 3.

1.11 Early departure costs

Under the previous Civil Service Compensation Scheme (in place until 22 December 2010) the department was required to meet 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.

Under the new Civil Service Compensation Scheme the department pays over a lump sum to PCSPS to cover these costs in full following agreement of the departure rather than on an ongoing basis and therefore these transactions are expensed when they occur rather than being recognised as provisions.

The provision recognised for early retirement therefore reflects costs associated with staff who retired before the transition to the new Civil Service Compensation Scheme. The National Archives provided in full for this cost when the early retirement programme became binding by establishing a provision for the estimated payments.

1.12 Operating leases

Operating lease rentals are charged to the Statement of Comprehensive Net Expenditure in equal amounts over the lease term. There are no finance leases.

1.13 Value Added Tax (VAT)

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 price of non-current assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.14 Contingent liabilities

In addition to any contingent liabilities disclosed in accordance with *International Accounting Standard 37: Provisions, contingent liabilities and contingent assets (IAS 37)*, the department discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of *Managing Public Money*.

Where the time value of money is material, any contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amounts reported to Parliament are separately noted. Any contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.15 Third party assets

The National Archives holds monetary assets on a temporary basis on behalf of other government departments for disbursement to them. These balances are related to arrangements for the collection and allocation of income that is generated by the licensing of Crown copyright material

originated by departments and agencies that do not have delegated authority to license this material themselves. The Director, Information Policy and Services at The National Archives is the Controller of Her Majesty's Stationery Office (HMSO) who has responsibility for the management and licensing of copyrights owned by the Crown in her capacity as Queen's Printer and Queen's Printer for Scotland. At 31 March 2016, the value of those cash assets was £16,988. In accordance with the FReM, as government has a beneficial interest in these assets, the balances are included in the accounts within cash and trade payables.

1.16 Prior period adjustments

There are no prior period adjustments.

1.17 New and revised standards issued but not effective

Certain new standards, interpretations and amendments to existing standards have been published that The National Archives will be required to apply on or after 1 April 2016 or later periods, following EU-adoption and as applied by the FReM. These standards are not expected to have a material impact on The National Archives' future accounts. They are as follows:

- *IFRS 9 Financial Instruments* will replace *IAS 39 Financial Instruments: Recognition and Measurement*, and is expected to simplify and improve reporting of financial instruments.
- *IFRS 15 Revenue from Contracts with Customers* specifies how and when revenue is recognised as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures.
- *IFRS 16 Leases* specifies how an IFRS reporter will recognise, measure, present and disclose leases.

2. Statement of Operating Expenditure by Operating Segment

International Financial Reporting Standard 8: Operating Segments (IFRS 8) requires operating segmental information to be provided based on information that the Chief Executive and Keeper as Chief Operating Decision Maker (CODM) uses to make decisions about the organisation. This information reviewed by the CODM is currently presented based on our management structure as per pages 42 to 44. In order to aid readers' understanding, the segments below have been presented in line with our public task, which can be summarised as: leading on policy and best practice in knowledge and information management for the public sector; preserving and protecting the record; and providing public access.

In accordance with IFRS 8, below is a schedule of income and expenditure against each identified segment. Overheads are allocated proportionally based on the direct income/costs identified.

2015-16				
	Government information management £000	Preservation and protection £000	Public access £000	Total £000
Income	(2,614)	(519)	(7,296)	(10,429)
Operating expenditure	7,868	10,714	19,974	38,556
Depreciation and amortisation	1,158	1,577	2,939	5,674
Net operating cost	6,412	11,772	15,617	33,801

2014-15				
	Government information management £000	Preservation and protection £000	Public access £000	Total £000
Income	(2,239)	(593)	(8,040)	(10,872)
Operating expenditure	8,676	11,408	19,962	40,046
Depreciation and amortisation	1,190	1,566	2,740	5,496
Net operating cost	7,627	12,381	14,662	34,670

3. Staff costs

Staff costs comprise:

	2015-16			2014-15
	Permanently employed staff £000	Other staff £000	Total £000	Total £000
Wages and salaries	19,015	651	19,666	20,149
Social security costs	1,505	-	1,505	1,503
Other pension costs	3,765	-	3,765	3,392
Sub total	24,285	651	24,936	25,044
Less recoveries in respect of outward secondments	(95)	-	(95)	(87)
Total net costs	24,190	651	24,841	24,957

Further analysis on staff numbers, compensation scheme packages and pension disclosure can be found on page 67, within the accountability report.

4. Operating costs

	2015-16		2014-2015	
	£000	£000	£000	£000
Rentals under operating leases:				
Hire of plant and machinery		49		47
Non-cash items:				
Depreciation and amortisation	3,600		3,600	
- Civil estate	2,074		1,896	
- Other non-current assets	48		48	
Auditor's remuneration - audit work	34		175	
Loss on disposal of non-current assets				
Provisions				
- Released in year	(9)		610	
		5,747		6,329
Other expenditure				
Accommodation and building maintenance	5,919		6,316	
Other contracted services	1,200		1,097	
IT maintenance	1,271		1,362	
Recruitment and training	341		309	
Minor software and hardware	236		232	
Telecommunications	175		166	
Internal audit	51		40	
Travel, subsistence and hospitality	319		320	
Legal expenses	37		125	
Advertising	92		40	
Consultancy	179		-	
Postage, stationery and store supplies	231		244	
Grants paid	401		388	
Film and internet archiving	598		613	
Subscriptions	211		145	
Public access	890		926	
Digitisation and scanning	149		108	
Shop stores	155		169	
Conferences	53		52	
Website hosting	365		387	
Conservation and preserving materials	36		45	
Minor furniture, equipment and related maintenance	186		190	
Royalties	43		92	
Other expenditure	455		843	
		13,593		14,209
		19,389		20,585

5. Income

	2015-16 £000	2014-15 £000
Operating income analysed by classification and activity, is as follows:		
Income:		
Fees and charges to external customers	9,726	10,323
Fees and charges to other government departments	702	545
EU Funding income	1	4
	10,429	10,872

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

	2015-16 Income £000	2015-16 Full cost £000	2015-16 (Deficit)/Surplus £000
Reprographic services	584	673	(89)
Information and publishing	6,918	3,427	3,491
Externally funded projects	976	935	41
Other	1,951	1,951	-
	10,429	6,986	3,443

	2014-15 Income £000	2014-15 Full cost £000	2014-15 (Deficit)/Surplus £000
Reprographic services	787	779	8
Information and publishing	6,670	3,831	2,839
Externally funded projects	1,445	1,510	(65)
Other	1,970	1,970	-
	10,872	8,090	2,782

b) The National Archives is required, in accordance with HM Treasury's Fees and Charges Guide and recommendations relating to Public Sector Information Holders, to disclose performance results for its areas of activity. The segmental analysis is not intended to meet the requirements of *International Financial Reporting Standard 8: Operating Segments*

6. Property, plant and equipment

	Land £000	Buildings £000	Plant and machinery £000	Furniture and fittings £000	Transport equipment £000	Information technology £000	Assets under construction £000	Total £000
Cost or valuation								
At 1 April 2015	18,200	129,044	10,464	7,726	161	6,610	1,126	173,331
Additions	-	-	360	80	-	170	445	1,055
Reclassification	-	-	90	-	-	1,036	(1,126)	-
Disposals	-	-	(23)	(34)	(100)	(726)	-	(883)
Revaluation	18,300	(24,544)	-	-	-	-	-	(6,244)
At 31 March 2016	36,500	104,500	10,891	7,772	61	7,090	445	167,259
Depreciation								
At 1 April 2015	-	10,805	3,946	3,122	125	4,484	-	22,482
Charged in year	-	3,600	873	190	5	951	-	5,619
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	(23)	(33)	(70)	(723)	-	(849)
Revaluation	-	(14,405)	-	-	-	-	-	(14,405)
At 31 March 2016	-	-	4,796	3,279	60	4,712	-	12,847
Net Book Value at 31 March 2016	36,500	104,500	6,095	4,493	1	2,378	445	154,412
Net Book Value at 31 March 2015	18,200	118,239	6,518	4,604	36	2,126	1,126	150,849

	Land	Buildings	Plant and machinery	Furniture and fittings	Transport equipment	Information technology	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2014	18,200	114,432	8,682	7,709	161	9,166	1,497	159,847
Additions	-	-	752	48	-	56	1,126	1,982
Reclassification	-	-	1,345	-	-	152	(1,497)	-
Disposals	-	(31)	(315)	(31)	-	(2,764)	-	(3,141)
Revaluation	-	14,643	-	-	-	-	-	14,643
At 31 March 2015	18,200	129,044	10,464	7,726	161	6,610	1,126	173,331
Depreciation								
At 1 April 2014	-	6,389	3,398	2,967	110	6,341	-	19,205
Charged in year	-	3,600	833	185	15	827	-	5,460
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	(1)	(285)	(30)	-	(2,684)	-	(3,000)
Revaluation	-	817	-	-	-	-	-	817
At 31 March 2015	-	10,805	3,946	3,122	125	4,484	-	22,482
Net Book Value at 31 March 2015	18,200	118,239	6,518	4,604	36	2,126	1,126	150,849
Net Book Value at 31 March 2014	18,200	108,043	5,284	4,742	51	2,825	1,497	140,642

Notes

- a) Freehold land and buildings were valued on 31 March 2016 at £141 million on the basis of depreciated replacement cost by an external firm of Chartered Surveyors, BNP Paribas Real Estate UK. Their valuation was carried out in accordance with the *Appraisal and Valuation Manual* issued by the Royal Institution of Chartered Surveyors. In years where there is no professional valuation exercise, revaluation is derived from the relevant indices as appropriate except for land for the reasons stated in the accounting policy 1.2
- b) Revaluation in year is accounted for within other comprehensive net expenditure (page 78) and accumulated in taxpayers' equity under the revaluation reserve. Any decrease in valuation of an asset in year has not exceeded any amount previously credited to the revaluation surplus
- c) All non-current assets are implicitly owned by The National Archives.
There are no leased assets

7. Intangible assets

	Software licences £000	Revenue-generating databases £000	Licences issued £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2015	186	2,870	19,113	25	22,194
Additions	67	-	-	-	67
Reclassifications	25	-	-	(25)	-
Disposals	-	-	-	-	-
Impairments	-	-	-	-	-
Revaluation	-	(1,469)	(1,839)	-	(3,308)
At 31 March 2016	278	1,401	17,274	-	18,953
Amortisation					
At 1 April 2015	59	-	-	-	59
Charged in year	56	-	-	-	56
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2016	115	-	-	-	115
Net Book Value at 31 March 2016	163	1,401	17,274	-	18,838
Net Book Value at 31 March 2015	127	2,870	19,113	25	22,135

	Software licences £000	Revenue-generating databases £000	Licences issued £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2014	767	3,142	18,283	80	22,272
Additions	-	-	-	25	25
Reclassifications	80	-	-	(80)	-
Disposals	(661)	-	-	-	(661)
Impairments	-	-	-	-	-
Revaluation	-	(272)	830	-	558
At 31 March 2015	186	2,870	19,113	25	22,194
Amortisation					
At 1 April 2014	649	-	-	-	649
Charged in year	37	-	-	-	37
Disposals	(627)	-	-	-	(627)
Revaluation	-	-	-	-	-
At 31 March 2015	59	-	-	-	59
Net Book Value at 31 March 2015	127	2,870	19,113	25	22,135
Net Book Value at 31 March 2014	118	3,142	18,283	80	21,623

Note

- a) Revaluation in year is accounted for within other comprehensive net expenditure (page 78) and accumulated in taxpayers' equity under the revaluation reserve. Any decrease in valuation of an asset in year has not exceeded any amount previously credited to the revaluation surplus

8. Further information on heritage assets

8a. Preservation and management

Acquisition of heritage assets is through government bodies selecting records for permanent preservation and transferring these records to The National Archives. In January 2013 central government began a ten-year transition, during which the age at which records would usually be transferred to The National Archives and released to the public is being reduced from 30 years to 20 years (however, many are transferred early). The records held by The National Archives span over 1,000 years and fill around 200 linear kilometres of shelving on site at Kew and at the Deepstore facility in Cheshire. They are held in many formats from medieval vellum and parchment to computer disks and digital media. 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. The heritage assets can be placed in the categories of:

- Files and paper documents
- Digital records and websites
- Photographs and posters
- Maps, plans and architectural drawings
- Artefacts and historical items.

The National Archives is the guardian of the nation's public record. Its core role includes preserving and protecting, making available, and bringing alive the vast collection of historical records held. Most of the records are unique and irreplaceable and have been preserved for their historical, legal and administrative value. Increasingly, access to the most popular of these is provided to researchers in digital format, and The National Archives also takes the lead role dealing with the issues associated with the survival and preservation of today's digital public records – tomorrow's permanent preserved record.

The conservation, preservation and care of this unique and irreplaceable collection is a challenging responsibility, given the age and original condition of some of the artefacts. Matched to the responsibilities of providing access, it means The National Archives has a constant challenge to improve catalogues and environmental repositories, and to respond to stakeholder interests. We have a dedicated team responsible for the long-term preservation of The National Archives' collection for continued access and future use and we improve the stability of our most vulnerable records through conservation work.

In the year to March 2016, we received records covering 899 metres of shelving (800 metres in 2014-15). During the year we took 1,447 snapshots of websites and social media accounts for the UK Government Web Archive (1,533 in 2014-15).

The National Archives adopts a risk-based approach in preserving its records, both physical and digital. For physical records this consists of conducting a preservation risk assessment for whole collections which are subsequently reviewed periodically. Likewise, digital records are assessed on a regular basis. The National Archives adopts a combined approach of preventative measures and conservation treatments.

Our digital preservation policy follows current best practice as recognised nationally and internationally. It involves first establishing the file formats of the accessioned records and then preserving the original manifestation of the record using passive 'bit level' preservation; this ensures the secure storage and fundamental integrity of the record. As with physical records, a regular assessment of the risk of records becoming unfit for presentation is made and, should a format be identified as posing a risk, action to migrate records in that format (or to otherwise mitigate that risk) is taken. The National Archives will always maintain the original manifestation of the record as accessioned.

Expenditure that is required to preserve or clearly prevent further deterioration of individual collection items is recognised in the Statement of Comprehensive Net Expenditure when it is incurred. In 2015-16 £1,799k was recognised (2014-15: £1,730k).

We recognise that of all potential risks to the long-term preservation of our physical records, inappropriate storage is the most significant. We seek appropriate and secure accommodation for all our holdings, wherever they are stored, processed, transported or used. This includes providing suitable environmental conditions and appropriate housing. It also includes monitoring via an integrated pest management programme and an environmental monitoring system.

The Secretary of State has delegated his power at section 2(4)(g) of the Public Records Act 1958 to the Chief Executive of The National Archives (in his capacity as Keeper of Public Records). The Chief Executive therefore has delegated authority to lend documents for display at commemorative exhibitions. All loans are conducted in accordance with The National Archives, exhibitions policy and are subject to criteria agreed with DCMS officials in line with policy on loaning major cultural assets held by other institutions.

8b. Access

Details of the records we hold can be obtained through our online catalogue, Discovery. All open records are available for viewing by members of the public and can be viewed free of charge on site at Kew or copies can be requested to be sent out for a fee. Digital copies of some of our open documents are also available for download from our online services – some may be downloaded for free and some for a small fee. A brief registration process is required to consult original documents; however, this is not required to view surrogates or online copies of documents.

Access to the records is provided in a number of ways, both on site and online. Original documents on site are accessed by readers or staff under controlled conditions in accordance with nationally recognised and agreed standards. Our target is to retrieve documents held on site within 60 minutes of the request being made and we consistently perform favourably against this. For documents kept at our off-site storage facility in Cheshire, documents requested are made available for on site viewing within three working days if ordered by 11:00.

Readers use the document reading room and the map and large document reading room to consult original documents. In some cases, valuable or fragile material may only be consulted under supervision either within the conservation studio or in the invigilation room. In instances where digital records are unsuitable for online presentation, they may only be viewed within the Digital Preservation department.

There are ongoing projects to catalogue more of our heritage assets, many using volunteers, to further improve access to records and we have a dedicated catalogue team responsible for this.

9. Capital and other commitments

9.1 Capital commitments

Contracted capital commitments at 31 March 2016 not otherwise included in these financial statements

	2015-16 £000	2014-15 £000
Property, plant and equipment	–	–

9.2 Other financial commitments

The National Archives entered into non-cancellable contracts (which are not lease or PFI contracts) for a Facilities Management service. The payments to which The National Archives is committed, analysed by the period during which the commitment expires, are as follows:

	2015-16 £000	2014-15 £000
Not later than one year	1,093	1,068
Later than one year and not later than five years	454	–
	1,547	1,068

10. Financial instruments

As the cash requirements of The National Archives are met through the Estimates process, financial instruments play a more limited role in managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with The National Archives' expected purchase and usage requirements and The National Archives is therefore exposed to little credit or liquidity risk.

Market risk

The intangible asset valuations of revenue-generating databases and licences issued are based on forecasts of future revenue-generating capacity, discounted as appropriate. The forecast cash flows estimated are subject to market conditions as they are dependent on customer use of the products offered – both existing and new. The growth rate applied to the forecasting model is a weighted average of the final three years of the five-year actual forecast royalty income. Below is a sensitivity analysis of the effects of changes in the forecast assumptions on the amounts disclosed in the accounts.

Market risk – assumptions tested	Increase/(decrease) in 2015-16 valuation £000
2015-16 income 10% less than forecast for revenue-generating databases	(140)
2015-16 income 10% higher than forecast for revenue-generating databases	140
2015-16 income 10% less than forecast for licences	(1,825)
2015-16 income 10% higher than forecast for licences	1,825

Interest rate risk

The National Archives is not exposed to any interest rate risk.

Foreign currency risk

The National Archives is exposed to currency risk on overseas royalty income received from some of its licences issued. The identifiable risk is both to the valuation of the associateships on the Statement of Financial Position and to the income recorded in the Statement of Comprehensive Net Expenditure.

There is a risk to the amount of income recognised due to currency fluctuations during the year; however, this risk is minimal. If the pound was to fall against the dollar significantly, the reduction in the valuation would be taken against the revaluation reserve.

These risks are managed by using a historical trend analysis on exchange rates to estimate appropriate amounts to use in valuations undertaken.

11. Cash and cash equivalents

	2015-16 £000	2014-15 £000
Balance at 1 April	45	110
Net change in cash and cash equivalent balances	(34)	(65)
Balance at 31 March	11	45
The following balances at 31 March are held at:		
- Government Banking Service	6	37
- Cash in hand	5	8
Balance at 31 March	11	45

12. Trade receivables, financial and other assets

	2015-16 £000	2014-15 £000
Amounts falling due within one year:		
Trade receivables	883	235
Other receivables	–	18
Deposits and advances	63	46
Prepayments and accrued income	2,497	2,079
	3,443	2,378
Amounts falling due after one year:		
Prepayments and accrued income	315	420
	315	420
Total receivables	3,758	2,798

13. Trade payables and other current liabilities

	2015-16 £000	2014-15 £000
Amounts falling due within one year:		
Other taxation, social security and pension	1,035	989
Trade payables	913	983
Accruals and deferred income	3,893	3,200
Short-term staff benefits (earned leave liability)	783	884
Amounts issued from the Consolidated Fund for supply but not spent at year end	11	45
	6,635	6,101
Amounts falling due after one year:		
Deferred income	855	779
	855	779
Total payables	7,490	6,880

14. Provisions for liabilities and charges

	Early retirement costs	Onerous lease	Total
Balance at 1 April 2015	92	536	628
Provision not required written back	(5)	(4)	(9)
Provided in year	–	–	–
Provisions utilised in year	(75)	(57)	(132)
Balance as at 31 March 2016	12	475	487

	2015-16 £000	2014-15 £000
Analysis of expected timing of discounted cash flows		
Not later than one year	72	142
Later than one year	415	486
Balance as at 31 March	487	628

Early retirement costs

The provision in the table above relates to early retirement cost. 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 by establishing a provision for the estimated payments.

Onerous lease

The onerous lease relates to a vacation of office space within a government building in Norwich. The lease runs until December 2023. The provision is calculated by taking the unavoidable cost that will be incurred under the contract discounted by HM Treasury real discount rate of -1.00 per cent.

15. Contingent liabilities

There were no contingent liabilities at the reporting date (2014-15: nil).

16. Related party transactions

The National Archives is a non-ministerial government department. Its parent department is the Department of Culture, Media and Sport. The Chief Executive and Keeper reports to the Secretary of State. The National Archives has had a number of transactions with other government departments and other central government bodies.

Trevor Spires acted as the Arts and Humanities Research Council (AHRC) Chair of Audit Committee until 31 December 2015. There were no transactions with AHRC during 2015-16 (2014-15: provided grant funding totalling £684,800 for three projects). Trevor Spires was not in attendance at meetings where The National Archives discussed funding from AHRC.

No other Board member, key managerial staff or other related parties has undertaken any material transactions with The National Archives during the year.

17. Third party assets

The National Archives held short-term monetary assets valued at £16,988 on behalf of other government departments at the end of the reporting period (£15,648 at 31 March 2015).

	31 March 2015	Gross inflows	Gross outflows	31 March 2016
	£000	£000	£000	£000
Bank balance	15	68	66	17
	15	68	66	17

18. Events after the reporting period date

The result of the Referendum held on 23 June was in favour of the UK leaving the European Union. This is a non-adjusting event. A reasonable estimate of the financial effect of this event cannot be made.

Annex A

Sustainability accounting and reporting

2015-16 sees the completion of a six-year programme of work for The National Archives. All of our five- and six-year environmental improvement targets were achieved, including those set through the Greening Government Commitments – the targets and requirements set by Cabinet Office to ensure that all central government departments meet the overarching Vision for Sustainability.⁵⁸

This report presents an overview of our activities during this period and the final results of our work towards these targets. In addition, it outlines our approach to sustainability and our plans for the new financial year. Further information relating to our sustainability performance, plans and policies may be found on the 'Transparency' pages of our website.⁵⁹

This report was prepared in accordance with HM Treasury Financial Reporting (FReM) requirements and the operational information presented aligns with our performance reporting in respect of our Greening Government Commitments.

Our approach

Governance and reporting

Our key sustainability targets are summarised within business plans and performance is regularly reviewed throughout the year. Our Executive Team review our sustainability performance on a monthly basis. The National Archives' Board and Audit and Risk Committee review our sustainability performance at six-monthly intervals, ensuring that progress is scrutinised and challenged where appropriate.

As a non-ministerial government department, we are committed to meeting, and exceeding where practical, the Greening Government Commitments. Our performance throughout 2015-16 was reported quarterly to Cabinet Office, who prepare an annual sustainability performance report for central government.

The National Archives is an active participant in the cross-Whitehall Sustainability Group, sharing best practice and benefiting from lessons learnt from other private and public sector organisations.

Data accuracy

While we improve our data capture processes year on year, and have made considerable progress in doing so, there will always be aspects of our data that involve some estimation or conversions that introduce the potential for error. For example, in order to calculate the weight of food waste we recycle each year, we multiply the number of collections by a typical bin weight. It is not practical for each consignment to be weighed before collection. This year, the typical bin weight has been revised by our contractor, altering the data.

Where estimation and conversion techniques are used, we will make clear the reason for doing so and aim to explain how this may affect the accuracy of the information presented. Similarly, where changes in the approach to the data capture process take place, these will also be noted.

⁵⁸ Department for Environment, Food & Rural Affairs 'Action Plan' for driving sustainable operations and procurement across Government, October 2010: webarchive.nationalarchives.gov.uk/20130402151656/http://archive.defra.gov.uk/sustainable/government/documents/ap-driving-sustain-ops.pdf

⁵⁹ nationalarchives.gov.uk/about/our-role/transparency/

Our sustainability strategy and targets

Since 2011, we have been working to achieve the Greening Government Commitments – a set of targets and outcomes that together help ensure that central government meets the Vision for Sustainability. In addition, we intend to embed sustainability through adopting best practices and approaches set out in government’s Greening Government ICT Strategy,⁶⁰ and through sustainability appraisals of key projects and procurement activities.

Meeting the Greening Government Commitments

We have met and exceeded all the Greening Government Commitments targets. A summary of our performance is shown in the table below.

Indicator	Reduction target %	Baseline	Improvement on baseline %	Change compared with 2014-15 (%)
Greenhouse gas emissions	25	2009-10	55	-15.3
Operational waste produced	25	2010-11	38	-20.3
Water used	20	2009-10	36	-11.7
Domestic flights taken	20	2009-10	29	-6.2

Highlights of our ‘greening’ activities over the lifetime of the Greening Government Commitments targets include:

2011-12	2012-13	2013-14	2014-15	2015-16
Optimisation of the Building Management System that controls heating and ventilation	Our Display Energy Certificate rating improves to a ‘D’ (in 2010-11 this was a ‘G’)	We replaced our 21-year-old cooling towers with more energy- and water-efficient versions	We introduced a variety of native aquatic plants into the pond and sowed wildflower meadows	We embedded recent energy-efficient technology upgrades, such as high-efficiency fan systems
We implemented ‘free cooling’ – using outside air to cool the servers in our data centre	We upgraded our humidification systems	We drilled boreholes to reduce our use of mains water	We updated our Flood Response Plan	We have improved the categorisation of our waste streams
We installed a Combined Heat and Power plant to provide lower carbon energy	We planted native hedgerows and saplings, including a Royal Oak to commemorate the Jubilee	Our Display Energy Certificate rating improves to a ‘C’ (in 2010-11 this was a ‘G’) We published our Sustainable Procurement Action Plan	We carried out an air pressure test on a repository floor to establish the level of air leakage and to inform plans for upgrades to improve energy efficiency	Our second borehole has become fully operational, providing water to irrigate our site Our Display Energy Certificate rating improves to a ‘B’ (in 2010-11 this was a ‘G’)

⁶⁰ www.gov.uk/government/publications/greening-government-ict-strategy

2015-16 performance

Performance in 2015-16 has continued the previous trend, with improvement for each of our indicators.

Indicator	2015-16	2015-16 per FTE employee	2014-15	2014-15 per FTE employee
Greenhouse gas emissions – scopes 1-3 tCO ₂ e	3,722	3,722	4,290	7.0
Energy used: MWh	9,052	9,052	10,246	16.7
Waste produced*	107	107	129	0.2
Water used m ³	15,795**	15,795**	17,828	29.1
Domestic flights taken	65	65	69	0.1

* Excludes construction and refurbishment projects waste to enable meaningful comparison

** Data for January to March 2015-16 is based on estimates

Greenhouse gas emissions

Our greenhouse gas emissions associated with building energy use and domestic business travel in the 2015-16 financial year were 3,295 tonnes. This represents a 55% reduction in greenhouse gas emissions against the 2009-10 financial year baseline, meaning we have greatly exceeded our 25% reduction target.

Indicator		2015-16	2014-15
Greenhouse gas emissions: tonnes CO ₂ e	Gross emissions for scopes 1 and 2	3,295	3,862
	Gross emissions for scope 3	427	428
Building energy consumption: MWh	Electricity: non-renewable	5,667	6,081
	Electricity: renewable	0	0
	Electricity: good-quality combined heat and power	187	284
	Natural gas	3,198	3,880
Financial indicators: £	Energy	790,531	863,729
	Carbon Reduction Commitment allowances	56,117	63,561
	Business travel	114,691	117,664

Our Executive Team and Board have led our programme of strategic investment in new technologies to reduce our building energy demand, and the impacts continued to be embedded during 2015-16. Recent measures such as upgrading the fan systems in our air conditioning systems supplying repository areas have resulted in energy consumption, and the associated carbon emissions, continuing to fall over the year. Our combined heat and power system, which provides us with lower carbon energy, produced slightly less electricity this year than in 2014-15. This was due to a faulty component resulting in the system being non-operational for one month, resulting in a decrease in our gas consumption but an increase in our use of non-renewable electricity from the national grid for that month.

We have a general approach of reducing business travel where possible. However, our public task, our leadership role for the archive sector and our reach, both national and international, necessitates a certain amount of business travel.

Looking to 2016-17, further technological improvements to reduce our energy consumption are planned. These include upgrading equipment and software in our main ICT room, and examining the data from our energy monitoring system to identify areas for further improvement. However, our main focus for 2016-17 will be working with staff and visitors to reduce energy consumption through behavioural change, such as switching off lights and equipment when not required.

Waste minimisation and management

At 107 tonnes, our operational waste has reduced by 39% against the financial year 2010-11 baseline, exceeding our 25% reduction target.

Indicator		2015-16	2014-15
Operational waste: tonnes	Total	107	128.5
	Recycled and re-used	50	67.2
	Energy from waste incineration	48	47.9
	Food and catering: anaerobic digestion	6	11.2
	Composted	2	2.2
	Landfill	0	0
Construction and refurbishment projects waste: tonnes	Total	34	39.1
	Recycled and re-used	34	38.6
	Landfill	0.4	0.5
Operational waste expenditure: £*	Total	27,837	29,652
	Recycled and re-used	8,210	10,214
	Energy from waste incineration	9,592	9,210
	Food and catering: anaerobic digestion	1,836	1,728
	Landfill	0	0

* Spend data obtained from our Facilities Management contract provider. Total includes the cost of storage and containment

Anaerobic digestion is a more sustainable form of waste disposal that produces biogas and fertiliser. The amount of food and catering waste sent for anaerobic digestion in 2015-16 appears to represent a decrease against 2014-15 figures, but this is due to a change in our contractor's methodology for calculating the weight. The amount of waste sent for re-use and recycling also shows a decrease against 2014-15 levels. This is due to re-evaluating how we deal with waste streams and improved categorisation during 2015-16.

Use of finite resources

Indicator	2015-16	2014-15
Water consumption: m ³	15,795*	17,878
Water supply costs: £	25,637*	32,527
Paper use: reams A4 eq.	3,190	3,230

*January to March for 2015-16 data is based on estimates due to a faulty water meter

The preservation of our collection requires substantial consumption of water to maintain temperature and humidity levels in our repositories. The upgrade of our cooling towers has been a major factor in the 36% reduction in water consumption achieved since the 2009-10 baseline year.

We have drilled two wells on site to provide water for use in the grounds. Our original intention was for one of these wells to supply our cooling towers, but this was not possible due to concerns the well water would not meet the required high levels of purity. Rather than installing costly water treatment equipment, the water from this second well is instead being used to irrigate our grounds, further reducing our demand for mains water.

Sustainable procurement

We are increasingly aligning our procurement activity with Crown Commercial Service frameworks. In letting those frameworks, sustainability factors – for example, economic, environmental and social considerations – are taken into account wherever appropriate.

In 2016-17, we will continue to grow the number of contracts that are let under Crown Commercial Service frameworks, and by doing so support the government's commitment to sustainable development.

Greening Information and Communication Technology (ICT)

We completed the upgrade of our IT network and server room infrastructure during the year, providing more capacity for hardware virtualisation, higher communication speeds and improved resilience and reliability of services on site and off site. As a direct result of this work, a significant amount of legacy IT hardware was decommissioned and the energy consumption of our main server room has been reduced by 10%. This rationalisation and decommissioning work will continue in 2016-17.

Biodiversity

Considerable activity has been undertaken at Kew over the last five years to support biodiversity. Beehives, boxes for bats and birds, loggeries and wildflower meadows are just a few examples. In 2014-15, we reviewed our existing Biodiversity Action Plan, originally published in 2010. We have also undertaken soil sampling to better understand the native conditions at the site and ensure our work enhances the existing flora and fauna. In 2016-17, we will be revising the Biodiversity Action Plan to reflect the latest best practice and give a clear direction to how we should support local nature.

Climate change adaptation

We have evaluated the likely impact of climate change on our ability to maintain The National Archives' collection and contributed to central government climate adaptation planning. The likelihood of flooding and temperature extremes present the greatest risks to our operations. To mitigate this risk, we maintain an up-to-date Flood Response Plan and test our procedures periodically. In 2015-16, we also renewed our Flood Risk Assessment.

Our work over recent years to upgrade our heating, ventilation and air conditioning systems, and improve the thermal integrity of our buildings, strengthens our resilience against temperature extremes as well as improving our energy efficiency. As we improve our energy efficiency, we increase our buffer against any future volatility in energy markets, and ensure that our energy use remains financially sustainable.

Annex B

Advisory Council on National Records and Archives 13th Annual Report 2015-16

**To the Right Honourable John Whittingdale MP, Secretary of State for Culture, Media and Sport
The 13th Annual Report of the Advisory Council on National Records and Archives**

I enclose a copy of the 13th Annual Report of the Advisory Council on National Records and Archives. The report covers the period from 1 April 2015 to 31 March 2016. This is our first report to you following the machinery of government changes under which responsibility for the public records system passed from the Lord Chancellor to you as Secretary of State for Culture, Media and Sport. The Council is grateful for the interest that you and your colleague, Baroness Neville-Rolfe, have already shown in our work, and it looks forward to a constructive relationship with the Department for Culture, Media and Sport (DCMS) in the future.

It is also my last as Chairman of the Council as I will step down as Master of the Rolls at the beginning of October. In my three years as chairman I have been continually impressed by the dedication, expertise and diligence Council members, both past and present, have demonstrated in the face of a growing workload and the increased scrutiny of government records management. I wish to express my sincere gratitude for their commitment and support.

During 2015-16, the Council considered 5,387 departmental applications for the extended closure or retention of records, an increase of 7% on the previous year. In addition 28 Freedom of Information (FOI) Panels were convened to consider the public interest in the release of closed information in historical records held at The National Archives. They considered 278 cases in total (an increase of over 80% on 2014/15).

We have continued to invite government departments to our meetings and this year we have welcomed representatives from DCMS, HM Treasury and the Foreign and Commonwealth Office. We have also been able to resolve a long-standing disagreement with the Cabinet Office on the retention of certain records and we hope to build on this given that department's new responsibility for records management policy across government.

At the end of December two of our longest-serving members, Professor Arthur Lucas and Mr Graeme Herd, stepped down. I would like to offer my thanks to them for their hard work.

The Council is grateful to The National Archives for the support and expert guidance it continues to provide on issues relating to freedom of information, access to records, and archives policy.

**The Right Honourable Lord Dyson
The Master of the Rolls
Chairman of the Advisory Council**

Part One – The Advisory Council

The Advisory Council on National Records and Archives (the Council) is an independent body. It advises the Secretary of State for Culture, Media and Sport (the Secretary of State) on issues relating to access to public records and represents the public interest in determining what records should be open or closed. It was established by the Public Records Act 1958 and is a non-departmental public body.

The Council is chaired by the Master of the Rolls. Its members include historians, archivists, information management professionals, former civil servants and journalists.

The role of the Council

The Council:

- advises the Secretary of State on issues relating to public records that are over 20 years old (historical public records), including public access to them, at the point of transfer to The National Archives
- advises on requests from government departments to retain historical public records under the Public Records Act
- advises on the public interest when departments want to keep historical public records closed under Freedom of Information Act (FOIA) exemptions, examining and challenging the evidence provided by departments to justify such requests
- through its sub-committee, the Forum on Historical Manuscripts and Academic Research, advises the Chief Executive and Keeper of The National Archives on matters relating to private archives outside the public records system.

It also supports government departments and The National Archives by providing independent advice and scrutiny on issues relating to records management and archives.

Principles

Openness and objectivity underpin the Council's work in considering applications for the retention or closure of records. The Council's guiding principle is to support information being made public. That principle will only be set aside when there are clear grounds to do so, based on public or the national interest, or sensitivity about personal data. It regularly challenges government departments to provide evidence to justify requests for documents to remain closed.

Membership

The Master of the Rolls (the Rt Hon Lord Dyson until 2 October 2016), chairs the Advisory Council. The Master of the Rolls was originally responsible for the safe-keeping of charters, patents and records of important court judgments. Today he is President of the Court of Appeal (Civil Division) and Head of Civil Justice. The Public Records Act transferred responsibility for public records to the Lord Chancellor and created the Advisory Council which would be chaired by the Master of the Rolls.

In September 2015, the Government announced that the Lord Chancellor's responsibilities under the Public Records Act 1958 and associated legislation would be transferred to the Secretary of State for Culture, Media and Sport. The Transfer of Functions (Information and Public Records) Order 2015 came into effect on 9 December and since that date the Advisory Council has given its advice to the Secretary of State for Culture, Media and Sport. This change has in no way affected the role of the Council or its independent standing.

The Council currently has 14 members. During the period covered by this report, two members – Professor Arthur Lucas and Mr Graeme Herd – came to the end of their terms.

In December 2015, Dr Bendor Grosvenor and Dr Elizabeth Lomas were reappointed for a further three years.

The current members of the Council are:

- **Ms Hillary Bauer OBE**, Adviser on culture and heritage issues; formerly Head of International and Cultural Property Unit, Department for Culture, Media and Sport
- **Professor Rodney Brazier MVO**, Emeritus Professor of Constitutional Law, University of Manchester; Fellow of the Royal Historical Society
- **Mr John Collins CBE**, Formerly Deliverer of the Vote, House of Commons
- **Mr John Evans**, Writer, researcher and independent historian; formerly Head of Communications at the Olympic Delivery Authority, civil servant and BBC journalist
- **Ms Sarah Fahy**, Global Head of Library Services, Know How and Training Department at Allen and Overy LLP
- **Ms Lesley Ferguson**, Head of Collections, Royal Commission on the Ancient and Historical Monuments of Scotland
- **Dr Bendor Grosvenor**, Art Historian and Adviser on Culture Policy
- **Mr Stephen Hawker CB**, Independent Consultant and former senior civil servant
- **Dr Elizabeth Lomas**, Senior Lecturer in Information Governance, University College London
- **Mr John Millen**, Formerly Policy Director, Ministry of Defence
- **Dr William Peace**, Visiting Senior Research Fellow, International Centre for Security Analysis, Kings College London; formerly Deputy Director for Strategy and Information, Serious Organised Crime Agency
- **Sir John Ramsden Bt**, Formerly HM Ambassador to Croatia; formerly Head, Central and North West Europe Department, Foreign and Commonwealth Office
- **Mr Michael Smyth CBE QC (Hon)**, Member, Legal Services Board; Member, Fundraising Regulator; formerly Head of Government Practice, Clifford Chance.
- **Mr Trevor Woolley CB**, Formerly Director General, Ministry of Defence

The Secretary to the Council is Ms Beth Watson.

Openness

The Council publishes summaries of meetings on its website.

Council members are required to adhere to the Seven Principles of Public Life. A register of members' interests is publicly available on the Council's web pages. Members are also required to declare any individual interests

in relation to the applications they consider and to recuse themselves if this is considered necessary in the view of the Chairman and other members.

The Council is required to consider requests made to it under the FOIA. During this reporting period the Council received and responded to three requests for information.

Part Two – The Advisory Council’s work

Meetings

The Council held five meetings during 2015/16: in May, July, November and December 2015 and in February 2016.

The National Archives’ Chief Executive and Keeper, attends Council meetings. Meetings are also attended by other representatives from The National Archives who have particular expertise related to the issues considered by the Council. Attendees include the Director of Information Policy and Services, the Head of Government Transfer and Access, the Head of the Freedom of Information (FOI) Centre, and the Head of the Chief Executive and Keeper’s Office.

Access to public records

• Closure and retention

The Council is responsible for advising the Secretary of State for Culture, Media and Sport on the application of FOIA to historical public records. It also advises him on applications submitted by departments for the retention of public records under the Public Records Act 1958.

In 2015-16, 41,784 government records were transferred to The National Archives, an increase of over 6,000 on the previous year. The vast majority of these were transferred open and can be viewed at The National Archives. However, in a small proportion of cases, historical information contained in records which are being transferred attracts certain exemptions under the FOIA, for example personal information or details which could harm the national interest. In these cases government departments must submit an application for permission for the records or extracts to be closed at transfer which is considered by the Council.

The Council will reach a conclusion only when it is fully satisfied that a department has made a convincing argument for closure or retention. Wherever possible the Council asks departments to consider redaction of the sensitive information rather than the closure of whole files.

Where members agree that the information given by a department is inadequate or unclear, they will decline to approve the application until sufficient detail has been provided or any points of confusion have been resolved. They are also keen to make sure that departments are not wishing to keep information closed simply to avoid embarrassment rather than for any objective reason reached after an impartial review of the records.

Where a department wishes to retain records, the Council will often challenge either the need for retention or the length of the requested retention period. It may ask the department to explain requests arising from a review backlog and to put in place, or to accelerate, plans to catch up as quickly as possible. It will also ask to have sight of these plans before agreeing that the records can be retained. In many cases the Council will ask a department to submit a revised application which addresses the queries that it has raised. However, where it has more serious concerns about the nature of a particular application or in cases which raise new or unfamiliar issues, it can and will ask departmental representatives to attend a Council meeting to discuss the matter in more detail. Where it has asked a department to present a timetable for transfer before agreeing retention, it will request regular updates on progress.

Both records retained by departments and those closed at transfer to The National Archives remain subject to the FOIA and individuals can make an FOI request to access them.

The Council’s casework has continued to increase substantially. In 2015-16 the number of closure and retention applications submitted to the Council was 5,387, an increase of almost a third on 2013-14, when a ten-year transition period was started to implement the reduction from a 30-year to a 20-year rule for historical records. The effect of this has been to increase the number of records due for review each year.

The Council queried almost 10% of the applications it received, significantly more than the 4% of applications in 2014-15. The increase is partially due to changes to the way in which the Council now operates. Until last year, members raised questions on applications at Council meetings and where these were answered immediately to the Council's satisfaction, either by other members or by staff from The National Archives, they would not be taken forward as queries. Under new processes introduced in September, members submit their queries in writing two weeks before meetings. A query may be straightforward, for example where a member notes that the department has made an error in the calculation of the closure period it is requesting, or it may be a matter of simple clarification such as a member asking whose personal information is being protected if that is not stated in the application. More critically, members may question a department's use of a particular exemption and ask for a stronger argument for its use to be set out. They may also challenge the reason for closing or retaining specific information at all and ask a department to provide an explanation as to why, for example, release would harm the UK's international relations. These queries are collated and the Council then receives written responses from departments, or The National Archives where appropriate, to all of these queries for discussion at the meeting. As a result, the consideration the Council is able to give to the most contentious cases has been enhanced, with the improved processes enabling it to give more thorough and considered scrutiny to the more sensitive and difficult applications. It has also led to more comprehensive documenting of all of the issues raised by members. This helps the Council to identify any trends in the types of questions it is routinely asking even where the individual query itself is not of special significance, and as a result informs the guidance and feedback for departments.

However, the increase in the number of queries is also the result of what the Council sees as the more uneven quality of the applications it receives. In its last report the Council noted that there had been considerable improvement in the quality of

the information provided by departments. Unfortunately, as this year has progressed, the Council has become concerned that this momentum has not been maintained. In particular it has perceived a tendency by some departments to fall back on the use of stock phrasing when trying to justify the application of certain exemptions. This suggests that they are not giving sufficient consideration to each application. This impression is reinforced by the fact that there has been an increasing number of cases where departments either withdraw or amend their applications significantly upon challenge by the Council. We recognise that departmental records management and reviewing teams are faced with increased workloads due to the transition from the 30- to the 20-year rule and other pressures. However, we would urge them to pay attention to the guidance and support provided by The National Archives, and to act on the feedback they receive from it and from the Council, to ensure that their applications are sufficiently well considered and presented to be approved.

The following table shows the number of applications for closure and retention considered by the Advisory Council, and the number queried by it. There were three outcomes in the case of queried applications:

- a) Clarification or additional information provided by a department was accepted by the Council and the application was agreed unchanged
- b) The department amended its application so that the closure period was reduced, the reasons for closure more accurately explained, or the amount of information to be closed reduced
- c) The department withdrew its application.

In addition, this year departments withdrew 11 applications for retention and instead agreed that the records should be transferred to The National Archives but requested that some or all of the material be closed under FOI exemptions.

		2013-14*	2014-15	2015-16**
Closure applications	applications considered	3,603	4,250	4,435
	applications queried	141	181	480
	applications where clarification was received and accepted	25	105	340
	applications which were amended by departments and accepted	32	67	71
	applications withdrawn by departments following challenge by the Council	2	9	14
Retention applications	applications considered	459	793	952
	applications queried	3	28	44
	applications where clarification was received and accepted	2	21	25
	applications which were amended by departments and accepted	1	4	12
	applications withdrawn by departments following challenge by the Council	0	3	4

* The figures for 2013/14 do not include the final outcomes of those applications that were the subject of 'technical' queries, for example, inaccuracies in the calculation of closure periods, which were not referred back to the Council after such errors had been corrected

** A number of queried cases remained unresolved at the end of the period covered by this report and will be carried forward

• **FOI Panels**

Panels of three Council members are convened to consider the public interest in the release of closed information held in The National Archives, when this is requested as part of an FOIA request.

In most cases the closed information is information that if released would endanger the safety or physical or mental health of an individual; information that would damage international relations; or information relating to law enforcement. Cases are carefully scrutinised and debated by panels. If they consider it necessary, a panel will request further detail or clarification from the relevant department or The National Archives. Even where they are in agreement with exemptions being applied, they may also raise general concerns or issues they have about departmental practices and draw attention to inconsistencies between departments in their handling of FOIA requests.

During 2015-16, 28 panels were convened, with 278 cases being considered, an increase of 8% from 2014-15. Panels challenged 54 cases. Having been provided with more detail, the panels accepted departments' arguments for continued closure in most cases. In two cases they remained of the view that public interest lay in disclosure and the departments subsequently opened the records.

Engagement with departments

The Council has continued to meet departments to discuss their retention and closure applications and to learn more about how their records management processes are operating. During the past year representatives from the Cabinet Office, the Department for Culture, Media and Sport (DCMS), HM Treasury and the Foreign and Commonwealth Office (FCO) have attended.

HM Treasury and the FCO provided members with information about their progress against the timetables for the review and transfer of their historical records that they had previously discussed with the Council. While both departments had fallen behind in the processing of their records and therefore needed to request permission to retain them for longer than initially expected, the Council was reassured that they were committed to addressing their backlog, and welcomed their willingness to provide regular updates on progress.

Representatives from DCMS met the Council for the first time in July to seek guidance on how to develop an effective plan for assessing and reviewing records series that were overdue for transfer. They returned in November to discuss the thematic review of their records. The Council was encouraged by the way in which the department engaged with it at an early stage, took on board advice and had begun to improve its processes.

In our last report we noted that the Cabinet Office's relationship with the Council had been unsatisfactory. We are pleased to report that this has improved considerably over the past year, and this has ensured that a long-standing difference of opinion over the retention of certain records has been satisfactorily resolved. As the Cabinet Office has now assumed responsibility for records management policy across government, the Council looks forward to regular discussions with the department in that regard.

Part Three – Digital records

In May 2015, a working group was set up to examine how the Advisory Council can continue to apply proper scrutiny to the increasing number of born-digital records (records not held in paper form) being transferred to The National Archives. This was particularly important as the first large-scale transfers of such material are due to take place in 2016-17.

The working group is led by The National Archives' Digital Sensitivity Review Delivery Lead, David Willcox, and its Head of Programmes, Caroline Pegden. It includes representatives from The National Archives, the Home Office and the Ministry of Justice, and Advisory Council members John Millen and Stephen Hawker.

Its aims are to:

- design improved ways of working to allow the Advisory Council to carry out its role and scrutinise closure and retention applications for born-digital records
- identify the type of information required from departments to justify the closure or retention of their records
- identify how to standardise the presentation of closure and retention information for the Advisory Council.

To date the working group has reviewed the methodology that departments should follow to capture sufficient information to support the transfer process, including the information to be presented in applications to the Council. The Council will be looking for assurance that a rigorous and repeatable process has been followed to review digital records and their metadata (information describing or categorising the records) for sensitivities. In particular it will want to be assured that departmental reviewers fully understood the range and nature of digital collections and understood the sensitivities and likely risks. A new process of capture and presentation will be trialled later this year.

Part Four – The Forum on Historical Manuscripts and Academic Research

The Forum on Historical Manuscripts and Academic Research (the Forum) was established in May 2010. The Forum in its capacity as a subcommittee of the Advisory Council provides a means through which the Chief Executive of The National Archives in his capacity as Historical Manuscripts Commissioner can seek advice about activity relating specifically to historical manuscripts (independent archives), as well as a place for discussion about academic research issues.

It is chaired by the Master of the Rolls. Its membership has expertise in academic research and/or knowledge and experience of private archives, and includes four members of the Advisory Council – Hillary Bauer, Lesley Ferguson, Bendor Grosvenor and Elizabeth Lomas. The other three members of the Forum are Dr Clive Cheesman, Dr Ian Mortimer and Dr Christopher Ridgway.

Its meetings are attended by the Chief Executive and Keeper and other staff from The National Archives, including the Director of Research and Collections, the Head of Archive Sector Development and Secretary to the Historical Manuscripts Commission, and the Head of Independent Archives Team.

The secretary to the Forum is Patricia Humphries.

The Forum met twice during this year on 14 May and 20 October; a third scheduled meeting was cancelled due to operational problems at the venue. The May meeting was the first joint meeting that the Forum had held with the Advisory Council. This provided the opportunity for the members of both bodies to gain a first-hand insight into each other's ways of working. It was agreed that there will now be a joint meeting each year.

This year the Forum has discussed and advised on a number of important issues which will have an impact on the archives sector, including:

- The future objectives and priorities of the Archive Sector Development team
- The National Archives' survey of Scientific Archives
- Proposals for an exhibition celebrating the wealth of records held by private archives across the country
- The changes to Discovery (The National Archives' online catalogue) and access improvements to the Manorial Documents Register
- The review of the role of the Forum and its terms of reference to reflect its contributions to the work of The National Archives.

It also provided advice to the Keeper on a number of cases concerning the acceptance by government of private archives in lieu of the payment of a tax liability.

**The Right Honourable Lord Dyson
The Master of the Rolls
June 2016**

Annex C

Annual Report of the Independent Complaints Reviewer 2015-16

Jodi Berg OBE is the Independent Complaints Reviewer (ICR) for The National Archives. She is also Chair of the Administrative Justice Forum, the government advisory body on administrative justice issues, and acts as the complaints reviewer for other bodies. She has a background as a solicitor and a mediator, and is a Fellow of the Chartered Institute of Arbitrators.

The ICR service is free to people unhappy with the answers they have received to their complaints from The National Archives. The ICR office responds to all enquiries in an efficient and courteous way.

Introduction by Jodi Berg OBE

I am pleased to present my annual report. My role is to deal with complaints escalated to independent review when people are unhappy with the response given by The National Archives itself, and to monitor the operation of its internal complaint process. Although most people are pleased with the service received from The National Archives, when complaints arise they need to be dealt with in an open and transparent way with the intention of giving a fair response to the complainant and, where necessary, learning from problems that have occurred. If The National Archives cannot settle the complaint itself, it is essential that people have somewhere to turn that is independent and impartial. The ICR office takes pride in the quality of the service we provide to those people who need our help.

An ICR review will consider what people can reasonably expect from The National Archives and whether standards were met in their case. If we uphold a complaint, we can recommend redress for the complainant, such as an apology, or improvements to The National Archives' service.

ICR process

Following complaint referral, I ascertain what the complaint is about by looking at the information sent to me and by contacting the complainant by telephone. I try to settle matters by agreement between The National Archives and its customer wherever possible. Where it is not, I carry out a thorough review of the issues and consider whether The National Archives has met reasonable standards of customer service. The National Archives is committed to responding positively to my recommendations for personal redress or systemic improvement unless there is good reason why it cannot do so. Following ICR review, people can opt to refer their complaint to the Parliamentary and Health Service Ombudsman should they remain dissatisfied.

More information about the Ombudsman can be found at: www.ombudsman.org.uk

Overview of complaint activity and examples

Between 1 April 2015 and 31 March 2016, The National Archives recorded 71 complaints, a significant decrease from 94 last year. In the same time period, 156 compliments were received. Most complaints were resolved without the complainant needing to escalate their concerns to Internal Review by the Chief Executive's Office. The ICR office received contact from ten people who wished to raise complaints against The National Archives. Seven people were given advice and assistance to enable them to take matters further either with The National Archives or through another body. Three complaints were considered by the ICR. One was deemed to be out of remit, one person was advised to take matters forward through the Information Commissioner's Office, and one resulted in a review and report. This data has to be set in context against The National Archives' extensive public contact in terms of over 30,000 telephone and over 37,000 written enquiries it handles, and the provision of 615,000 documents mainly directly to the public.

Where complaints referred to me do not lie within my remit, or where I conclude from the referral that ICR review will not help people to resolve matters or obtain an outcome the complainant would find useful, or where I conclude that The National Archives has done all it can to resolve matters, I can decide not to carry out a review on grounds of proportionality.

Case study

Mr A was disappointed by The National Archives' decision that it could not change or add to archived information on his request. I explained that decisions of this kind are a matter for The National Archives and I have no statutory authority to challenge them. My role is limited to a consideration of whether The National Archives has followed the appropriate steps to consider the request. In this case I was satisfied that The National Archives had done all it could to help and given a full explanation of why it could not accede to Mr A's requests. I concluded that there was no more that further review of process by me would achieve and I could find no evidence of maladministration on The National Archives' part that would make a review appropriate in this instance.

Complaints are generally a result of frustration and disappointment with a service; however, they can also reflect the genuine distress suffered by someone. We do what we can to assist.

Case study

Ms B, a pensioner with ill health, visited The National Archives to look at documents from two files. Ms B reported that on arrival she needed help to put away her belongings in the locker room, but no one was there. She felt unwell whilst waiting in a queue to obtain a reader's ticket. She was initially refused entry to the Reading Room as she had her handbag with her. Having taken it down to the locker room, she failed to store away other belongings that could not be allowed in and so was again refused entry. She reported that it took an hour and a half from arrival for her to obtain her files. She described her experience at Kew as 'a complete and utter nightmare'. We explained that she would need to contact

The National Archives direct and that the ICR would not be able to consider her complaint until after The National Archives had concluded its internal process. Ms B had problems using The National Archives 'Your Views' form, so we provided full contact details. The National Archives investigated her concerns and found that they were largely a matter of misunderstanding and perception. They resolved matters to her satisfaction. This positive outcome meant that she had no need to refer the complaint back to this office.

Complaints can also arise when someone does not achieve the outcome they want from their contact with an organisation. Review by the ICR can help to achieve final settlement.

Case study

Mr C contacted The National Archives to try and obtain a copy of the licences issued to his father in the 1960s. The National Archives responded that a copy of such licences would not have survived as licence records would not be selected for permanent preservation by departments, in this case MAFF. Mr C was given addresses for the relevant local authority and for the relevant government department should he wish to pursue the matter. On advice from the Parliamentary and Health Service Ombudsman, Mr C referred his complaint to me. I asked The National Archives to carry out searches in the name of his father which it agreed to do. Regrettably these were unsuccessful. Having undertaken further searches, I was satisfied that The National Archives had done all that was reasonable to try and find the records. I agreed with Mr C's complaint that he should not have been referred to the relevant government department, which was always likely to be a waste of time. While acknowledging that The National Archives was seeking to help, it is important not to send people off on paths that are likely to be unhelpful and add to their frustration and dissatisfaction. I recommended that The National Archives takes this into account when responding to enquiries.

The National Archives' response to complaints and customer service

I take an active interest in the quality and effectiveness of The National Archives' own complaint handling and in its response to the feedback and information complaints can offer. My experience is that The National Archives looks for opportunities to learn from complaints and improve service where it can. In the last year, The National Archives received a number of novel complaints concerning Freedom of Information, Data Protection, and corrections to public records, where it had to consider its future approach to issues raised. These cases presented a challenge in terms of complaints handling for the organisation, and have resulted in a review of the Complaints Policy. I will be following up on progress in the coming year.

In response to a previous ICR recommendation, The National Archives has now carried out a review of the Rules for Readers. Small updates have been made as an interim measure, but The National Archives is expecting to revise the Rules in a more fundamental way once it has considered how space can best be used and whether this can result in a more relaxed approach to how people use the facilities that The National Archives can offer.

Many users of The National Archives' services never visit the Kew building and rely on its website to access information, advice and documents. The website continues to attract increasing interest and user engagement. The National Archives saw 15,568,684 visits this year, with over a third of visits to the site from overseas users. This year, The National Archives launched its redesigned records web pages, which are heavily used by researchers. In addition, the release of the 1939 Register was a complex challenge for The National Archives as it sought to digitise 1.2 million pages, containing 41 million individual entries for people living in England and Wales in September 1939, redacted in relation to people born less than 100 years ago which have to remain closed under the Data Protection Act.

In previous years, record copying has been a source of service complaints and concerns. Taking this into account, The National Archives introduced a Record Copying Online Service through which people can request a page check before placing an order for copies of documents through Discovery, The National Archives' catalogue. The early signs are encouraging for The National Archives.

I am pleased to note that The National Archives again achieved Customer Service Excellence accreditation in 2015 and this is to its credit. Finally, I record my thanks to The National Archives' Public Services Development Team for their assistance with referrals and ICR review.

Contact the ICR

Details of the ICR service are explained in our leaflet Seeking a Fair Resolution available from our website at www.icrev.org.uk or from The National Archives.

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