

Annual Report and Accounts 2014-15

Annual Report and Accounts of The National Archives 2014-15

including the Annual Report of the Advisory Council
on National Records and Archives 2014-15

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

Ordered by the House of Commons to be printed on 14 July 2015

This is part of a series of departmental publications which, along with the Main Estimates 2014-15 and the document *Public Expenditure: Statistical Analyses 2014*, present the Government's outturn for 2014-15 and planned expenditure for 2015-16.



© Crown copyright 2015

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence v.3. To view this licence visit nationalarchives.gov.uk/doc/open-government-licence/version/3/ or email: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this document should be sent to us at:
The National Archives, Kew, Richmond, Surrey, TW9 4DU
+44 (0) 20 8876 3444
nationalarchives.gov.uk

You can download this publication from our website at www.nationalarchives.gov.uk

Print ISBN: ISBN 9781474120517
Web ISBN: ISBN 9781474120524

Printed in the UK by Williams Lea Group on behalf of the
Controller of Her Majesty's Stationery Office

ID: 29051511 07/15

Printed on paper containing 75% recycled fibre content minimum

Contents

Introduction	6
Who we are	8
What we do	10
Directors' Report	22
Strategic Report	28
1 Financial approach and results	29
2 Performance against our business priorities	31
3 Performance against our input indicators	36
4 Performance against our impact indicators	37
5 Core financial tables	38
6 Social, community, environmental and sustainability issues	42
Remuneration Report	44
Accounts 2014-15	52
1 Statement of Accounting Officer's responsibilities	53
2 Governance Statement	54
3 Audit certificate and report	63
4 Accounts summary	65
5 Notes to the Departmental Resource Accounts	74
Annex A Sustainability accounting and reporting	96
Annex B Advisory Council on National Records and Archives: 12th Annual Report 2014-15	104
Annex C Report of the Independent Complaints Reviewer for 2014-15	114

Introduction from the Chief Executive and Keeper

To the Right Honourable Michael Gove MP, Lord Chancellor,
Secretary of State for Justice

I am pleased to present the Annual Report and Accounts for The National Archives for 2014 -15.

This year marks the successful completion of our business strategy *For the Record. For Good*. Over the last four years, we have firmly repositioned ourselves to build on our innovations and reputation for delivery, service and expertise as a modern national archive. *For the Record. For Good*. laid the foundation for us to further develop as the custodians of the public record for the future.

We play a crucial role in supporting government in the preservation of digital and physical information. Our expertise, advice and guidance in best-practice record keeping is highly regarded across government and public sector bodies. This acknowledgement allows me, as Keeper of Public Records, to hold government to account and to assist them in their responsibilities; and Sir Alex Allan's review of record management recommends that The National Archives remains a fundamental part in helping departments with this commitment.

Four years ago, Discovery our online catalogue, did not exist. Today, it provides access to over 30 million descriptions of records, 10 million of which are held in over 2,500 archives across the UK. Since taking on the leadership role of the archive sector, our advocacy for archives of all kinds has generated more widespread awareness and understanding about why archives matter, and about the people who use and rely on them. The successful UK-wide campaign Explore Your Archive is supported by a number of influential stakeholders who join us in reiterating the significance of archives. Sustaining their materials and services is vital to their enormous contribution to the nation's heritage.

Over the last four years, we have expanded our online digitised records that showcase the rich variety of our holdings. Building on the successes of our digitisation programming, the crowdsourcing project Operation War Diary provides insight into the lives of soldiers on the front lines. Our online collections have connected us to even more audiences and we will continue to reach more people over the next four years.

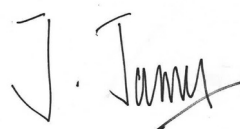


I would like to take this opportunity to thank Oliver Morley who was Chief Executive and Keeper until November 2013, and Clem Brohier who acted as Chief Executive and Keeper until the end of July 2014. It is greatly to their credit that we have come this far.

On 1 April 2015, we began a new four-year journey with an audience-focussed strategy. In this strategy, we recognise that The National Archives is many things to different people. The core of our new strategy is our continued determination to meet the opportunities and challenges arising from the digital era. Digital technology and the preservation of various types and forms of historical information, has changed what it means to be an archive forever. As experts, we can lead the conversation across government and the public sector to actively help to find solutions in securing the future digital record, and making sure that it stays accessible and transparent. As we await Sir Alex Allan's review of digital records, we know that we are already in great shape to become a 'digital archive by design' for government, the public, the archive sector, researchers and academics.

It goes without saying that we would not have made it this far without the continued dedication, professionalism and expertise of our staff.

This is a very exciting time to be Chief Executive and Keeper of The National Archives, and I look forward to the challenges and opportunities ahead.



Jeff James
Chief Executive and Keeper
8 July 2015



Who we are

COPY 1/441 Houses of Parliament, 1889 – Records of the Copyright Office, Stationers' Company

Our remit

The National Archives is a non-ministerial government department and an executive agency of the Ministry of Justice. We are the official archive for the UK government, and for England and Wales, and are the guardians of some of our most iconic national documents dating back more than 1,000 years.

Our collection is accessible to everyone all over the world. We are expert advisers in information and records management, a cultural and heritage institution, and an award-winning educational hub. We work to bring together and secure the future of the record, both digital and physical, for future generations. We are available to all audiences.

We work to define and collect the future record, transparently and seamlessly

For more than 200 years, we have sustained the value of the record of government, allowing those who follow to learn from those who came before. The creation, capture and survival of vital public records is the ultimate guarantee of transparency. Our role is to define clearly what government departments need to keep in the digital era and to enable government to manage its information efficiently and effectively.

As the leaders of the wider archive sector, we develop and promote standards and best practice in all aspects of archive management. Our support and advice helps archives across the UK to develop and enhance their services, facilities and collections for the benefit of the nation's archival heritage.

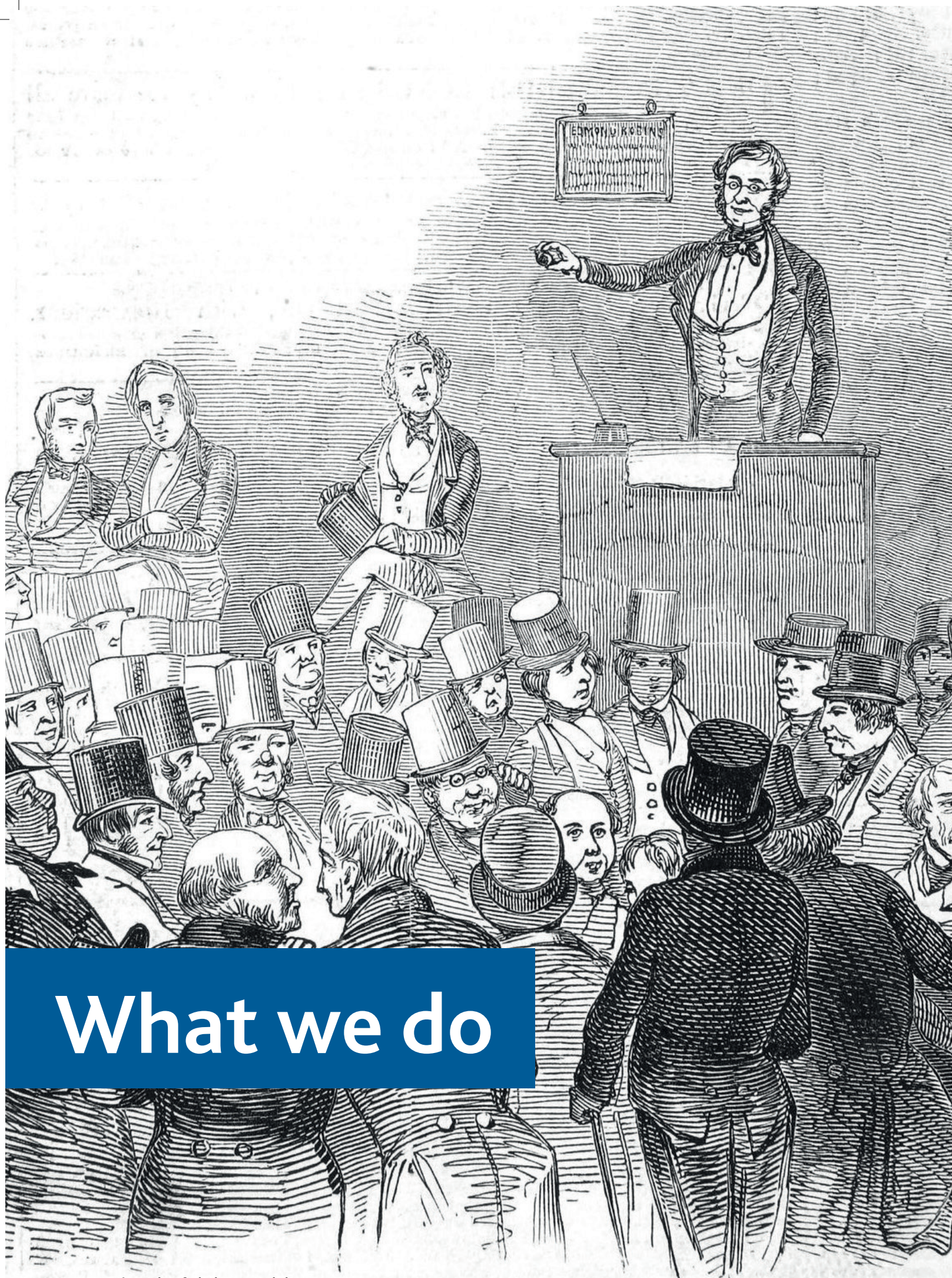
We innovate for optimal physical and digital preservation.

Our collections will always combine paper and digital records, and preservation of both is an obligation we accept willingly. Our highly valued expert research and practices have developed to meet the various preservation demands of these different types of record. We recognise the importance of sustainability in our work: reducing our carbon footprint and making the right investments for the future in our infrastructure, our organisation and the skills of our staff.

We provide access to the record in ways that make it more open, more inclusive and more used than ever before.

Every year we provide access to historical documents to millions of people worldwide, both online and in person at Kew, making us one of the largest and most successful archives in the world. We manage Crown copyright, delivering the definitive record for official publishing and we provide access online to all UK legislation.

We build awareness of the record through education and outreach and we pursue opportunities to grow the breadth and coverage of the record online, engaging with the public, our private and public sector partners, and volunteers to develop the record together, for all.



What we do

We make the record accessible

We provide access to a tremendous variety of digital and physical records.

We continue to work hard to connect, inform and inspire our audiences in many different ways.

2014-15 was a remarkable year for archives. Over the last four years, we have gone from strength to strength in meeting the increased demand from audiences to access our records in a variety of creative and collaborative ways.

We open up access

We have transformed our online catalogue Discovery into the single point of access to 32 million descriptions of records; 22 million of these are in our collection, and over 10 million records in 2,500 other archives across the country. During 2014-15, we uploaded thousands of new or enhanced catalogue descriptions and made further developments to provide greater accessibility, following extensive collaborative research and user testing with participants across the UK. We completed the first phase of a new record-copying ordering system, developed in line with our commitment to providing documents online to customers worldwide. Last year, our documents were downloaded nearly 200 million times.

We have embarked on projects and events throughout our First World War 100 centenary programme that reflect the colossal impact of the war on a global scale. To date, as part of Operation War Diary, the innovative online crowdsourcing project, over 12,200 'citizen historian' volunteers have tagged nearly 80,000 pages of unit war diaries, and have identified over 40,000 named individuals within them. During 2014-15, we released more digitised war diaries and service records of the Household Cavalry online and catalogued further officers' records.

We created 'The First World War: A Global View', an interactive resource illustrating the conflict's international effect. In June, we hosted a conference 'War and Peace: diplomacy, espionage and the First World War'.

The way people access and engage with us online is constantly evolving and we continue to adapt our services. The extensive redesign of our website means that it is more intuitive to use and provides better navigation to our records. On average, over a third of visits to our website are now from portable devices, and we have continued to improve the website in response to this change. We are never complacent and collaborate with our users to continually make improvements.

We use various forms of social media to engage our audiences. Our blog provides access to the expertise of our many record specialists and provides behind-the-scenes perspectives on The National Archives. Last year, we published on average over 16 blog posts per month. Our Twitter followers have increased to almost 60,000, up by 69% on the previous year. Our @UnitWarDiaries and @UKWarCabinet Twitter feeds engaged over 13,000 followers with our documents.

Our commercial and licensing partnerships allow us to continue to provide access to a rich mix of digitised collections without cost to the taxpayer, and to safeguard the physical record for the future. Last year, these ranged from prisoner of war records from the Jacobite Rebellion of 1715, to records from the early years of the Royal Air Force. In addition, over 8 million images were produced from our records by our own in-house digitisation experts, contractors, commercial, non-commercial and academic partners.

Our users tell us that they consider The National Archives to be 'one of the best archival facilities' they have ever visited. During 2014-15, we provided over 640,000 physical records to our users in our reading rooms. The development of our new online reader registration service allows audiences to order documents ahead of their visit, giving them even faster access to our records. We responded to over 34,000 written requests. We continued to delight our customers and for the 16th consecutive year, we retained the government's Customer Service Excellence standard, going above and beyond its requirements.

Access to our collections comes in many creative and stimulating forms. In partnership with prominent publishers Bloomsbury, Ebury and Thames & Hudson, we published three popular titles: *Maps: Their Untold Stories*, *Secrets of The National Archives* and *Inventions that Didn't Change the World*. Our Writer of the Month series continues to attract audiences and this year included authors Kate Adie, Philippa Gregory and Ranulph Fiennes.

In March 2015, The National Archives and its records were the centrepiece of an unprecedented ten-part BBC series. *Portillo's State Secrets* revealed some of the remarkable stories from the archives to an audience of over 1 million per episode.

We raise awareness of our holdings and those of others

As leaders of the archive sector, we advocate for archives of all types. Our second successful Explore Your Archive campaign, run in partnership with the Archives and Records Association, raised even greater awareness about their value and positive impact on

everyday lives. In November, archives throughout the UK and Ireland threw open their doors to the public inviting everyone to immerse themselves in their materials, and held nationwide exhibitions and events. We led on the launch of the campaign via social media, and our Thunderclap reached over 750,000 people online. On Twitter, daily hashtag themes encouraged those working in archives to collaborate and promote the value of their services.

Our trailblazing First World War 100 centenary programme featured prominently during the launch of the campaign in a live broadcast on *BBC Breakfast*, and the number of visitors to our website increased ten-fold in ten minutes. Our latest Files on Film competition, relating to our documents about the First World War, captured the imaginations and hearts of the filmmakers who entered. The judges were moved by how our records were interpreted by the winning entry noting the 'innocence of childhood portrayed in this film and the questions it raised over the point of war and the loss of a generation'.

Our guidance, support and training helps people to realise their ambitions within the archive sector, and those from non-traditional backgrounds to become the next generation of archivists. We completed Opening Up Archives, the three-year traineeship programme that placed trainees in archives across the country. Supported by the Heritage Lottery Fund, the trainees engaged with local archives and communities, and undertook projects that developed the skills they needed to enter the archive profession. Building on the success of this breakthrough scheme, Transforming Archives started in summer 2014 and provides the same opportunities. It is hosted by archive organisations throughout England.

We educate and inform

Our education services teach children, students and educators about the thousands of years of history contained in the documents at The National Archives. Our expertise is recognised by the Department for Education, and we were commissioned to research and report on how digital and moving image collections could support the new National Curriculum for History. In collaboration with other leading educational, cultural and media specialists, the approved report will make recommendations about policy development and using archival collections to teach future generations, actively encouraging their interest in history and archives. Over the last four years, we have taught over 47,000 students on site at Kew, via videoconferencing and our virtual classroom; nearly 3,000 teachers off site at conferences, workshops and teacher training colleges; and over 1,700 different school groups.

Magna Carta is one of the most important documents of all time and the foundation of our democracy. 2015 marks the 800th anniversary of Magna Carta. We hold two versions of Magna Carta: the 1225 copy will be included in Lincolnshire's Great Exhibition, a series of informative and commemorative events taking place across Lincoln later this year. The 1297 Magna Carta is on loan to the British Library as part of their Magna Carta exhibitions.

We launched an interactive educational resource called 'Magna Carta: the emergence of Parliament'. Developed in partnership with UK Parliament, students from the Magna Carta school user-tested the resource and provided feedback. 'Magna Carta: the emergence of Parliament' demonstrates one of the many ways in which our educational plans and activities will continue to form a large part of our forward strategy.

An amazing collection of personal correspondence captured by sailing ships during the 17th to 19th centuries brought delegates from all over the world to Kew to our first international academic conference on the High Court of Admiralty's 'Prize Papers'. This long-forgotten correspondence (used as evidence by the Admiralty Court) includes British, American, Spanish and Dutch letters offering snapshots of ordinary lives which survive in very few other contexts. Those that have been opened include details of people's personal and business affairs. They will be explored and made even more accessible in years to come.

Our records made huge waves in broadcast and online media with our annual release of two years' worth of records from 1985 and 1986. The release attracted journalists and academics from national and international media outlets. The big media stories covered included the miners' strike, government policies and strategies to tackle football hooliganism, and the defection of the Soviet Union agent Oleg Gordievsky.

Last year, we loaned our documents to institutions as prestigious as the Ashmolean Museum, Oxford University and the Musée du Luxembourg in Paris, extending the reach of our documents in informing and educating national and international audiences. Our Crippen murder documents and photographs featured in 'Forensics: The Anatomy of Crime' at the Wellcome Collection, providing further context to the history and science of forensic medicines. Our map of the Malacca Strait educated audiences on the earliest concepts of mapping as part of the 'Maps and Mapping Festival' at the National Library of Singapore.

We build academic and research collaborations and partnerships

We strengthened our research connections across the academic, higher education, and cultural and heritage communities.

The Arts and Humanities Research Council (AHRC)-funded research project 'England's Immigrants 1330-1550', a new database on immigration in medieval England, was completed in collaboration with the University of York and the Humanities Research Institute at the University of Sheffield. For the first time, researchers can find the details of over 65,000 immigrants who lived in England during this period by name, nationality, profession and place of residence.

In October, we hosted our very first academic open day and presented our research and academic engagement activities across the sectors, demonstrating our enthusiasm for further

collaboration with higher education institutions. In February, we ran the annual Gerald Aylmer seminar which this year explored the concept of uncovering histories hidden within archives. It was hosted by the Institute of Historical Research (IHR), and ran in partnership with IHR, the Royal Historical Society and the British Library.

Last year, the Discovering Collections, Discovering Communities conference brought partners and collaborators from across the heritage and cultural sectors together to explore the contributions that archives can make to research. This successful event took place at Birmingham Library in partnership with Research Libraries UK (RLUK) and was supported by JISC, Arts Council England and the University of Birmingham Cadbury Research Library. This year, the conference will explore how the archive and academic sectors can work together to meet the challenges and opportunities for the sectors in the digital age. It will again run in partnership with RLUK and will be supported by the Wellcome Library, the British Library and JISC.

We partner with six AHRC-funded doctoral training partnerships with universities across the country, a key development in our support for the higher education sector and archives. As well as delivering postgraduate research skills and methodology training to PhD students, we are represented on four advisory boards and an executive board. We are also partnering with universities across the UK through collaborative doctorates, and we have further developed our work with students with a new student placement policy.

We preserve

We make sure that the public record is protected for future generations in whatever format it takes.

We preserve the digital record

We are at the forefront of digital preservation. Over the last four years, the techniques we've developed to preserve digital information have constantly evolved. As trusted custodians of the public record, we guide and support the rest of government in the selection and transfer of its digital records.

Our digital records infrastructure can handle digitised and born-digital records using the most up-to-date methods to protect the data. It provides long-term storage of myriad digital information and we have already secured digital records of significant cultural and public interest, such as the Leveson Inquiry. The digital preservation landscape is ever-changing and we will continue to adapt by exploring solutions and working in partnerships to build on our infrastructure.

Our Web Continuity team worked with government departments and collaborated with the Government Digital Service to make sure that older government content remains accessible as websites transitioned to the single government domain GOV.UK. Websites are preserved by the team each month, enabling users to be redirected to the UK Government Web Archive wherever content has not been migrated to GOV.UK.

The UK Government Web Archive is used by more than 1 million people every month. We continually maintain and develop our archive of over 3,000 government websites and social media services – by far our largest collection – and an increasingly important part of the Open Government record and transparency agenda. We collected 336 million URLs and preserved an additional 10.3 terabytes of data.

We preserve the physical record

Our largest conservation exercise to date saw the meticulous conservation treatment of one of the largest maps in our collection – an 18th-century map of Prince Edward Island – in preparation for display at a major exhibition in Canada in 2015. Researching and delivering this project significantly enhanced our understanding of preserving documents of this scale. It will contribute to improved practices across the archive sector, and inform further heritage science research.

Our commercial activities contribute to how we sustain and preserve records of varying types. We successfully created images for various organisations such as glass plate negatives for BT, Rolls of Honour for St Paul's Cathedral and architectural plans for Marylebone Cricket Club. Over 290,000 images from the State Papers record series dating back to the 18th century were completed as a project for the academic publisher Cengage.

The skills and expertise of our conservation and digitisation teams allows us to preserve a wealth of information and to advise other organisations. In September, representatives from The National Archives visited the Garrison Library in Gibraltar to share guidance and best practice about digitising their own newspaper collection.

We help to develop and use environmental, archival and energy-saving standards

Over the last four years, we have helped to develop sustainable and cost-effective approaches that make our environmental conditions acceptable to preserve our records, and those of other institutions. We were involved with the development of the Building Environment Simulation computer model that reduced energy use in partnership with the Institute of Sustainable Heritage, the Bartlett School of Architecture and University College London. We led the creation of a co-sponsored environmental standard for cultural heritage published by the British Standards Institution, with support from The Collections Trust, CyMAL and the former Museums, Libraries and Archives Council.

Most recently, we are engaged with the Knowledge Transfer Partnership scheme seeking to support UK businesses in improving their competitiveness, productivity and performance across the UK. The scheme partners companies to transfer knowledge and improve technology or skills. We collaborated with the IMC Group and together are developing a tool to assess environmental conditions with the aim of improving the preservation of records, reducing energy usage, and developing a performance benchmark. This work will be completed in February 2016.

Since 2009, we have reduced the amount of energy used to power our building and repositories, moving from a Display Energy Certificate (DEC) rating of G (the least efficient) to a C in 2014. DECs raise awareness of energy use and inform visitors to public buildings about a building's energy performance, forming a part of the UK government's response to the European Performance of Buildings Directive.

We continue to work with archives of all kinds to learn more about their valuable collections and how we can support them. The Accessions to Repository survey captures details about newly acquired collections from other archive services. Last year, it had its largest ever response from archive repositories, local record offices, subject specialist repositories, and universities across the UK and Ireland. Accessions included an early 19th-century log book of the brigantine *Julian*, detailing a journey from Liverpool to West Africa; and a First World War nurse's autograph book containing signatures, illustrations and poems by wounded soldiers at the Red Cross Hospital in Taunton. Institutions taking part for the first time included the Wallace Collection.

Our archive sector leadership role sees us helping archives of all types to preserve and sustain their collections in compliance with a national framework of standards. The Archive Service Accreditation scheme supports archives in working to meet best-practice standards and to protect the longevity of their collections. We lead this scheme in collaboration with the Welsh Government through its CyMAL: Museums, Libraries and Archives Wales division, the Public Record Office of Northern Ireland and the Scottish Council on Archives and National Records of Scotland. Last year, 26 archive services across the UK gained accreditation.

Funding secured from the Heritage Lottery fund will see our Giving Value project help archives to find practical ways to sustain their services. Our creative Archiving the Arts programme is at the heart of conversations about the preservation of unique arts collections. Our evaluation of the impact of the government policy Archives for the 21st Century has spurred the sector into further thought and collaboration about its long-term sustainability.

We value the work of our volunteers and supporters

We are indebted to the extraordinary investment and participation of the volunteers and supporters of The National Archives who contribute hugely to a vast array of our projects and activities.

Last year, volunteers helped us to preserve and rehouse more than 46,000 photographs of the UK coastline created by the Ministry of Defence from 1946 to 1966. Our volunteers based on site completed the arrangement of the second tranche of First World War unit war diaries. Our remote volunteers completed the transcription of over 36,000 crew lists of the Merchant Navy from 1915 in collaboration with the National Maritime Museum. These are just a few examples of the immense contribution of our volunteers.

Over the years, The Friends of The National Archives have generously participated and supported a wealth of our projects: from cataloguing projects indexing British Army discharge documents up to 1854, to jointly funding the digitisation of First World War military tribunals with the Federation of Family History Societies. Last year, they supported Unlocked Reflections – a creative poetry programme at Her Majesty's Prison Lewes, in partnership with the prison library, the Mass Observation Archives and East Sussex County Council.

Lampson Unlocked: Fear God! Fear Nought! was a creative partnership project between The National Archives, the Victoria and Albert Museum and the Wren School Academy. The project, based on our documents featuring Oliver Locker-Lampson, involved students from the Wren School Academy creating interpretative art work and performances, which are available to view on our website.

We collect

We make sure that government and public sector bodies select and transfer the right documents to us for permanent preservation.

We provide expert advice and support to government

The National Archives supervises and guides other government departments in their selection and transfer of records to us for permanent preservation. We provide government with trusted advice and services, guaranteeing that the public record – whether digital or paper – is collected for the future. Over the last four years, we have continued to support government with best practice information management advice, as the focus on the transparency and openness of record management and departmental processes has increased.

20-year rule

In 2013, government began its 10-year transition to the new 20-year rule. Working closely with colleagues across government, we made improvements to the records transfer process. The Record Transfer Report is an online visual representation of the information we collect from departments about the volume of their records ready for transfer to The National Archives. It helps us to keep track of government departments' progress in the selection and transfer of their legacy records; reinforces our role as the expert advisers who are best placed to support them with their responsibilities under the Public Records Act; and forms the basis of an annual assurance update to the Lord Chancellor. We published the latest reports in July 2014 and February 2015.

On 1 January 2015, the second phase of the 20-year rule came into effect, covering the transfer to local places of deposit of records of local interest selected for permanent preservation. We are committed to supporting local authorities with this transition and we provided new guidance and a major programme of training across England and Wales, which started earlier this year and is set to continue. Through The National Archives, the Ministry of Justice will administer £7.1 million over 10 years to offset burdens this will place on local authorities.

Sir Alex Allan review and digital government records

In March last year, Sir Alex Allan was commissioned by the Cabinet Secretary to carry out a review on the position of record keeping across government and how departments were managing the transition to the 20-year rule. Sir Alex's review emphasised the importance of our work and made a series of recommendations intended to give this greater prominence and traction across government. These included a renewed focus on compliance with the section 46 Code of Practice relating to the management of records across all public authorities, under the Freedom of Information Act 2000. Sir Alex also recommended that the Ministry of Justice supports the Chief Executive and Keeper of The National Archives to ensure that good records management policies are followed across government.

Over the last year, our pioneering digital transfer project has made enormous progress in the development of new processes for collecting born-digital records from government departments through to their selection, transfer, and presentation on Discovery. We successfully tested this in March, and we will complete our pilot phase at the end of the financial year 2015-2016. We will continue to look for improvements over the next four years.

As part of the digital transfer project, we conducted reviews of 21 large government departments to gain an understanding of their 'digital readiness' and capacity to select, appraise, sensitivity review and transfer their digital records to us. From these reviews, we know that sensitivity review is a major challenge for many departments – however, we are already working to find solutions and have started exploring existing commercial software with the potential to support them in reviewing their records at scale. We will complete this trialling phase this summer.

Our work has informed Sir Alex's current review of the management of digital records across government departments. We will continue to provide expert advice on the appraisal and selection of government digital records, applying the principles of digital continuity. Our information assurance and cyber security awareness training programme continues to guide senior colleagues across the public sector in the protection of their digital information.

Assisting government

As highlighted by Sir Alex in his first review, our Information Management Assessment (IMA) programme is at the centre of reinforcing best practice in record and information management. Sir Alex recommended that the IMA programme continues to provide robust published assessments of all departments' information management capability, and urged the publication of a lessons-learned report based on the programme, which we did in March. Last year, we assessed the Department of Health and the Department for Work and Pensions, and conducted a reassessment of the Foreign and Commonwealth Office. We will continue to guarantee that public records are managed and collected effectively now, and for future generations.

We facilitate transparency and openness

We continue to make the law accessible to everyone. During 2014-15, close to 5,000 pieces of new legislation were published as governments delivered their respective legislative programmes, including passing substantial amounts of new legislation that repeal or revoke previous laws. In March, over 800 pieces were published and the month had one of the busiest days on record for new legislation publishing. We continued to support the Parliaments, Assemblies and governments of the UK, and delivered the timely and efficient publishing of new legislation in print and online on our award-winning service legislation.gov.uk.

We have worked with a wide range of public sector bodies – including those in the cultural sector – in preparation to implement European legislation on the re-use of public sector information. In October 2014, version 3 of the Open Government Licence launched successfully in line with the Creative Commons Attribution licence. Following research into 'big data' for law, we developed a new legislation data research infrastructure funded by the Arts and Humanities Research Council. We broadened our legislation open data services, adding support for the Akoma Ntoso international standard format which helped to move the UK to first place in the Global Open Data Index for Legislation.

There are countless uses for the information we collect and make accessible. Traces Through Time is an innovative, multi-disciplinary project that allows people to explore big historical datasets to identify individuals with and across them, allowing people to be traced through the records and for their personal stories to emerge from the data. It involved international research experience in the digital humanities, natural language processing, information science, data mining and linked data, with large, complex and diverse big data spanning over 500 years of British history. We worked with partners from the Institute of Historical Research, University of Brighton and University of Leiden.

The Big Data for Law research project is giving legal researchers the tools they need to understand how the statute book works as a system, rather than as individual pieces of legislation. The delivery of a new online service – research.legislation.gov.uk – will enable new types of research that support the delivery of Good Law – the initiative to improve access to legislation for millions of users in collaboration with the Office of the Parliamentary Counsel. It forms a vital part of the government transparency agenda.



Directors' Report

COPY 1/109 (117) Insurance waterproof, 1893 – Records of the Copyright Office, Stationers' Company.

Directors' Report

About The National Archives

The National Archives' remit is summarised on page 9 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.¹

Directorate	Role
Public Services and Human Resources (HR)	<ul style="list-style-type: none"> • Delivers and develops services for all our visitors, making sure that our on site, online and remote services work together effectively, following best practice and complying with relevant standards • 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 • Provides online and on site educational services to teachers and students and develops new audiences, particularly with those at risk of exclusion • Makes sure that staff are recruited, retained and developed in a way that facilitates the needs of the business and lives up to our organisational values • Handles all aspects of recruitment and selection: pay; learning and development; employee relations, staff engagement and wellbeing • Develops HR policy administration and advice for all those working at The National Archives
Customer and Business Development	<ul style="list-style-type: none"> • Generates income for The National Archives through its commercial services and develops new business opportunities • Raises awareness of the records we hold and the services we provide, using a combination of traditional and new media • Digitises our records, often working with external partners, to improve availability and access • Protects our reputation and brand

¹ A new Research and Collections directorate was created with effect from January 2015 comprising research, collection care and preservation.

Directorate	Role
Information Policy and Services	<ul style="list-style-type: none"> • Provides professional leadership across government in information management and policy • Guides government and public bodies on selecting records for permanent preservation and transfer to The National Archives • Delivers The National Archives' leadership responsibilities for the wider archives sector in England • Advises government, public bodies and local archives on information and archive policy • Investigates complaints under public sector information Regulations and delivers standards through the Information Fair Trader Scheme • 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
Technology and Preservation²	<ul style="list-style-type: none"> • Maintains and develops our Information and Communication Technology (ICT) infrastructure for the safe storage and delivery of information • Provides expertise on ICT and information assurance matters across the organisation • Runs key projects to enhance our technological capability, and that of government, to manage and deliver government information more effectively • Develops tools and techniques to assist in the long-term survival of digital records • Develops tools and technology to make it easier to access our collection • Works to capture and preserve government's websites, data and digital documents
Finance and Corporate Services	<ul style="list-style-type: none"> • Makes sure that our resources are allocated and used efficiently and effectively • Enables our corporate systems to comply with best practice and meet the needs of the business • Makes sure that our statutory and legal responsibilities are discharged • Manages and maintains our estate, providing a safe, secure and suitable environment for staff and visitors

² Dr David Thomas was Director of Technology and Preservation until he retired in July 2014.

Management Board³



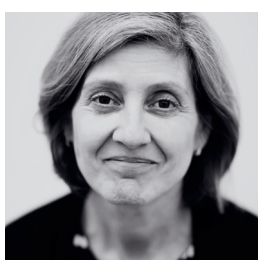
Jeff James⁴
Chief Executive and Keeper



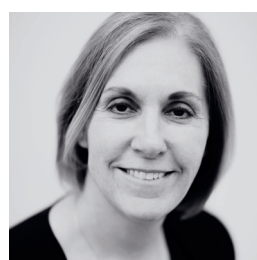
Clem Brohier⁵
Director, Finance
and Corporate Services



Mary Gledhill
Commercial Director



Caroline Ottaway-Searle
Director, Public Services
and Human Resources



Carol Tullo
Director, Information
Policy and Services



Dr Valerie Johnson⁶
Interim Director,
Research and Collections



**Professor Lisa
Jardine CBE**
Non-executive Director



Peter Phippen
Non-executive Director



Fiona Ross
Non-executive Director



Trevor Spires CBE
Non-executive Director

³ Rachel Murphy was Interim Chief Technology Officer until 27 March 2015.

⁴ Jeff James became Chief Executive and Keeper of The National Archives on 29 July 2014.

⁵ Clem Brohier was Acting Chief Executive from 1 November 2013 until 28 July 2014, in addition to his role as Director, Finance and Corporate Services and Chief Operating Officer

⁶ Dr Valerie Johnson was appointed Interim Director of Research and Collections with effect from 19 January 2015.

Company directorships and other significant interests held by board members

Trevor Spires is a council member at the Arts and Humanities Research Council, which has been declared as a Related Party on page 93, note 19.

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 page 82, 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 themselves 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 and in the Information Fair Trader Scheme guidance.

Reporting of personal data-related incidents

Details of our reporting of personal data-related incidents are shown in the Governance Statement on page 54.

Published sickness data

Staff sickness is 5.1 (2013-14: 4.7) days per member of staff (average).

Risks and uncertainties

Details of our risks and uncertainties are provided in the Governance Statement on page 54.

Pension liabilities

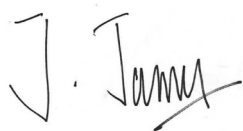
Present and past employees are covered by the provisions of the civil service pension arrangements. These are explained in more detail on page 49 in the Remuneration Report and on pages 88-89, notes 1.10 and 1.11 to the accounts. Benefit expenditure for civil service pensions is borne on the Civil Superannuation 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 80, note 3 to the accounts.

Review of activities

A review of our activities during 2014-15 can be found on pages 10-21 of this report.

The National Archives' governance

Details of The National Archives' governance can be found in the Governance Statement on page 54.



Jeff James
Accounting Officer
8 July 2015

ROBERT RETTIE TRAMONNEUR or PARACHUTE

Glasgow

MACHINE

for
Sweeping Chimneys

Brush made of Whalebone
Wire, Cane or any other
suitable material, so as it
will expand & contract
& set at various
angles

moveable
Ball for
CHIMNEY

Wire Rope Any Length

Wire
CORING BRUSH
for
CHIMNEY
CAN

CHIMNEY
CALL
for
SWEEP

Flue Rope in flue

Strategic Report

1. 2 or 3 Brushes

may be used But 2 Brushes upon this Plan is
found to answer the purpose perfectly



Socket of Brush
Copper Iron Blap

1. 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 2015-16 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 £35.1 million. A copy of our final budgetary control limits is available online at www.gov.uk/government/publications/supplementary-estimates-2014-15.

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 Management Board meeting. 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 2014-15, The National Archives' net resource outturn was £34.7 million compared to a budget allocation of £35.1 million. The non ring-fenced element, which is the controllable element of our expenditure, was managed to within £0.3 million of our allocation. In a year which saw the continuation of spending restrictions mainly in the area of staffing, marketing and communications, we reviewed and reprioritised our projects in order to enhance maximum value from our available funding. 2014-15 included £0.95 million of Resource DEL budget that had been carried forward from the previous year. This decision allowed time to further negotiate a contract relating to the replacement of our IT network and that we secured the best value for money. This reflects the effective financial controls which we continue to exercise.

The ring-fenced outturn was £5.5 million compared to the budget of £5.6 million. Ring-fenced expenditure is mainly for depreciation and amortisation costs. The increase of £0.4 million from 2013-14 was primarily due to the revaluation of the buildings.

Annually Managed Expenditure (AME) was in line with the estimate; but £0.6 million higher than 2013-14. This was due to new provisions created in the year, £0.5 million of which were an onerous lease provision for office space within a government building that was vacated in Norwich.

The total net capital expenditure matched our budgeted allocation of £2.0 million. A key element of our capital expenditure in the year has gone 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 £30.9 million.

The National Archives has no significant liabilities to report.

Reconciliation of resource expenditure between Estimates, Accounts and Budget

	£000 2014-15 Estimate	£000 2014-15 Outturn	£000 2013-14 Estimate	£000 2013-14 Outturn
Net Resource Outturn (Estimates)	35,073	34,670	34,823	33,863
Consolidated Fund Extra Receipts in the Operating Cost Statement	-	-	-	-
Net Operating Cost (Accounts)	35,073	34,670	34,823	33,863
Resource Budget Outturn (Budget)	35,073	34,670	34,823	33,863
<i>of which:</i>				
Departmental Expenditure Limits (DEL)	34,494	34,093	34,863	33,915
Annually Managed Expenditure (AME)	579	577	(40)	(52)

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 2014-15, we estimate that 98% were paid within agreed credit periods.

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 22 days, which is normal at the end of the year.

2. Performance against our business priorities

Strategic priority 1: We will redefine and collect the future record, transparently and seamlessly

Business priority	How we were to achieve this	Status
20-year rule response	Make recommendations to ministers on the application of the 20-year rule to records of local interest and implement guidance and support to minimise impact of transfers on places of deposit and transferring bodies.	Achieved. The government agreed to extend the 20-year rule to records of local interest. The relevant secondary legislation came into force on 1 January 2015. £7.1 million has been secured to pay for new burdens associated with this change.
	Year three of the 20-year programme: continue to collect and publish data on records held by government departments, and on the rate of transfer to us.	Achieved. The record transfer report was published in July 2014 and February 2015.
How we collect digital records	We will provide an efficient, scalable and sustainable process for the transfer of digital records to the Digital Records Infrastructure.	Achieved. A process to transfer born-digital records from government departments to The National Archives was developed, piloted and tested.

Strategic priority 2: We will innovate to ensure optimal physical and digital preservation

Business priority	How we were to achieve this	Status
A more sustainable Kew	Continue to reduce carbon emissions at Kew from 2009-10 baseline levels, balancing the needs of records preservation with environmental concerns.	Achieved. Carbon reduction performance at 31 March 2015 against a 2009-10 baseline year showed a 46% reduction.
	Replace desktop PCs with thin client technology to reduce our environmental impact and simplify our ICT estate.	Achieved. The target of 60% of users on thin client technology was exceeded.
	Implement the Greening Government commitments and that sustainable development informs our policy-making.	Achieved. The National Archives has met or exceeded all of the Greening Government Commitment targets.
	Replace cooling towers at Kew site, delivering this capital project in two phases to timetable and within budget.	Achieved. Water and energy consumption monitoring indicates reductions of circa 20% of both utilities compared with the previous cooling towers.

Business priority	How we were to achieve this	Status
Archiving the arts	Survey the archives of arts organisations and practitioners to identify collections worthy of preservation and online discovery with provision of advice to owners and custodians.	Achieved. The project was completed in March 2015.
Archives sector sustainability	Operate a challenge fund to stimulate and support initiatives designed to enhance the sustainability of key archive collecting institutions.	Achieved. Our investment of £50,000 leveraged partnership investment of £66,000 from other partners.
How we preserve digital records	Transfer all surrogate digitised document images held on varied media such as linear tape-open tapes and hard drives to the Digital Records Infrastructure in order to prevent loss or degradation of surrogate images and enable fast, efficient duplication of images.	Achieved.
Transforming The National Archives' Data Centre Infrastructure	Transform the efficiency and supportability of The National Archives' Data Centre infrastructure by migrating services to modern new platforms, increase capacity based on business need, and enhance resilience to business continuity, capitalise on existing investments by virtualising services; replacing hardware which is beyond its serviceable life; decommissioning services which no longer create business value and introduce new tools to make managing our environment more effective.	Partly achieved. We decommissioned over 25% of servers, which can be evidenced through reduced power consumption to the Data Centre facility. The end date for the Network and Data Centre Project is 30 June 2015.
Ensuring the open digital record remains accessible	Manage a contractual process for delivery of web archiving services required by government following an open competition.	Superseded. A one-year extension to the existing contract was agreed in March 2015 to allow for a review of the service in 2015-16.

Strategic priority 3: We will widen our funding base to guarantee support in tough times

Business priority	How we were to achieve this	Status
Better Online capabilities	Provide and promote a more effective document download service, including remote access for approved institutional users where appropriate; add new content and develop new products which will enable us to sustain our income from document downloads.	Achieved.
Historical design service	Launch an online service allowing members of the design community (designers/ design school students) to access historical designs from the 'Board of Trade' Registers.	Achieved. The launch was accompanied by an article in <i>World of Interiors</i> .
Building research and funding capability and investment	Build and develop skills and capacity across the organisation to deliver a greater number of higher-quality bids to funding and research councils. Maintain funding and investment at sustainable levels.	Achieved. We won over £1 million in grants funding during the financial year.

Strategic priority 4: We will be agile and confident, trusted and efficient

Business priority	How we were to achieve this	Status
Develop our people and culture	Embed our values and use them to guide our behaviour in all that we do.	Achieved. We once again achieved 'High Performer' status in the annual Civil Service People Survey. Our engagement index was 70% which represented a 2% increase from the previous year.
	Manage our headcount and cost of payroll flexibly and effectively to meet our organisational priorities.	Achieved. Our core headcount target was 550.5, and over the course of the year we averaged 550.1.
	Further develop our learning and development offering.	Achieved.

Strategic priority 5: We will provide a record that is more open, inclusive and used than ever before

Business priority	How we were to achieve this	Status
Making more records available online	Complete the digitisation and publication of a complete set of Naval Records cards comprising approximately 60,000 naval service records, testing the accession process on a whole series, identifying and processing closed records through the Freedom of Information system.	Not achieved. The records were digitised but owing to technical issues the images needed re-processing before they could be transcribed. As a result the images were not published on Discovery during the financial year. It is expected that publication will take place during the first half of 2015-16.
	Digitise a second tranche of Unit War Diaries (WO 95) ready for publication in 2015.	Achieved.
Improve archives sector online resources to further support the sector and improve user experience	Create and test tools to enable editing and semi-automated uploading of archive catalogues and related resources to Discovery across the archives sector and support archives in adopting new tools.	Partly achieved. Delays in completing work on the 2013-14 deliverables for this project and on recruiting the developer capacity required, held back the start of the planned work until late autumn 2014. A reduced set of deliverables was therefore agreed for 2014-15 in November 2014 which was met by the end of March 2015.
Meeting the needs of users of legislation.gov.uk	Improve access to legislation by bringing the revised versions of legislation on legislation.gov.uk up-to-date through expert participation.	Achieved. Editorial tools were tested, piloted and in full operation for final update and review tasks. The Department for Work and Pensions and the Welsh Government are using new editorial tools to revise their legislation. An editorial wiki was developed for the in-house team and participants.
	Increase the rate of in-house team productivity by applying amendments directly – also indirectly by training and supporting participants.	Achieved.
	Improve drafting of legislation by working with partners in government and the parliaments to develop a new drafting tool.	Achieved.
	Devise strategy for future shape of legislation services to ensure value for money and to maximise benefits of cooperation with partners.	Achieved.

Future public services	Review our current public services offering with a view to further developing and enhancing services to meet our customers' needs.	Achieved.
Deliver effective solutions for re-use of public sector information	The amended European Directive will be transposed to meet Commission deadlines and UK open government commitments. Working with officials in Scotland, Wales and Northern Ireland we will deliver an effective UK-wide solution and develop communication and guidance to ensure that public sector bodies are well placed to meet their responsibilities under the new UK legislation.	Achieved. On track to transpose by the legally required date by July 2015.
	Reinforce regulatory model under the public sector information transposition programme, aligning it to open data, transparency and access to information initiatives.	Achieved.
Deliver access to official publications ensuring that the needs of Parliament and users are met	Ensure solutions to reinforce official publishing responsibilities are embedded across government and deliver efficiencies and overall cost savings.	Achieved.

3. Performance against our input indicators

Input indicator	2014-15 Outcome	2013-14 Outcome
Original records delivered to on site users ⁷	647,140	674,231
Electronic records delivered to online users ⁸	198,704,334	204,122,320
Staff diversity		
Women	54.5%	49.3%
Top management women ⁹	44.1%	48.6%
Black and minority ethnic	20.2% ¹⁰	20.3%
Disabled	10.8% ¹¹	11.7%
Staff engagement (as reported by the Civil Service People Survey)	70%	68%
Time taken to deliver original records to on site users	96.7% 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 requests	97.1% of enquiries responded to within statutory deadlines	98% of enquiries responded to within statutory deadlines
Total departmental spend ¹²	£31.2 million	£30.7 million
Staff sick absence	5.1 days per member of staff (average)	4.7 days per member of staff (average)
Outstanding effects ¹³ on legislation.gov.uk	164,891 outstanding effects	152,335 outstanding effects
	233,738 new effects	203,900 new effects
	157,940 researched effects	142,952 researched effects
	56,763 applied effects	51,569 applied effects
Number of physical records accessioned	35,617 pieces	65,545 pieces
	800 metres	882 metres

⁷ Over the last four years, the number of original records delivered to our on site users has increased by 12%.

⁸ These numbers include downloads from our licensed internet associates. Over the last four years, the number of digital records delivered to online users has increased by 55%.

⁹ This represents the percentage of women at Band G and above.

¹⁰ This represents the percentage of the 406 people that declared their ethnicity, rather than of the total staff.

¹¹ This represents the percentage of the 371 people that declared their disability status, rather than of the total staff.

¹² Total departmental spending is the sum of the resource outturn and the capital outturn less depreciation.

¹³ An 'effect' is an individual change made by one piece of legislation on another. Each effect corresponds to a set of editorial tasks that need to be completed to update the legislation on legislation.gov.uk. 'Outstanding' effects are those changes to legislation (since 2002) that still need to be applied in order for legislation.gov.uk to be brought up-to-date. The figure for 'new' effects is the total number of post-2002 changes, including those outstanding and those applied.

4. Performance against our impact indicators

Input indicator	2014-15 Outcome	2013-14 Outcome
Web continuity	29 million visits to UK ¹⁴ Government Web Archive 15.7 million visitors to UK Government Web Archive	25.9 million visits to UK Government Web Archive ¹⁵ 14 million visitors to UK Government Web Archive
Sustainable development	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)	Carbon emissions from energy use in our buildings reduced by 15% compared with 2012-13 (a 50% reduction compared with 2009-10) Operational ('business as usual') waste reduced by 5% compared with 2012-13 (a 31% reduction compared with 2010-11) In 2013-14, 54% of our total waste was re-used or recycled Water consumption reduced by 2% compared with 2012-13 (a 14% reduction compared with 2009-10)
Customer satisfaction		
On site users	95%	94%
Online users	59%	72%
legislation.gov.uk users	71%	72%
Records and information management services used across government	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	2 Information Management Assessments reports published ¹⁶ 2 action plans published 1 annual review report published 6 formal review meetings undertaken

Further details of how we measure our performance are in our four-year business plan, For the Record. For Good which is available from the UK Government Web Archive at webarchive.nationalarchives.gov.uk/20121211045135/http://nationalarchives.gov.uk/about/our-plans.htm

¹⁴ In prior years use of the UK Government Web Archive was measured in number of redirects. In 2014-15 it was agreed that measurement of visits and visitors was a better indicator of the scale of use of the online resource.

¹⁵ This figure is the 2013-14 outcome using 2014-15 measurement to allow a year-on-year comparison. The outcome quoted in the Annual Report and Accounts for 2013-14 was 441,417,367 redirects.

¹⁶ The section of this table titled 'Records and information management services used across government' for the annual reports and accounts 2013-14 should have included: 5 Information Management Assessments completed.

5. Core financial tables ^{17 18}

Table 1: Public spending

£000

	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans
Resource Departmental Expenditure Limits (DEL)							
Section A:							
The National Archives (DEL)	40,395	38,224	37,367	34,799	33,915	34,093	33,701
Total Resource DEL	40,395	38,224	37,367	34,799	33,915	34,093	33,701
<i>Of which:</i>							
Pay	27,878	24,789	23,774	24,606	24,249	24,957	26,092
Net current procurement ¹⁹	7,120	7,756	8,160	5,207	4,481	4,217	2,278
Current grants and subsidies to the private sector and abroad	(87)	-	-	-	-	-	-
Depreciation	5,237	5,620	5,030	4,904	5,133	5,496	5,200
Other	247	59	403	82	50	(577)	131
Resource Annually Managed Expenditure (AME)							
Section B:							
The National Archives (AME)	(71)	(119)	(403)	(82)	(52)	577	(131)
Total Resource AME	(71)	(119)	(403)	(82)	(52)	577	(131)
<i>Of which:</i>							
Take-up of provisions	92	33	-	-	-	610	-
Release of provisions	(163)	(152)	(392)	(106)	(66)	(34)	(131)
Other	-	-	(11)	24	14	1	-
Total Resource Budget	40,324	38,105	36,964	34,717	33,863	34,670	33,570
<i>Of which:</i>							
Depreciation	5,237	5,620	5,030	4,904	5,133	5,496	5,200
Capital DEL							
Section A:							
The National Archives (DEL)	4,027	5,849	3,819	4,456	2,018	2,007	1,200
Total Capital DEL	4,027	5,849	3,819	4,456	2,018	2,007	1,200
<i>Of which:</i>							
Net capital procurement ²⁰	4,027	5,849	3,819	4,456	2,018	2,007	1,200
Total Capital Budget	4,027	5,849	3,819	4,456	2,018	2,007	1,200
Total departmental spending ²¹	39,114	38,334	35,753	34,269	30,748	31,181	29,570
<i>Of which:</i>							
Total DEL	39,185	38,453	36,156	34,351	30,800	30,604	29,701
Total AME	(71)	(119)	(403)	(82)	(52)	577	(131)

Table 2: Public spending control

£000

	2014-15 Outturn	2014-15 Original Budgetary Control Limits	2014-15 Final Budgetary Control Limits
Spending in Departmental Expenditure Limits			
Gross Expenditure	44,965	45,948	46,294
Gross Income	(10,872)	(11,800)	(11,800)
Net Resources	34,093	34,148	34,494
Net Capital	2,007	2,030	2,030
Spending in Annually Managed Expenditure			
Provisions			
Gross Programme Resources	577	(25)	579
Total Resource Budget	34,670	34,123	35,073
Total Capital Budget	2,007	2,030	2,030
Less Depreciation	(5,496)	(5,600)	(5,600)
Total Departmental Spending	31,181	30,553	31,503

¹⁷ The outturn numbers are based on prior-year audited figures; however, the core financial tables section is not subject to NAO audit

¹⁸ Plan numbers reflect the 2010 and 2013 Spending Review settlements adjusted as per subsequent Budget and Autumn statements. The composition of the plan numbers shown are subject to change as internal plans are further developed

¹⁹ Net of income from sales of goods and services

²⁰ Expenditure on tangible and intangible non-current assets net of sales

²¹ 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

Table 3: Capital employed

£000

	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans
Assets and liabilities on the statement of financial position at end of year:							
Non-current assets							
Intangible	7,881	29,130	20,613	23,861	21,623	22,135	21,952
Property, plant and equipment	100,298	106,756	134,013	132,333	140,642	150,849	146,825
<i>of which:</i>							
Land	18,200	18,200	18,200	18,200	18,200	18,200	18,200
Buildings	69,479	73,901	101,026	99,626	108,043	118,239	115,048
Plant and machinery	2,009	3,826	5,836	6,139	5,284	6,518	6,557
Furniture and fittings	5,304	5,053	4,907	4,744	4,742	4,604	4,472
Transport equipment	114	98	85	69	51	36	21
Information technology	3,365	2,902	1,930	1,301	2,825	2,126	2,527
Assets under construction	1,827	2,776	2,029	2,254	1,497	1,126	-
	100,298	106,756	134,013	132,333	140,642	150,849	146,825
Trade receivables falling due after more than one year	111	349	433	550	123	420	400
Current assets	2,819	1,749	3,015	2,802	3,160	2,511	2,000
Creditors (<1 year)	(9,164)	(6,732)	(7,795)	(6,939)	(6,575)	(6,101)	(7,000)
Creditors (>1 year)	-	(832)	(999)	(1,314)	(1,121)	(779)	(750)
Provisions	(691)	(592)	(93)	(50)	(25)	(628)	(356)
Capital employed within main department	101,254	129,837	149,187	151,243	157,827	168,407	163,071
Total capital employed	101,254	129,837	149,187	151,243	157,827	168,407	163,071

Table 4: Administration budgets

£000

	2009-10 Outturn	2010-11 Outturn	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans
Administration costs							
Section A:							
The National Archives (DEL)	12,960	10,183	8,704	8,489	8,570	8,660	9,540
Total administration budget	12,960	10,183	8,704	8,489	8,570	8,660	9,540
<i>Of which:</i>							
Paybill	7,570	5,777	5,242	5,249	5,243	5,241	5,193
Expenditure	5,436	4,444	3,491	3,281	3,358	3,456	4,387
Income	(46)	(38)	(29)	(41)	(31)	(37)	(40)

Table 5: Staff in post

	2011-12 Outturn	2012-13 Outturn	2013-14 Outturn	2014-15 Outturn	2015-16 Plans ²²
Staff numbers (average) ²³					
Payroll staff (full-time equivalents)	590	608	594	601	611
Agency staff	9	7	2	1	Nil
Interim managers	Nil	Nil	Nil	Nil	Nil
Specialist contractors	8	15	11	7	4
Consultants	Nil	Nil	Nil	Nil	Nil
Total	607	630	607	609	615

²² The 2015-16 plan numbers include a decrease of 4 business as usual posts (552 average FTE for 2015-16). The plan numbers also include an increase of 3 posts that are externally funded/recharged (22 average FTE for 2015-16) as well as an increase of 7 posts for fixed and limited period appointments required for specific projects (41 average FTE in 2015-16).

²³ Average numbers are based on end of month numbers recorded over the 12-month period.

6. Social, community, environmental and sustainability issues

Sustainable development

We have significantly reduced the impact of our operations on the environment, achieving a 46% reduction in carbon emissions compared with the baseline year of 2009-10 and against the government target of a 25% reduction. This is a notable achievement, despite a modest increase in energy consumption in 2014-15 compared with 2013-14, largely due to the unseasonably mild autumn in 2014 requiring cooling and de-humidification to maintain the required repository storage 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, page 96.

During 2014-15 we delivered a number of projects to reduce the impact on the environment, including upgrading a proportion of our larger ventilation fans to high-efficiency units and completing the replacement of our external cooling towers. This work has contributed to the reduction in our water use and we have achieved a 28% reduction against an internal water savings target of 20%, compared with the baseline year of 2009-10. The development of two wells in our grounds has continued, with one now supplying water to the ponds and irrigation systems. The second well will be in use in 2015-16.

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 and residents of the Kew ward
- Providing space for the meetings of local residents' associations and groups
- Providing space for public meetings, arranged by Taylor Wimpey, the developer of the adjacent former HM Revenue and Customs site — with particular focus on local residents, neighbours and ward councillors
- Communicating regularly with our neighbours regarding planned maintenance works, particularly when these occur at weekends
- Maintaining site drainage systems to meet our obligations to the flood defence of the local area.

Employment and staff engagement

The National Archives is committed to equal opportunities for all. Policies are in place to guard against discrimination and that 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 5 on page 41 was 609 (2013-14: 607). On 31 March 2015, there were 649 employees (614 full-time equivalents) on our payroll. These were made up of 572 full-time equivalent permanent staff and 42 full-time equivalent staff on limited period appointments. 323 were female and 41 staff (10.8%) declared themselves as disabled and are recognised as having a disability in the context of the Equality Act 2010. Also, 84 staff (20.2% of the total who declared), identified themselves to be from ethnic minorities. We actively manage sickness absence and the average absence rate was 5.1 days per full-time equivalent (4.7 days in 2013-14).

The civil service-wide recruitment freeze announced in May 2010 is 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 page 80, note 3 to the accounts, page 80) and this year were also subject to the recruitment freeze.

We continue to encourage and support our staff, and invest in their wellbeing, with a particular focus on

mental health awareness in 2014-15: a number of staff are recognised as mental health first aiders. Stress-related illness accounted for only 2.2% of the total sickness rate.

For the fifth 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'.

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

In 2014 a new Equality and Diversity Coordinator was appointed for one year to review our equality and diversity strategy and to monitor progress against our action plan and departmental objectives. Our equality and diversity working group continues to oversee our action plan. Over the next year, The National Archives will develop a network of champions from across the organisation to reflect and progress our equality and diversity agenda.

We continue to support positive action initiatives through 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 two in 2014.

We have introduced a number of sustainable initiatives that monitor change and improved policy implementation throughout the organisation. The introduction of Prezi – a self-sustaining online software format – allows training, inductions and archives sector development to increase further awareness and understanding of equality and diversity aims and initiatives.

The National Archives continues to explore ways in which our records and resources can be used to benefit communities and across societal groups. In 2015, our work involved an inspiring collaborative outreach and engagement with prisoners at Her Majesty's Prison Lewes who used our collections for research and education as part of a creative-writing, rehabilitative project.

In September 2014, we were re-assessed by Investors in People – the organisation that recognises and accredits high-performing organisations dedicated to developing

their staff. We retained our accreditation, receiving very positive feedback about our commitment to our developing the needs and wants of our staff.

The National Archives' annual diversity week highlighted the ongoing work staff do to represent diverse histories, as well as educate about the issues and barriers people often face when excluded from mainstream culture.

Health and safety

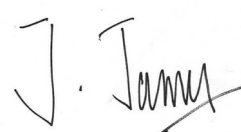
Our Health and Safety Policy explains that we comply with our legal obligations and sets out the actions we take to maintain a safe and healthy environment.

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 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 2014, 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 the efficiency at every opportunity.

We have a team of 20 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.



Jeff James
Accounting Officer
8 July 2015



Remuneration 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 at www.ome.uk.com.

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 Constitutional Reform and Governance Act 2010 requires civil service appointments to be made on merit on the basis of fair and open competition. 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 which 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.

Clem Brohier was appointed Acting Chief Executive and Keeper with effect from 1 November 2013 until 28 July 2014.

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

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.

Lisa Jardine CBE was appointed as a Non-executive Director on a three-year contract from 1 December 2011 to 28 November 2014.

Peter Phippen and Fiona Ross were appointed as Non-executive Directors on a three-year contract from 6 November 2012 to 5 November 2015.

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 Remuneration Committee consisted of four Non-executive Directors: Lisa Jardine (Chair), Trevor Spires, Peter Phippen and Fiona Ross. The policy on remuneration of senior civil servants, and the deliberations of the Remuneration Committee

follow 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 Remuneration 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 Remuneration 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 and 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 2014-15 relate to performance in 2013-14 and the comparative bonuses reported for 2013-14 relate to performance in 2012-13.

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

*Name	Salary 2014-15	Salary 2013-14	Bonus 2014-15	Bonus 2013-14	Benefits in kind 2014-15	Benefits in kind 2013-14	Pension benefits 2014-15	Pension benefits 2013-14	Total (£000) 2014-15	Total (£000) 2013-14
	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£ (to nearest £100)	£ (to nearest £100)	£000 (to nearest £1,000)	£000 (to nearest £1,000)	£000 in bands of £5,000	£000 in bands of £5,000
Oliver Morley Chief Executive and Keeper (to 31 October 2013)	N/A	60-65 (full-year equivalent 100-105)	N/A	-	N/A	-	N/A	(4)	N/A	55-60
Clem Brohier Acting Chief Executive and Keeper (from 1 November 2013 to 28 July 2014) and Director, Finance and Corporate Services	105-110	95-100 (full-year equivalent 105-110)	5-10	5-10	-	-	37	24	140-145	130-135
Mary Gledhill Commercial Director	75-80	75-80	10-15	5-10	-	-	32	32	105-110	105-110

*Name	Salary 2014-15	Salary 2013-14	Bonus 2014-15	Bonus 2013-14	Benefits in kind 2014-15	Benefits in kind 2013-14	Pension benefits 2014-15	Pension benefits 2013-14	Total (£000) 2014-15	Total (£000) 2013-14
	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£000 in bands of £5,000	£ (to nearest £100)	£ (to nearest £100)	£000 (to nearest £1,000)	£000 (to nearest £1,000)	£000 in bands of £5,000	£000 in bands of £5,000
Jeff James Chief Executive and Keeper (from 29 July 2014) and Director, Operations and Services (to 24 June 2013)	75-80 (full-year equivalent 115-120)	20-25 (full-year equivalent 85-90)	-	5-10	-	-	20	4	95-100	30-35
Caroline Ottaway-Searle Director, Public Services and Human Resources	85-90	80-85	-	-	-	-	32	31	115-120	115-120
David Thomas Director, Technology and Preservation and Chief Information Officer (to 31 July 2014). Part-time hours from 1 April 2014	15-20 (full-year equivalent 90-95)	90-95	-	-	-	-	(1)	(4)	15-20	85-90
Carol Tullo Director, Information Policy and Services	90-95	90-95	-	-	-	-	19	14	105-110	105-110
Dr Valerie Johnson Interim Director of Research and Collections (from 19 January 2015). Disclosure relates to current role	10-15 (full-year, full-time equivalent 60-65)	N/A	-	N/A	-	N/A	22	N/A	30-35	N/A
Professor Lisa Jardine CBE Non-executive Director	10-15	10-15	-	N/A	-	-	N/A	N/A	10-15	10-15
Peter Phippen Non-executive Director	10-15	10 - 15	-	N/A	-	-	N/A	N/A	10-15	10-15
Fiona Ross Non-executive Director	10-15	10 - 15	-	N/A	3,100	2,500	N/A	N/A	10-15	10-15
Trevor Spires CBE Non-executive Director	10-15	10 - 15	-	N/A	1,300	900	N/A	N/A	10-15	10-15

* In addition to the above 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.

Name	Accrued pension at pension age as at 31/03/15 and related lump sum	Real increase / (decrease) in pension and related lump sum at pension age	CETV at 31/03/15	CETV at 31/03/14	Real increase in CETV
	£000 in bands of £5,000	£000 in bands of £2,500	Nearest £000	Nearest £000	Nearest £000
Oliver Morley Chief Executive and Keeper (to 31 October 2013)	N/A	N/A	N/A	93	N/A
Clem Brohier Acting Chief Executive and Keeper (from 1 November 2013 to 28 July 2014) and Director, Finance and Corporate Services	15-20	0-2.5	319	270	29
Jeff James Chief Executive and Keeper (from 29 July 2014) and Director, Operations and Services (to 24 June 2013). Disclosure relates to current role.	0-5	0-2.5	18	-	10
Mary Gledhill Commercial Director	5-10	0-2.5	75	51	11
Caroline Ottaway-Searle Director, Public Services and Human Resources	10-15	0-2.5	185	149	19
David Thomas Director, Technology and Preservation and Chief Information Officer (to 31 July 2014)	50-55 plus 100-105 lump sum	0-2.5 plus (0-2.5) lump sum	1,094	1,087	1
Carol Tullo Director, Information Policy and Services	20-25 plus 60-65 lump sum	0-2.5 plus 2.5-5 lump sum	458	416	19
Dr Valerie Johnson Interim Director of Research and Collections (from 19 January 2015)	10-15	0-2.5	134	121	13
Professor Lisa Jardine CBE Non-executive Director	N/A	N/A	N/A	N/A	N/A
Peter Phippen Non-executive Director	N/A	N/A	N/A	N/A	N/A
Fiona Ross Non-executive Director	N/A	N/A	N/A	N/A	N/A
Trevor Spires CBE Non-executive Director	N/A	N/A	N/A	N/A	N/A

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

Pay multiples

	2014-15	2013-14
Band of highest-paid Director's remuneration (£)	190-195	110-115
Median total remuneration (£)	26,398	26,574
Ratio	8.4	4.2

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 full-year equivalent remuneration of the highest-paid Director in The National Archives in the financial year 2014-15 was £190k-£195k (2013-14: £110-£115k) – actual fees of £90k-95k were paid in the year, net of irrecoverable VAT and exclusive of agency fees. This relates to the Interim Chief Technology Officer who was contracted for a period of just under seven months to review The National Archives' information and communication technology infrastructure, services and capabilities.

This full-year equivalent remuneration was 8.4 times the median remuneration of the workforce, which was £26,398 (2013-14: £26,574). The 4.2 increase 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 was £115k-£120k (2013-14: £110-£115k), which was 4.5 times higher than the median remuneration of the workforce (2013-14: 4.2 times). This is 0.3 higher than in the previous year as the number of archive trainees increased in 2013-14.

In 2014-15, nil (2013-14: nil) 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.

Civil Service pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes: either a final salary scheme (Classic, Premium or Classic Plus), or a whole career scheme (Nuvos). 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 and Nuvos are increased annually in line with Pensions Increase legislation. 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 1.5% and 6.85% of pensionable earnings for Classic and 3.5% and 8.85% for Premium, Classic Plus and Nuvos. Employee contributions will change from 1 April 2015. Classic offers a pension based on 1/80th of final pensionable earnings for each year of reckonable service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. Premium is a pension based on 1/60th of final pensionable earnings for each year of reckonable 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 members build up a pension based on their 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. 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% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three 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 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 and 65 for members of Nuvos.

Further details about the Civil Service pension arrangements can be found at the website civilservice.gov.uk/pensions

Cash Equivalent Transfer Values (CETV)

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 which 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.

Review of tax arrangements of public sector appointees

Table 1: For off-payroll engagements as of 31 March 2015, for more than £220 per day and that last longer than six months

Number of existing engagements as of 31 March 2015	5
<i>of which:</i>	
Number that have existed for less than one year at time of reporting	2
Number that have existed for between one and two years at time of reporting	3
Number that have existed for between two and three years at time of reporting	0
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 2014 and 31 March 2015, 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 2014 and 31 March 2015	10
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	10
Number for whom assurance has been requested*	9
<i>Of which:</i>	
Number for whom assurance has been received	9
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 2014 and 31 March 2015

Number of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year.	1
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.	8

* Tax assurance had not yet been sought for one of the ten engagements identified; this is because the engagement had been for a period of less than six months as at 31 March 2015 and Cabinet Office guidance specifies that tax assurance does not need to be sought until the six-month point is reached.



Jeff James, Accounting Officer
8 July 2015



Accounts 2014-15

MINT 7/71 Design for fourpenny Maundy money coin, 1821

1. 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*.

2. Governance statement

The National Archives Management Board consists of the Chief Executive, the five Directors and up to four Non-executive Directors²⁴. The Management Board meets at least ten times a year and is the main governance board for The National Archives.

The Board agrees The National Archives' strategic direction, and provides the Chief Executive with specific advice, support and challenge on:

- Our purpose, public task and values
- The robustness of our input and impact indicators and other business performance measures
- Our plans, year-on-year business priorities, performance and key risks
- Our accountability to stakeholders, including stewardship of public funds
- The effectiveness of our internal control arrangements
- Our key investment decisions.

I am grateful to Clem Brohier who, as Acting Chief Executive and Keeper for the first four months of the reporting year, made sure that governance and accountability remained at the forefront of Board discussions and business decisions, thereby ensuring a continuity of approach throughout the year.

Supporting and informing the work of the Management Board are three additional governance bodies: the Executive Team, the Audit Committee and the Remuneration Committee.

The Executive Team is the executive decision-making body of the organisation. It consists of the Chief

Executive and five Directors²⁵. The Head of the Chief Executive's Office also attends Executive Team meetings which are normally held weekly. The role of the Executive Team was reviewed and updated in January 2015 and 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.

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 Director and are held quarterly. All members of staff are invited to attend and may ask any question about the running of the organisation or current concerns. Questions may be submitted anonymously in order to encourage openness.

²⁴ Prior to 29 July 2014 the Board consisted of the Acting Chief Executive (also Chief Operating Officer), four directors and up to four Non-executive directors. Due to staff changes and the realignment of directors' responsibilities to better match our audiences, the number of directors on the Board varied between four and six during the year.

²⁵ Prior to 29 July 2014 the Executive Team consisted of the Acting Chief Executive (also Chief Operating Officer) and four directors. Due to staff changes and the realignment of directors' responsibilities to better match our audiences, the number of directors on the Executive Team varied between four and six during the year.

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

The Audit Committee meets quarterly and is the main oversight committee for the organisation. The Committee is chaired by a Non-executive Director and all other Non-executive Directors are members. The Chief Executive, the Chief Operating Officer and representatives from The National Archives' internal auditors (Baker Tilly Business Services Ltd) attend each meeting. The meetings are attended by our external auditors from the National Audit Office ²⁶. Other 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 Committee was reviewed and updated in December 2014, and is to:

- Review the effectiveness of the assurance framework
- Provide 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)
- Ensure that adequate audit arrangements are in place
- Verify that risk management processes work effectively.

The Audit Committee undertakes an annual review of its effectiveness using the National Audit Office's Committee self-assessment checklist. This year that self-assessment found that the Committee considered that it met most mandatory requirements, had performed well and all areas of risk at The National Archives had been identified and covered as part of Committee business. The Committee did,

however, consider that induction procedures for newly appointed Non-executive Directors needed improvement so that their responsibilities as Audit Committee members (currently each new non-executive director is automatically appointed as a member of the Audit Committee) are clearly stated in a letter of appointment. This will also act to highlight any bespoke audit-related training needs. This improvement will be made during 2015-16. The Committee also felt more of its time could be spent looking at key risks in depth and agreed that outside of Committee meetings, members of the Committee should look for major themes, trends, issues and case studies in other organisations which are becoming increasing areas of risk.

The Remuneration Committee meets twice a year and moderates the pay increases proposed by the Chief Executive and Keeper for the Executive Team and senior civil service staff in The National Archives. It is chaired by a Non-executive Director and all other Non-executive Directors are members. The Committee moderates the pay awards proposed by the Chief Executive and Keeper for the Executive Team, and Senior Civil Service staff in The National Archives, in line with guidance provided by Cabinet Office and the Ministry of Justice.

This year, I commissioned an internal review of The National Archives' governance structures, recommendations of which will be taken forward in the early part of 2015-16. A review of the terms of reference of all of our major governance boards was included in this exercise.

The Board's performance

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

²⁶ During the year the NAO's audit services for The National Archives was contracted to Grant Thornton UK LLP. Representatives from Grant Thornton attended the December 2014 and February 2015 Audit Committee meetings. The NAO maintain oversight of the engagement.

Highlights of Board and Committee reports

The Management Board has a rolling agenda. Standing agenda items are: 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, new corporate policies, sustainability and carbon management, and equality and diversity.

Summaries of the discussions at Management Board meetings are available at: www.nationalarchives.gov.uk/about/management-board-meetings.htm

Towards the end of the year the Board considered and approved measures to improve the range and quality of papers submitted to it 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. They will be adopted for 2015-16.

At its late spring meeting the Audit Committee agrees its agenda for the following year.

The Audit 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. In addition the Committee was provided with visibility of audit recommendations that had been accepted in principle but related to issues where there had not been a business opportunity to implement (where, for example the recommendation related to the letting of a specific type of contract and The National Archives had yet to let that type of contract again following the audit). This makes

sure there is no risk of any audit recommendation being overlooked.

- 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. This year the Committee noted the need for independent assurances to be in place to make sure that income received from commercial clients was not being understated.
- Security (physical, information assurance and data handling): this year the Committee noted one significant breach of information security. It also noted The National Archives' contribution to development of a cross-departmental future model for protective security.
- Health and safety: this gave the Committee assurance that The National Archives remains a safe working environment for staff, visitors and contractors. This year the Committee noted outcomes of an independent audit of The National Archives' health and safety procedures and specifically its emergency evacuation procedures. Further details on Health and safety are on page 43.
- 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 ad hoc updates and progress reports on other issues of particular interest. This year these included development of The National Archives' Digital Records Infrastructure and on litigation against The National Archives over copyrighted material captured by the archiving of government websites by the UK Government Web Archive. In March 2015, the litigant signed a consent order withdrawing their case

Corporate governance

As a non-ministerial department, 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 does not review the effectiveness of its Board annually and no review was carried out in 2014-15.

It considers annual review as disproportionate with its size, status and legal framework as a non-ministerial government department and an executive agency of the Ministry of Justice.

The Board met ten times during 2014-15. The Chief Executive, Acting Chief Executive, directors and Non-executive Directors attended the following numbers of formal Management Board meetings (for which they were eligible to attend) during the year:

Jeff James	Chief Executive and Keeper ²⁷	7 of 7
Clem Brohier	Director, Finance and Corporate Services ²⁸	10 of 10
Mary Gledhill	Commercial Director	10 of 10
Dr Valerie Johnson	Interim Director, Research and Collections ²⁹	2 of 2
Rachel Murphy	Interim Chief Technology Officer ³⁰	5 of 6
Caroline Ottaway-Searle	Director, Public Services and Human Resources	10 of 10
David Thomas	Director, Technology and Preservation ³¹	3 of 3
Carol Tullo	Director, Information Policy and Services	8 of 10
Prof Lisa Jardine CBE	Non-executive Director	7 of 10
Peter Phippen	Non-executive Director	9 of 10
Fiona Ross	Non-executive Director	8 of 10
Trevor Spires CBE	Non-executive Director	10 of 10

The Audit Committee met four times during 2014-15. Representatives from our internal and external auditors attend all Audit Committee meetings.

The Audit 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 has 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 and consistently applied, and are effective. The

²⁷ Appointed 29 July 2014

²⁸ Acting Chief Executive until 28 July 2014 in addition to his role as Director, Finance and Corporate Services and Chief Operating Officer

²⁹ Appointed 19 January 2015

³⁰ From 8 September 2014 until 27 March 2015

³¹ Retired 31 July 2014

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 Management Board members.

The National Archives' internal audit services are provided by Baker Tilly Business Services Ltd. 2014-15 was the first of a four-year programme of audit work for which they are contracted.

At the start of each Audit Committee meeting the Committee meets with internal and external audit representatives first in advance of other regular attendees joining the meeting. This is an opportunity for confidential issues to be raised with the committee.

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 2014-15 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 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. Each strategic risk is owned by a member of the Executive Team and they are regularly reviewed by the Executive Team, Management Board and Audit Committee.

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

- Economy and funding: it was considered that if The National Archives did not adjust to the changing economic and funding context it risked having a detrimental effect on the effectiveness of its public sector delivery obligations.
 - Overview of controls in place during the year: we worked continuously to improve our planning, budgeting and forecasting. Our Income Strategy was delivered and our strategic priorities reviewed. Business cases for recruitment were scrutinised and challenged and the budget exchange, supply estimate processes and headcount forecasting allowed us to respond quickly and flexibly to the changing economic climate.
- Staff, leadership and culture: it was considered that the sustained effects of the changes across the wider civil service risked our ability to attract and retain key skills, particularly in the area of technology. This would have an impact on our ability to maintain a robust technological infrastructure and threaten our operations in the short term, and eventually our overall capability to deliver services and innovate.

- Overview of controls in place during the year: we developed a new business strategy across the organisation, and alignment of resources to deliver it began; a resourcing review identified skills and resources required to align to the new strategy; a programme of leadership development was planned; approval to recruit to business-critical roles was delegated to me by the Ministry of Justice as Chief Executive and Keeper and Accounting Officer.
- Information assurance and security: it was considered that while we continually assess and monitor potential cyber threats to the information we hold, there was a risk that we lacked the skills, capability and resources to respond fully to those threats. There was also the threat of a 'black swan' event that could not have been foreseen.
 - Overview of controls in place during the year: our Senior Information Risk Owner led and coordinated a programme to embed information assurance and management principles across the organisation; action plans were developed to achieve full compliance with HM Government's Security Policy Framework regarding protective marking of information in our electronic document records management systems in line with the new classification policy and the handling of cryptographic materials; an accreditation programme was established for new and existing systems.

Management of one risk carried forward from the previous reporting year – response to national civil service-wide industrial action – was considered to have moved to 'business as usual' and was no longer deemed a strategic risk.

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 the 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', but exceptionally, directorate risks may be escalated to The National Archives' strategic risk register. At operational levels, risks are managed on a day-to-day basis. Directors receive assurance on operational risks through quarterly accountability statements from their direct reports. These statements in turn inform the Director's own quarterly statement. Any significant governance or performance issues highlighted are raised with the Audit 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, Data protection and information handling policy, Fraud policy, Anti-bribery policy, Conflict of interest policy, Complaints policy, Control of physical assets

and are aware of routes for confidential reporting (whistle-blowing).

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

Both my Executive Management team and I are 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 me and the Executive Team to identify early, and respond to, any possible threats to the achievement of The National Archives' objectives.

I recognise that at a strategic level our risks were aligned closely with strategic priorities set out in *For the Record. For Good.* our business plan for 2011-2015. That was entirely appropriate for the period of that plan. We will work in early 2015-16 to redefine our strategic risks to better reflect our business plan for 2015-19 which focusses on our four main audiences (government, public, academic and the archives sector) 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 2014-15 included:

- A positive Head of the Internal Audit opinion, based on the agreed internal audit schedule of work for the year.
- Our response to the 20-year rule change: challenges of this major business change, which came into force on 1 January 2013, continue to be handled efficiently.
- Financial management: we continued to manage resources efficiently and effectively to meet the continuing challenges of the Comprehensive Spending Review 2010 and subsequent funding cuts.
- We were awarded a new grant of just under £1 million from the Heritage Lottery Fund (HLF), as set out on page 12 under its Skills for the Future programme. This is the strategic HLF fund that gives people the skills they need for future careers in heritage, and opens up heritage to wider audiences.

The grant allows us to run a new project, Transforming Archives, which offers three annual cohorts of trainees the opportunity to develop practical archiving skills.

- 'Operation War Diary' won the 'Best of The Web' award in the research/collections online category at the Annual Conference of Museums and the Web. This innovative crowdsourcing project allows volunteers across the globe to tag names, places and other details in our First World War unit war diaries.
- The Head of The National Archives Legislation Services received a nomination for a Digital Leaders 100 Award in the Central Government Official category. The awards recognise the top 100 individuals, organisations and products or services that are making a difference to digital technologies and e-services for the general public nationwide.
- The National Archives retained its Investors in People (IiP) standard accreditation, recognising our commitment to developing our people, and our ambition, drive and focus to the rest of the world.
- Our Document Services Department was joint winner of the Industry Volunteer Team Award given by Spark, an education business charity. The award recognised the industry volunteer (or team) that has 'gone the extra mile' in supporting education-business partnerships over the past year.
- We received a Sandford Award. The award is regarded as a trademark for high-quality education provision and is an independently judged, quality-assured assessment of education programmes at heritage sites, museums, archives and collections across the British Isles.
- 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% this year, an improvement on the 68% scored last year. I am pleased that with this score The National Archives continues to be a Civil Service High Performer, especially in a further year of constraints on pay and recruitment.

- 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 four areas of 'Compliance Plus', 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'*.

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 2014-15.

Reporting of personal data-related incidents

Table 1: summary of protected personal data-related incidents formally reported to the information commissioner's office in 2014-15

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 2014-15

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



Jeff James, Accounting Officer
8 July 2015

3. Audit Certificate and Report

THE CERTIFICATE AND REPORT 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 2015 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. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in the report 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 2015 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 2015 and of its 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 part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- The information given in the Strategic Report and Directors' 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 part of the Remuneration Report 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

10 July 2015

4. Accounts summary

Statement of Parliamentary Supply (SOPS)

In addition to the primary statements prepared under the International Financial Reporting Standards (IFRS), the *Government Financial Reporting Manual* (FReM) 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 2014-15

2014-15 Estimate				2014-15 Outturn			2014-15	2013-14 Outturn
							Voted outturn compared with Estimate: saving/(excess)	
		Voted	Non- voted	Total	Voted	Non- voted	Total	Total
Note		£000	£000	£000	£000	£000	£000	£000
Departmental Expenditure Limit								
- Resource	SOPS 2.1	34,494	-	34,494	34,093	-	34,093	401
- Capital	SOPS 2.2	2,030	-	2,030	2,007	-	2,007	23
Annually Managed Expenditure								
- Resource	SOPS 2.1	579	-	579	577	-	577	2
- Capital	SOPS 2.2	-	-	-	-	-	-	(52)
Total		37,103	-	37,103	36,677	-	36,677	-
Total Resource		35,073	-	35,073	34,670	-	34,670	403
Total Capital		2,030	-	2,030	2,007	-	2,007	23
Total		37,103	-	37,103	36,677	-	36,677	426

Net cash requirement

2014-15 Estimate				2014-15 Outturn		2014-15 Outturn compared with Estimate: saving/(excess)	2013-14 Outturn
Note	£000			£000		£000	£000
Net Cash Requirement	SOPS 4	30,864			30,819	45	31,323

Administration costs

		2014-15 Estimate	2014-15 Outturn	2013-14 Outturn
	Note	£000	£000	£000
Administration costs	SOPS 2.1	8,799	8,660	8,570

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 the management commentary on page 29.

The notes on pages 74 to 94 form part of these accounts.

Notes to the Departmental Resource Accounts (Statement of Parliamentary Supply)

SOPS1. Statement of accounting policies

The Statement of Parliamentary Supply and supporting notes have been prepared in accordance with the 2014-15 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The Statement of Parliamentary Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2014-15 *Consolidated Budgeting Guidance* and *Supply Estimates Guidance Manual*.

SOPS1.1 Accounting convention

The Statement of Parliamentary Supply and related notes are presented consistently with Treasury budget control and Supply Estimates. The aggregates across government are measured using National Accounts, prepared in accordance with the internationally agreed framework 'European System of Accounts' (ESA95). ESA95 is in turn consistent with the System of National Accounts (SNA93), which is prepared under the auspices of the United Nations.

The budgeting system and the consequential presentation of Supply Estimates and the Statement of Parliamentary Supply and related notes have different objectives from IFRS-based accounts. The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with relevant Parliamentary authority, in support of the Government's fiscal framework. The system provides incentives to departments to manage spending well so as to provide high quality-public services that offer value for money to the taxpayer.

The Government's objectives for fiscal policy are set out in the *Charter for Budget Responsibility*. These are to:

- Ensure sustainable public finances that support confidence in the economy, promote intergenerational fairness, and ensure the effectiveness of wider government policy
- Support and improve the effectiveness of monetary policy in stabilising economic fluctuations.

SOPS1.2 Comparison with IFRS-based accounts

Many transactions are treated in the same way in National Accounts and IFRS-based accounts, but there are a number of differences.

SOPS1.2a Capital Grants

Grant expenditure used for capital purposes is treated as a capital (CDEL) item in the Statement of Parliamentary Supply. Under IFRS, as applied by the FReM, there is no distinction between capital grants and other grants, and they score as an item of expenditure in the Consolidated Statement of Comprehensive Net Expenditure. The National Archives has not made any capital grants in the reporting period.

SOPS1.2b Prior Period Adjustments (PPAs)

PPAs resulting from an error in previous recording, or from an accounting policy change initiated by the department, need to be voted by Parliament in the current year, whereas in IFRS-based accounts (IAS 8) they are treated as adjustments to previous years. (PPAs resulting from a change in accounting policy brought in by a new or modified accounting standard are not included in Estimates, so there is no misalignment). The National Archives has had no prior period adjustments in the reporting period.

SOPS1.2c Receipts in excess of HM Treasury agreement

This applies where HM Treasury has agreed a limit to income retainable by the department, with any excess income scoring outside of budgets, and consequently outside of the Statement of Parliamentary Supply. IFRS-based accounts will record all of the income, regardless of the budgetary limit. This situation may arise in the following areas: (i) profit on disposal of assets; (ii) income generation above department Spending Review settlements; and (iii) income received above netting-off agreements. The National Archives receipts were not in excess of agreed HM Treasury income limits during the reporting period.

SOPS1.2d Provisions – Administration and Programme expenditure

Provisions recognised in IFRS-based accounts are not recognised as expenditure for national accounts purposes until the actual payment of cash (or accrual liability) is recognised. To meet the requirements of both resource accounting and national accounts, additional data entries are made in the Statement of Parliamentary Supply across AME and DEL control totals, which do not affect the Statement of Comprehensive Net Expenditure. As the Administration control total is a sub-category of DEL, Administration and Programme expenditure reported in the Statement of Parliamentary Supply will differ from that reported in the IFRS-based accounts. A reconciliation is provided in SOPS note 3.1, page 69.

SOPS2. Net outturn

SOPS2.1 Analysis of net resource outturn by section

	Administration			Programme			2014-15 Outturn	2014-15 Estimate	2013-14 Outturn
	Gross	Income	Net	Gross	Income	Net	Total	Net Total Net Total Estimate	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limit									
- Voted	8,697	(37)	8,660	36,268	(10,835)	25,433	34,093	34,494	33,915
Annually Managed Expenditure									
- Voted	-	-	-	577	-	577	577	579	(52)
Total	8,697	(37)	8,660	36,845	(10,835)	26,010	34,670	35,073	33,863

SOPS2.2 Analysis of net capital outturn by section

				2014-15 Outturn	2014-15 Estimate	2013-14 Outturn
	Gross	Income	Net	Net Total Net Total Estimate	Total	Total
	£000	£000	£000	£000	£000	£000
Spending in Departmental Expenditure Limit						
- Voted	2,007	-	2,007	2,030	23	2,018
Annually Managed Expenditure						
- Voted	-	-	-	-	-	-
Total	2,007	-	2,007	2,030	23	2,018

SOPS3. Reconciliation of outturn to net operating cost and against Administration budget

SOPS3.1 Outturn against final Administration budget and Administration net operating cost

	2014-15 Outturn £000	2013-14 Outturn £000
Estimate - Administration costs limit	8,799	8,819
Outturn - Gross Administration costs	8,697	8,601
Outturn - Gross income relating to Administration costs	(37)	(31)
Outturn - Net Administration costs	8,660	8,570
Reconciliation to operating costs:		
Less: other	-	-
Administration Net Operating costs	8,660	8,570

SOPS4. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/(excess) £000
Resource Outturn		35,073	34,670	403
Capital Outturn		2,030	2,007	23
Accruals to cash adjustments:				
<i>Adjustments to remove non-cash items</i>				
- Depreciation and amortisation	4/5	(5,600)	(5,496)	(104)
- Loss on disposal	4/5	-	(175)	175
- New provisions and adjustments to previous provisions	16	(604)	(610)	6
- Other non-cash items	4/5	(60)	(48)	(12)
<i>Adjustments to reflect movements in working balances:</i>				
- Increase/(decrease) in inventory		-	(2)	2
- Increase/(decrease) in receivables	14	-	(285)	285
- (Increase)/decrease in payables	15	-	724	(724)
- Use of provisions	16	25	34	(9)
Net cash requirement		30,864	30,819	45

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.

for the year ended 31 March 2015

	Note	2014-15 £000	2013-14 £000
Administration Costs:			
- Staff costs	3	5,241	5,243
- Other costs	4	3,456	3,358
- Income		(37)	(31)
Programme Costs:			
- Staff costs	3	19,716	19,006
- Other costs	5	17,129	16,891
- Income		(10,835)	(10,604)
Net Operating Cost		34,670	33,863
 Total expenditure		45,542	44,498
Total income	6	(10,872)	(10,635)
Net Operating Cost		34,670	33,863
 Other Comprehensive Net Expenditure			
Net (gain)/loss on:			
- revaluation of property, plant and equipment	7	(13,826)	(11,457)
- revaluation of intangibles	8	(558)	2,270
Receipt of donated asset		1	1
Total comprehensive expenditure		20,287	24,677


The notes on pages 74 to 94 form part of these accounts.

Statement of financial position

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

as at 31 March 2015

		31 March 2015		31 March 2014	
	Note	£000	£000	£000	£000
Non-current assets:					
Property, plant and equipment	7	150,849		140,642	
Intangible assets	8	22,135		21,623	
Trade receivables falling due after more than one year	14	420		123	
Total non-current assets			173,404		162,388
Current assets:					
Inventories		88		90	
Trade and other receivables	14	235		411	
Other current assets	14	2,143		2,549	
Cash and cash equivalents	13	45		110	
Total current assets			2,511		3,160
Total assets			175,915		165,548
Current liabilities					
Trade and other payables	15	(983)		(510)	
Provisions	16	(142)		(27)	
Other liabilities	15	(5,118)		(6,038)	
Total current liabilities			(6,243)		(6,575)
Non-current assets less net current liabilities			169,672		158,973
Non-current liabilities:					
Other liabilities	15	(779)		(1,121)	
Provisions	16	(486)		(25)	
Total non-current liabilities			(1,265)		(1,146)
Total assets less liabilities			168,407		157,827
Taxpayers' equity and other reserves:					
General fund			66,991		69,079
Donated asset reserve			9		10
Revaluation reserve			101,407		88,738
Total equity			168,407		157,827



Jeff James, Accounting Officer
8 July 2015

The notes on pages 74 to 94 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2015

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. Cash flows arising from financing activities include Parliamentary Supply and other cash flows, including borrowing.

	Note	2014-15 £000	2013-14 £000
Cash flows from operating activities			
Net operating cost		(34,670)	(33,863)
Adjustments for non-cash transactions	4/5	6,329	5,551
(Increase)/decrease in trade and other receivables	14	285	57
(Increase)/decrease in inventories		2	71
Increase/(decrease) in trade and other payables	15	(789)	(588)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		65	-
Use of provisions	16	(34)	(66)
Net cash outflow from operating activities		(28,812)	(28,838)
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,982)	(2,285)
Purchase of intangible assets	8	(25)	(90)
Proceeds of disposal of property, plant and equipment		-	-
Net cash outflow from investing activities		(2,007)	(2,375)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		30,805	31,311
Payment of Consolidated Fund Extra Receipts		(51)	-
Net financing		30,754	31,311
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(65)	98
Payments of amounts due to the Consolidated Fund		-	-
Cash and cash equivalents at the beginning of the period	13	110	12
Cash and cash equivalents at the end of the period	13	45	110

The notes on pages 74 to 94 form part of these accounts.

Statement of changes in taxpayers' equity

for the year ended 31 March 2015

	Note	General Fund £000	Revaluation Reserve £000	Donated Asset Reserve £000	Total Reserves £000
Balance at 31 March 2013		70,258	80,974	11	151,243
Changes in taxpayers' equity for 2013-14					
Net Parliamentary funding - drawn down		31,311	-	-	31,311
Net Parliamentary funding - deemed		(39)	-	-	(39)
Supply (payable)/receivable adjustment		(59)	-	-	(59)
Comprehensive net expenditure for the year		(33,863)	9,187	(1)	(24,677)
Non-cash charges - auditor's remuneration	4	48	-	-	48
Transfers between reserves		1,423	(1,423)	-	-
Balance at 31 March 2014		69,079	88,738	10	157,827
Changes in taxpayers' equity for 2014-15					
Net Parliamentary funding - drawn down		30,805	-	-	30,805
Net Parliamentary funding - deemed		59	-	-	59
Supply (payable)/receivable adjustment	15	(45)	-	-	(45)
Comprehensive net expenditure for the year		(34,670)	14,384	(1)	(20,287)
Non-cash charges - auditor's remuneration	4	48	-	-	48
Transfers between reserves		1,715	(1,715)	-	-
Balance at 31 March 2015		66,991	101,407	9	168,407

The notes on pages 74 to 94 form part of these accounts.

5. Notes to the Departmental Resource Accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2014-15 *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 for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which 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 is the beneficial owner of the freehold land and buildings at Kew. 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. 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 was last carried out in 2011-12. 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 6.2.7(h).

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 Management 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 10, page 88 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 Document 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 12, page 90 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 10 years
Transport equipment	up to 10 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 which 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 Report on page 51. 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, page 80.

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 2015 the value of those cash assets was £15,648. 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 2015 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 IAS39 Financial Instruments: Recognition and Measurement', and is expected to simplify and improve reporting of financial instruments.
- Amendments to IFRS 11 Accounting for Acquisitions of interests in Joint Operations provides a principles-based definition of joint arrangements (joint operations or joint ventures) based on rights and obligations. Proportional consolidation accounting for joint ventures is no longer permitted (only equity accounting).
- IFRS 14 Regulatory Deferral Accounts permits first-time adopters of IFRS to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous generally accepted accounting principles (GAAP).
- 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.
- Defined Benefit Plans: Employee Contributions provides more clarity on accounting for employee contributions in respect of service.
- Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38 provides guidance to explain that future reductions in selling prices could be indicative of a higher rate of consumption of future economic benefits embodied in an asset.
- Annual improvements to IFRSs 2010-2012 cycle and annual improvements to IFRSs 2012-2014 cycle streamlines the process for dealing efficiently with a collection of amendment to IFRSs.
- Amendments to IAS 16 and IAS 41: Bearer Plants to align the accounting treatment with property, plant and equipment.
- Amendments to IAS 27: Equity Method in separate Financial Statements reinstates the equity method as an accounting option for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28.

2. Statement of Operating Costs by Operating Segment

International Financial Reporting Standard 8: Operating Segments (IFRS8) 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 24-25. 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 IFRS8, below is a schedule of income and expenditure against each identified segment. Overheads are allocated proportionally based on the direct income/costs identified.

	2014-15			
	Government information management	Preservation and protection	Public access	Total
	£000	£000	£000	£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

	2013-14			
	Government information management	Preservation and protection	Public access	Total
	£000	£000	£000	£000
Income	(2,238)	(611)	(7,786)	(10,635)
Operating expenditure	8,519	11,587	19,259	39,365
Depreciation and amortisation	1,111	1,511	2,511	5,133
Net operating cost	7,392	12,487	13,984	33,863

Reconciling differences between the segmental analysis above and the net resource outturn are shown in SOPS3.

3. Staff numbers and related costs

Staff costs comprise:

	2014-15			2013-14
	Permanently employed staff	Others	Total	Total
Wages and salaries	19,120	1,029	20,149	19,733
Social Security costs	1,503	-	1,503	1,510
Other pension costs	3,392	-	3,392	3,295
Sub total	24,015	1,029	25,044	24,538
Less recoveries in respect of outward secondments	(87)	-	(87)	(289)
Total net costs	23,928	1,029	24,957	24,249
of which:	Charged to administration budgets	Charged to programme budgets	Total	
	£000	£000	£000	
Total	5,241	19,716	24,957	

Zero staff costs were capitalised during the year

- a) The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. In common with other government departments, The National Archives cannot identify its share of the underlying assets and liabilities. A full actuarial valuation of the scheme was carried out as at 31 March 2012 by the scheme's actuary, Aon Hewitt, in line with directions made by HM Treasury, under the Public Service Pensions Act 2013. The valuation indicated that there will be an increase of 2.2 percentage points in the average employer contribution rate paid to the scheme from 1 April 2015, with the average employer contribution rising from 18.9% to 21.1%. The full results of the valuation, which also set an employer cost cap for the scheme, can be found at www.civilservicepensionscheme.org.uk
- b) For 2014-15, employers' contributions of £3,310k were payable to the PCSPS (2013-14: £3,199k) at one of four rates in the range 16.7 to 24.3% (2013-14: 16.7 to 24.3%) of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The salary bands and contribution rates are set to meet the cost of the benefits accruing during 2014-15 to be paid when the member retires and not the benefits paid during this period to existing pensioners.
- c) Employees can opt to open a partnership pension account – a stakeholder pension with an employer contribution. During 2014-15, employers' contributions of £76k (2013-14: £91k) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £5k (2013-14: £6k), 0.8% (2013-14: 0.8%) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill-health retirement of these employees.

Contributions due to the partnership pension providers at the end of the reporting date were £8k (2013-14: £12k). Contributions pre-paid at that date were nil.

Average full-time equivalent number of persons employed

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

	Permanently employed staff	Others ³²	2014-15 Total	2013-14 Total
Government information management	100	32	132	126
Preservation and protection	96	17	113	113
Public access	329	35	364	368
Total	525	84	609	607

3.1 Reporting of Civil Service and other compensation schemes – exit packages

(numbers in brackets are comparatives for 2013-14)

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)	2 (2)
£25,000 - £49,999	2 (-)	1 (2)	3 (2)
£50,000 - £99,999	- (-)	1 (-)	1 (-)
£100,000 - £149,999	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
Total number of exit packages by type	2 (-)	4 (4)	6 (4)
Total resource cost - £	78,360 (-)	127,565 (95,084)	205,925 (95,084)

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.

³² Others includes staff on fixed-term appointments, limited-period appointments as well as agency staff and any specialist contractor.

4. Other administration costs

	2014-15		2013-14	
	£000	£000	£000	£000
Non-cash items				
Depreciation and amortisation				
- Civil Estate	720		640	
- Other non-current assets	379		386	
Auditor's remuneration - audit work	48		48	
		1,147		1,074
Other expenditure				
IT maintenance	777		706	
Accommodation and building maintenance	324		339	
Recruitment and training	264		251	
Minor software and hardware	169		119	
Telecommunications	166		177	
Internal audit	40		48	
Travel, subsistence and hospitality	22		27	
Legal expenses	3		24	
Advertising	40		51	
Consultancy	-		14	
Other contracted services	109		39	
Postage	8		10	
Grants paid	15		20	
Film & internet archiving	5		-	
Subscriptions	43		39	
Other expenditure	324		420	
		2,309		2,284
		3,456		3,358

5. Programme costs

	2014-15		2013-14	
	£000	£000	£000	£000
Rentals under operating leases				
Hire of plant and machinery	47		89	
		47		89
Non-cash items:				
Depreciation and amortisation				
- Civil Estate	2,880		2,562	
- Other non-current assets	1,517		1,545	
Loss on disposal of non-current assets	175		357	
Provisions				
- Provided in year	610		13	
		5,182		4,477
Other expenditure				
Accommodation and building maintenance	5,992		6,254	
Public access	926		1,019	
IT maintenance	585		681	
Travel, subsistence and hospitality	298		299	
Recruitment and training	45		26	
Digitisation & scanning	108		145	
Shop stores	169		159	
Conferences	52		47	
Minor software and hardware	63		95	
Record copying materials	2		2	
Legal expenses	122		122	
Website hosting	387		360	
Film and internet archiving	608		958	
Conservation & preservation materials	45		51	
Other contracted services	988		622	
Minor furniture, equipment & related maintenance	190		200	
Postage, stationery and store supplies	236		229	
Grants paid	373		393	
Subscriptions	102		95	
Royalties	92		84	
Other expenditure	517		484	
		11,900		12,325
		17,129		16,891

6. Income

	2014-15	2013-14
	£000	£000
Operating income analysed by classification and activity, is as follows		
Income:		
Fees and charges to external customers	10,323	9,972
Fees and charges to other government departments	545	655
EU Funding income	4	8
	10,872	10,635

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

	2014-15	2014-15	2014-15
	Income	Full cost	(Deficit)/Surplus
	£000	£000	£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

	2013-14	2013-14	2013-14
	Income	Full cost	(Deficit)/Surplus
	£000	£000	£000
Reprographic services	870	807	63
Information and publishing	7,031	3,872	3,159
Externally funded projects	993	1,045	(52)
Other	1,741	1,741	-
	10,635	7,465	3,170

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*.

7. Property, plant and equipment

	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

	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 2013	18,200	102,484	9,024	7,659	177	11,640	2,254	151,438
Additions	-	131	89	153	-	415	1,497	2,285
Reclassification	-	31	-	41	-	2,132	(2,204)	-
Disposals	-	-	(431)	(144)	(16)	(5,021)	(50)	(5,662)
Revaluation	-	11,786	-	-	-	-	-	11,786
At 31 March 2014	18,200	114,432	8,682	7,709	161	9,166	1,497	159,847
Depreciation								
At 1 April 2013		2,858	2,885	2,915	108	10,339	-	19,105
Charged in year	-	3,202	701	182	15	987	-	5,087
Disposals	-	-	(188)	(130)	(13)	(4,985)	-	(5,316)
Revaluation	-	329	-	-	-	-	-	329
At 31 March 2013	-	6,389	3,398	2,967	110	6,341	-	19,205
Net Book Value at 31 March 2014	18,200	108,043	5,284	4,742	51	2,825	1,497	140,642
Net Book Value at 31 March 2013	18,200	99,626	6,139	4,744	69	1,301	2,254	132,333

Notes

a) Freehold land and buildings were valued on 31 March 2012 at £121 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) All non-current assets are implicitly owned by The National Archives. There are no leased assets.

8. Intangible assets

	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

	Software licences £000	Revenue- generating databases £000	Licences issued £000	Assets under construction £000	Total £000
Cost or valuation					
At 1 April 2013	1,833	2,065	21,631	106	25,635
Additions	10	-	-	80	90
Reclassifications	97	-	-	(97)	-
Disposals	(1,173)	-	-	(9)	(1,182)
Impairments	-	-	-	-	-
Revaluation	-	1,077	(3,348)	-	(2,271)
At 31 March 2014	767	3,142	18,283	80	22,272
Amortisation					
At 1 April 2013	1,774	-	-	-	1,774
Charged in year	46	-	-	-	46
Disposals	(1,171)	-	-	-	(1,171)
Impairments	-	-	-	-	-
At 31 March 2014	649	-	-	-	649
Net Book Value at 31 March 2014	118	3,142	18,283	80	21,623
Net Book Value at 31 March 2013	59	2,065	21,631	106	23,861

9. Impairments

There were no impairments in 2014-15.

10. Further information on heritage assets

10.1. 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 2015, we received records covering 800 metres of shelving (882 metres in 2013-14). During the year we took 1,447 snapshots of websites and social media accounts for the UK Government Web Archive (1,076 in 2013-14).

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 which 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 2014-15 £1,730k was recognised (2013-14: £1,590k).

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.

Section 2(4)(g) of the Public Records Act 1958 states that the Chief Executive of The National Archives (in his capacity as Keeper of Public Records) is empowered to lend documents for display at commemorative exhibitions and for other special purposes subject to the approval of the Lord Chancellor. All loans are conducted in accordance with The National Archives exhibitions policy.

Note 10.2. 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 sixty 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.

11. Capital and other commitments

11.1 Capital commitments

Contracted capital commitments at 31 March 2015 not otherwise included in these financial statements are as follows

	2014-15 £000	2013-14 £000
Property, plant and equipment	-	150

11.2 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:

	2014-15 £000	2013-14 £000
Not later than one year	1,068	1,402
Later than one year and not later than five years	-	1,051
	1,068	2,453

12. 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 cashflows 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 2014-15 valuation
2014-15 income 10% less than forecast for revenue-generating databases	(287)
2014-15 income 10% higher than forecast for revenue-generating databases	287
2014-15 income 10% less than forecast for licences	(2,001)
2014-15 income 10% higher than forecast for licences	2,001

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.

13. Cash and cash equivalents

	2014-15 £000	2013-14 £000
Balance at 1 April	110	12
Net change in and cash equivalents	(65)	98
Balance at 31 March	45	110
The following balances at 31 March are held at:		
Government Banking Service	37	103
Cash in hand	8	7
Balance at 31 March	45	110

14. Trade receivables, financial and other assets

	2014-15 £000	2013-14 £000
Amounts falling due within one year		
Trade receivables	235	411
Other receivables	18	7
Deposits and advances	46	65
Prepayments and accrued income	2,079	2,477
Amounts due from the Consolidated Fund in respect of supply	-	-
	2,378	2,960
Amounts falling due after one year		
Prepayments and accrued income	420	123
	420	123
Total receivables	2,798	3,083

14.1 Intra-government balances

	2014-15 £000	2013-14 £000
Intra-government balances falling within one year		
Balances with other central government bodies	489	301
Balances with local authorities	-	-
Balances with NHS Trusts	-	-
Balances with public corporations and trading funds	7	-
Intra-government balances	496	301
Balances with bodies external to government	1,882	2,659
Total receivables and current assets at 31 March	2,378	2,960

	2014-15 £000	2013-14 £000
Intra-government balances falling due after one year		
Balances with other central government bodies	-	-
Balances with local authorities	-	-
Balances with NHS bodies	-	-
Balances with public corporations and trading funds	-	-
Intra-government balances	-	-
Balances with bodies external to government	420	123
Total non-current receivables at 31 March	420	123
Total receivables	2,798	3,083

15. Trade payables and other current liabilities

	2014-15 £000	2013-14 £000
Amounts falling due within one year		
Other Taxation, Social Security and Pension	989	955
Trade payables	983	510
Accruals and deferred income	3,200	4,137
Short-term staff benefits (earned leave liability)	884	836
Amounts issued from the Consolidated Fund for supply but not spent at year end	45	59
Consolidated Fund extra receipts and other amounts due to be paid to the Consolidated Fund		
- received	-	51
- receivable	-	-
	6,101	6,548
Amounts falling due after one year		
Deferred income	779	1,121
	779	1,121
Total payables	6,880	7,669

15.1 Intra-government balances

	2014-15 £000	2013-14 £000
Intra-government balances falling within one year		
Balances with other central government bodies	1,206	1,757
Balances with local authorities	4	41
Balances with NHS bodies	-	-
Balances with public corporations and trading funds	202	8
Intra-government balances	1,412	1,806
Balances with bodies external to government	4,689	4,742
Total payables and other current liabilities	6,101	6,548

	2014-15 £000	2013-14 £000
Intra-government balances falling due after one year		
Balances with other central government bodies	-	40
Balances with local authorities	-	-
Balances with NHS bodies	-	-
Balances with public corporations and trading funds	-	-
Intra-government balances	-	-
Balances with bodies external to government	779	1,081
Total non-current payables at 31 March	779	1,121
Total payables	6,880	7,669

16. Provisions for liabilities and charges

Amounts falling due within one year	Early retirement costs	Onerous lease	Total
Balance at 1 April 2014	52	-	52
Provided in year	74	536	610
Provisions utilised in year	(34)	-	(34)
Balance as at 31 March 2015	92	536	628

Analysis of expected timing of discounted cash flows	2014-15	2013-14
Not later than one year	142	27
Later than one year	486	25
Balance as at 31 March	628	52

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 -1.05 per cent.

17. Contingent liabilities

There were no contingent liabilities at the reporting date (2013-14: estimated £107,000 relating to staff compensation payments).

18. Losses and special payments

No exceptional kinds of expenditure, such as losses and special payments that required separate disclosure because of their nature or amount, were incurred.

19. Related-party transactions

The National Archives is a non-ministerial government department and an executive agency of the Ministry of Justice. The Chief Executive and Keeper reports to the Lord Chancellor. The National Archives has had a number of transactions with other government departments and other central government bodies.

During the year, the Arts and Humanities Research Council (AHRC) provided grant funding totalling £684,800 for three projects. No further monies are committed. Trevor Spires acts as AHRC's Chair of Audit Committee and was not in attendance at meetings where The National Archives discussed its bid for funding from ARHC.

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

20. Third party assets

The National Archives held short-term monetary assets valued at £15,648 on behalf of other government departments at the end of the reporting period (£28,338 at 31 March 2014).

	31 March 2014 £000	Gross inflows £000	Gross outflows £000	31 March 2015 £000
Bank balance	28	81	94	15
	28	81	94	15

21. Events after the reporting period date

There are no non-adjusting or adjusting events after the reporting period.



Annex A

BT 43/86 (49842) Designs for paper hangings, 1848

Sustainability accounting and reporting

Sustainability accounting and reporting

This annex describes our approach to sustainability, the targets we are working towards, and the progress we have made during 2014-15 and our plans for the new financial year. Further information relating to our sustainability performance, plans and policies may be found on our website.

This report was prepared in accordance with HM Treasury financial reporting (FRoM) requirements and the operational information presented aligns with our performance reporting in respect of our Greening Government Commitments – the targets and requirements set by Cabinet Office for all central government departments to meet the overarching Vision for Sustainability.

The National Archives is firmly committed to embedding the principles of sustainable development throughout its plans, policies and operations. Challenging sustainability targets are incorporated into our business plans and our performance is subject to regular internal and external scrutiny.

Governance and reporting

Our key sustainability targets are summarised within business plans and performance is regularly reviewed throughout the year. Our Executive Team reviews our sustainability performance on a monthly basis. Our Management Board and Audit Committee review our sustainability performance at six-monthly intervals, monitoring progress and challenging where appropriate.

As a non-ministerial government department, and an executive agency of the Ministry of Justice, The National Archives is committed to meeting, and exceeding where practical, the Greening Government Commitments. Progress about our performance is fed quarterly via the Ministry of Justice to Cabinet Office who prepare an annual report for central government.

Information on our sustainability performance is made available on the transparency pages of our

website, and summarised in this annex to our annual report and accounts.

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

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.

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, such as the recent changes for greenhouse gas emissions from electricity generation, these will also be noted.

Our sustainability strategy and targets

As a government department and an executive agency of the Ministry of Justice, we play our part in achieving the Greening Government Commitments: a set of targets and outcomes that help central government meet the Vision for Sustainability, published by the government in 2011. Our business plan cites the Greening Government Commitments – and our aspiration to meet or exceed them. In addition, we intend to embed sustainability through adopting best practices and approaches set out in the Government's Greening Government Information and Communication Technology Strategy, and through sustainability appraisals of key projects and procurement activities.

Summary of performance

We have met or exceeded the Greening Government Commitments targets. A summary of our performance is shown in the tables below.

Indicator	Reduction target %	Baseline	Improvement on baseline %	Improvement compared with 2013-14 %
Greenhouse gas emissions	25	2009-10	46	-8
Waste produced	25	2010-11	27	-7
Water used	20	2009-10	28	20
Domestic flights taken	20	2009-10	24	-11

Our performance in detail

Indicator	2014-15	2014-15 per FTE employee	2013-14	2013-14 per FTE employee
Greenhouse gas emissions – copes 1-3 tCO ₂ e	4,290	7.0	3,974	6.8
Energy used: MWh	10,246	16.7	10,226	16.8
Waste produced*	129	0.2	120	0.2
**Water used m ³	17,878	29.1	22,316	36.8
Domestic flights taken	69	0.1	62	0.1

* Excludes construction and refurbishment project waste to enable meaningful comparison

** Water consumption per FTE employee does not take into account the circa 90,000 public visitors per year

Greenhouse gas emissions

Our target was to reduce greenhouse gas emissions from building energy use and domestic business travel by 25 per cent, against the 2009-10 baseline levels, by April 2015 and to continue to reduce emissions year on year. This target has been significantly over achieved, with a reduction of 46 per cent against the baseline.

Indicator		2014-15	2013-14 (restated)*
Greenhouse gas emissions: tonnes CO ₂ e	Gross emissions for scope 1 and 2	3,862	3,550
	Gross emissions for scope 3	428	424
Building energy consumption: MWh	Electricity: non-renewable	6,081	6,002
	Electricity: renewable	0	0
	Electricity: good-quality combined heat and power	284	378
	Natural gas	3,880	3,843
Financial indicators: £	Energy	863,729	821,168
	Carbon Reduction Commitment allowances	63,561	47,521
	Business travel	117,664	141,844

* All carbon figures have been restated in accordance with recent changes to Defra's methodology for company reporting.

We continue to actively manage emissions through effective management of our buildings and travel. High-level support for our emissions reduction activities, from both the Executive Team and Management Board, means that this strategy is embedded into the business decisions. Energy consumption over the past 12 months has remained relatively consistent with a small increase over the 2013-14 year.

³³ In accordance with Defra reporting guidance, electricity grid supply is considered non-renewable.

Waste minimisation and management

We set a target of reducing our operational waste production by 25 per cent, against 2010-11 baseline levels, by April 2015. Our waste production has fallen by 27 per cent against the baseline.

Indicator		2014-15	2013-14
Operational waste: tonnes	Total	128.5	120.2
	Recycled and reused	67.2	45.1
	Energy from waste incineration	47.9	50.9
	Food and catering: anaerobic digestion	11.2	12.3
	Composted	2.2	1.0
	Landfill	0	10.9*
Construction and refurbishment projects waste: tonnes	Total	39.1	72.1
	Recycled and reused	38.6	57.7
	Landfill	0.5	14.4
Operational waste expenditure: £#	Total	29,652	30,728
	Recycled and reused	10,214	8,758
	Energy from waste incineration	9,210	9,834
	Food and catering: anaerobic digestion	1,728	1,602
	Landfill	0	2,356

* Organic waste from grounds maintenance – not suitable for composting.

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

While our total waste output increased slightly compared with the previous year, our recycling performance improved and we have met the government target. This year we have worked with our key suppliers to make sure that packaging and deliveries to our site are minimised, and materials used are recycled and environmentally responsible.

Use of finite resources

Indicator	2014-15	2013-14
Water consumption: m ³	17,878	22,316
Water supply costs: £	32,527	36,779
Paper use: reams A4 equivalent	3,230	3,760

We use substantial amounts of water, primarily because of our need to preserve our collection. Our cooling towers use water for evaporative cooling, which is necessary to control temperature and humidity in our repositories. We have completed the replacement of our ageing cooling towers with high-efficiency equivalents. Our reduction in the energy we use for cooling has enabled us to reduce the size of the towers, further reducing their consumption of water.

This ongoing water management project has resulted in the achievement of a 20 per cent reduction in water consumption over 2013-14 and a 28 per cent reduction against the baseline year. We have drilled two wells on site to provide water for use in the cooling towers and grounds. One well is now supplying water to the ponds. The second well will be brought into use in 2015-16, supplying water to our cooling towers.

Sustainable procurement

Drawing on our Sustainable Procurement Action Plan published in 2013, we take into account the whole-life cost of goods and services – environmental, social and economic. We continue to work collaboratively with our supply chain ensuring sustainable practices are followed.

Food, catering and cleaning

Our food and catering service achieves the requirements set for government departments within the Greening Government Commitments. Our catering provider supports local suppliers and, where practical, meat and poultry is sourced from UK Farm Assured suppliers. All fish is sourced from sustainable fishing sources. Frozen and dry products are transported using a one-stop approach that reduces transportation mileage. In 2014-15 we introduced waste segregation in our main kitchen.

Cleaning services use cleaning products with minimal impact on the environment, minimising energy and water use and using consumables that meet EU Ecolabel standards.

Greening Information and Communication Technology (ICT)

We have undertaken projects to refresh our network infrastructure and servers following the best-practice guidance in the Government's Greening ICT workbook. This has enabled significant decommissioning of hardware through retiring of old applications and wider virtualisation of existing services. This has achieved a 25 per cent reduction in the number of servers used to provide existing services. Along with changes to the server room environment, significant savings have been made in power consumption. Where new equipment has been procured, energy efficiency and sustainability considerations were taken into account when selecting the supplier.

Following a competitive tender exercise we appointed a supplier to help reduce energy consumption and carbon footprint in line with the Government's strategic objectives. The supplier will be responsible for providing data centre professional services in relation to our main server room, which houses most of the storage, network and server infrastructure used to deliver corporate and customer-facing technology services. The scope of the project requires the supplier to develop a set of best-practice principles and energy efficiency initiatives which can be implemented throughout the data centre.

Biodiversity

Since we published our Biodiversity Action Plan in 2010 we have transformed the biodiversity value of our Kew site. In 2014-15 we introduced a variety of native aquatic plants into our ponds to further improve upon the appearance and habitats offered by these bodies of water in previous years. We have also continued to sow wildflower meadows in areas that were previously lawns of low biodiversity value.

Climate change adaptation

The National Archives contributes to the Ministry of Justice's departmental climate change adaptation plan. We have evaluated the likely impact of climate change on our ability to maintain our collection at Kew. The likelihood of flooding and temperature extremes present the greatest risks to our operations. In 2014-15 we reviewed and updated our Flood Response plan.

Over recent years we have taken steps to improve the thermal integrity of our buildings, while enhancing the capability of the heating, ventilation and air conditioning systems to maintain appropriate environmental conditions. The upgrade of the cooling towers has provided additional resilience to cope with increased variability in temperatures. In 2014-15 we carried out an air pressure test of one of our Repository floors to establish the level of air leakage and to inform our plans for building upgrade works.

Ongoing work to reduce our energy consumption and improve energy efficiency will help our energy use remain financially sustainable in the years to come.



Annex B

Advisory Council on National Records and Archives

12th Annual Report 2014-15

To the Right Honourable
Michael Gove MP, Lord Chancellor
and Secretary of State for Justice

THE TWELFTH ANNUAL REPORT OF THE ADVISORY COUNCIL ON NATIONAL RECORDS AND ARCHIVES

I enclose a copy of the twelfth Annual Report of the Advisory Council on National Records and Archives. The report covers the period from 1 April 2014 to 31 March 2015.

This year has been a challenging one for the Council, with a substantial change in its membership and the impact of the transition to the 20-year rule now being felt. There has also been a renewed focus on records management in government and the Council welcomed the opportunity to discuss its work with Sir Alex Allan as part of his review of departmental processes.

With the transition to the 20-year rule now under way, the Council has continued to see its workload increase. During 2014/15 it considered over 5,000 departmental applications for the extended closure or retention of records, an increase of 25% on the previous year. In addition 25 Freedom of Information Panels were convened to consider the public interest in the release of closed information held at The National Archives when this was requested under the Freedom of Information Act. They considered 250 cases in total (an increase of over 70% on 2013/14).

This year also saw the loss of a number of experienced members who stepped down from the Council at the end of their terms. I would like to pay tribute to the contribution that Ms Else Churchill, Dr Jeevan Deol, Professor Harry Dickinson, Sir David Durie, Dr Clive Field, Ms Christine Gifford, Mr Hamish Macarthur, Professor Michael Moss and Mr Ian Soutar made to the Council's work during the years that they served. I would also like to thank the remaining members who, through their commitment and hard work, ensured that the Council continued to operate effectively during this period of change.

In September, we welcomed eight new members to the Council whose knowledge and experience has already proved valuable to our work.

As ever, the Council remains grateful to government departments and The National Archives for handling its queries constructively, and for providing it with detailed information and expert guidance 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 Lord Chancellor on issues relating to access to public records and represents the public interest in deciding what records should be open or closed. It was established by the Public Records Act 1958 as a non-departmental public body.

It is chaired by the Master of the Rolls and has 16 members including historians, archivists, information management professionals, former civil servants and journalists.

The role of the Council

The Council:

- Advises the Lord Chancellor 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 exemptions. It regularly challenges departments to provide evidence 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 Council is chaired by the Master of the Rolls. It currently has 16 members.

Members are unpaid but are entitled to make a claim for travel and subsistence expenses incurred through the performance of their duties. These costs are met by The National Archives.

During the period covered by this report, 14 members came to the end of their terms. Of these, nine had either served for the 10-year maximum period permissible under the Office of the Commissioner for Public Appointments (OCPA) rules or did not wish to seek a further term. These members were: Ms Else Churchill, Professor Harry Dickinson, Sir David Durie, Dr Clive Field, Ms Christine Gifford, Mr Hamish Macarthur, Professor Michael Moss and Mr Ian Soutar, who stepped down on 30 June 2014. Dr Jeevan Deol stepped down on 31 December 2014.

To ensure that the Council could continue to operate effectively and would not lose the majority of its experienced membership within a few months, the Lord Chancellor agreed to the following reappointments:

- **Mr Stephen Hawker** and **Ms Sarah Fahy**, who had both joined the Council in 2011, for a full term of three years until 30 June 2017.
- **Mr John Collins** and **Mr John Millen** for two years until 31 December 2016.

- **Professor Arthur Lucas and Mr Graeme Herd** for one year until 31 December 2015.

In addition, the Council ran a major recruitment exercise to replace the members whose terms ended in June 2014. Forty-four applications were received and, following interview, eight suitable candidates were recommended to the Lord Chancellor who approved their appointment for a three-year term with effect from 15 September 2014.

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**, Communications and media consultant; 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
- **Mr Graeme Herd**, Project Manager, North Ayrshire Council
- **Dr Elizabeth Lomas**, Researcher and Tutor at Northumbria University, formerly Head of Records Management Services for the Royal Household
- **Professor Arthur Lucas CBE**, Emeritus Professor of Science Curriculum Studies at, and formerly Principal of, King's College London
- **Mr John Millen**, Formerly Policy Director, Ministry of Defence
- **Dr William Peace**, Visiting Senior Research Fellow, International Centre for Security Analysis, King's 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)**, Visiting Professor, Queen Mary College London; Chairman, Community Links; former Head of Government Practice, Clifford Chance*
- **Mr Trevor Woolley CB**, Formerly Director General, Ministry of Defence*

*new member

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 webpages. 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 Freedom of Information Act. 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 three meetings during 2014-15: in May and November 2014 and in February 2015. Its scheduled meeting in July 2014 was cancelled but, as part of its continued commitment to examine its working practices, the Council took the opportunity to trial a process by which the closure and retention applications that had been submitted were considered electronically.

The National Archives’ Chief Executive and Keeper attends Council meetings. Following the departure of Oliver Morley in October 2013, Clem Brohier attended our meetings in November 2013 and February and May 2014 as Acting Chief Executive. Following his appointment in July, the Council welcomed Jeff James to its November 2014 and February 2015 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 Carol Tullo, Director of Information Policy and Services; Julia Jones, Head of Information Management and Practice; Stuart Abraham, FOI Centre Manager; Helen Potter, FOI Manager; and Sam Whaley, Acting Head of the Chief Executive’s Office.

Access to public records

• Closure and retention

The Council is responsible for advising the Lord Chancellor on the application of the Freedom of Information Act 2000 (FOIA) to historical public records. It also advises the Lord Chancellor on applications submitted to him by departments for the retention of public records under the Public Records Act 1958.

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.

Each year thousands of government records are transferred to The National Archives. The vast majority are 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. Decisions on these requests have been delegated to the Council by the Lord Chancellor.

The table below shows the number of records transferred to The National Archives over the last three financial years, together with the number of applications for closure or retention considered by the Advisory Council, and the number queried by it.

	Total no of records accessioned by The National Archives	Total no of closure and retention applications considered by the Advisory Council	Total no of applications queried by the Advisory Council	Total no of applications where clarification was received*	Total no of applications which were amended by departments*	Total no of applications withdrawn by departments following challenge by the Advisory Council
2012/13	38,326	2,239	91	13	50	5
2013/14	65,545	4,062	141	31	17	2
2014/15	35,617	5,043	209	82	66	8

* These applications were agreed by the Advisory Council subject to that clarification or amendment.

This year the Council considered 4,250 applications for extended closure and raised queries on 181 cases. This resulted in five requests for closure being withdrawn and a further 56 being amended so that the closure period was reduced, the reasons for closure more accurately explained, or the amount of information closed reduced (wherever possible the Council asks departments to consider redaction rather than the closure of whole files).

There are a number of grounds under which departments can ask to retain records including having an ongoing business need to access them or to allow the department to deal with a review backlog. During the period covered by this report, the Council considered 793 retention applications and raised queries in 28 cases. These challenges led to three requests being withdrawn and four instances of the retention periods being reduced.

It is usual practice for members to receive details of applications for extended closure or for retention at least two weeks before a Council meeting to give them sufficient time to consider them. They will then raise any questions or concerns they may have at the meeting.

The Council will make recommendations only once 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 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 may ask, for example, for confirmation that an individual whose personal details are being protected is still alive, or for assurances that it really is the case that the release of information concerning developments in weapons technology in the 1960s would still have a detrimental impact on national defence in 2015. 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 the length of the requested retention period and ask the department to explain why, for example, it cannot put in place plans to address any backlog as quickly

as possible and it will 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.

The Council was pleased to note that the quality of the applications it receives has continued to improve. Departments have generally acted quickly in response to queries from the Council on their applications and ensured that any feedback is reflected in subsequent submissions. The National Archives has also played an important part in making sure that departments are informed of the Council's requirements and in providing quality assurance before applications are seen by members. These improvements have resulted in the Council needing to query fewer cases, as departments have responded positively to the searching scrutiny of the Council's queries. Nonetheless, the Council continues to identify and challenge issues where they arise, such as the incorrect use of exemptions and what it considers to be unnecessarily long closure or retention periods.

• 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 a FOIA request.

In most cases the closed information is either: information that if released would endanger the safety or physical or mental health of any 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.

During 2014-15, 25 panels were convened, with 250 cases being considered in total. In many cases, having been provided with more detail, the panels accepted departments' arguments for closure. In some instances – around 1% of the cases considered – the panels concluded that the public interest lay in disclosure and therefore the documents were made available at The National Archives. The panels' conclusions are presented and discussed at the subsequent meeting of the full Council.

Engagement with departments

As is its usual practice, the Council has invited government departments to its meetings to discuss their applications for closure or retention, or to provide updates on how their records management processes are operating. During the past year, representatives from the Cabinet Office, the Crown Prosecution Service, Ministry of Defence, HM Treasury and the Foreign and Commonwealth Office (FCO) have attended.

As well as giving members an opportunity to examine thoroughly the reasons behind a department's application, these face-to-face meetings have enabled the Council to discuss areas of concern and to propose ways in which departments could address these. Most departments have embraced this interaction. They have been open about the problems they are working to address and potential obstacles to achieving their objectives, and have been receptive to the Council's feedback. Unfortunately, members noted that this level of engagement is not universal and they were particularly concerned about the approach adopted by the Cabinet Office in its dealings with them. The initial lack of willingness from the department to engage with the Council resulted in what could have been an avoidable delay in resolving issues related to the proposed retention of records. However, the Council is now confident that senior management within the department has a better appreciation of the concerns raised by members and looks forward to a more productive relationship in future.

The Council has continued to pay attention to developments within the FCO. The FCO's Departmental Records Officer, its Head of Archives, and Professor Tony Badger, who led the independent review of its migrated archives and special collections, attended the Council's May 2014 meeting to present its plans for annual transfers and special collections, including its proposals for the prioritisation of records and their timetable for the release of those categorised as high priority. At the request of the Council, they presented a further paper in February 2015, providing a more detailed outline of their plans regarding the medium- and low-priority records. This provided the Council with the reassurance it sought that the department would not neglect its lower priority records and that there would be less risk of it needing to seek to retain them for any longer than set out in the current timetable.

The FCO has also kept the Council informed of other developments concerning the handling of its other files series. Following a retention application submitted in November 2014 regarding around 170,000 legacy files identified during a recent file audit, Council members expressed some concern about the possibility that the FCO will continue to discover other legacy files. However, they recognised that the FCO was acting in good faith, keeping the Council updated on progress and seeking permission to retain records as soon as it became clear they needed to do so. The Council sees its dealings with the FCO as the type of constructive relationship which it would like to develop with other departments.

Improving communications with stakeholders

Over recent years the Council has observed a growing public and media interest in the management of public records and the process by which departments are allowed to retain records or request that they remain closed. It recognises that, as an independent body, it has a key role in helping to maintain trust in the system, and that an important part of this is being as open and transparent as it can be about its own activities.

While the details of the Council's consideration of closure and retention applications are, by their very nature, sensitive, the published summaries of Council have been expanded as much as possible to give as full a picture as possible of the range of issues that are discussed.

In November 2014, a working group of five members was set up to examine ways in which the Council could ensure that its work is better understood. Work has begun on a refresh of its webpages which will include a clear statement in Plain English of the Council's role and the principles under which it operates.

In addition the Council has continued to look for opportunities to engage directly with those interested in its work. In May 2014 the FCO hosted its second FCO Records Day for academics, which focused on the FCO's plans for the release of its special collections. Dr Jeevan Deol attended on behalf of the Council and spoke to participants about the Council's work and its role within the UK public records system.

Part Three – Wider issues

• Sir Alex Allan's records review

As part of his review on records management across government, Sir Alex Allan met the Master of the Rolls, Professor Michael Moss, Professor Arthur Lucas and Sir David Durie to discuss the Council's role and its views and observations.

The Council welcomed Sir Alex's final report, which it believes will be valuable in focussing attention on an area of business that risks being overlooked when setting departmental priorities. Of particular note, given the Council's continuing involvement with the FCO, was his suggestion that the FCO consider whether the sensitivity review of the special collections material might be carried out in a simplified, less intensive way, and whether it may be possible to accept greater risks in releasing the material given its age. The Council will also observe with interest the operation of the Cabinet Office Challenge Panel and any subsequent roll-out of similar panels in other government departments.

• The 20-year rule

The Council has continued to receive annual updates on government departments' compliance with the transition from the 30- to the 20-year rule, and staff from The National Archives attended the Council's February 2015 meeting to give a presentation on the recently published Record Transfer Report (an overview of the bi-monthly reports produced by departments which The National Archives to monitor progress). The Council welcomed the greater transparency that the Record Transfer Report has encouraged since its introduction in 2012.

Meetings have also included discussions on:

- Employment tribunal records
- The launch of the UK Government's social media archive
- Records relating to attempts to locate the next of kin of Polish killed in World War II and to return personal effects to them
- The strategic vision for The National Archives Leadership of the Archives Sector
- The digitisation of the 1939 National Health Register
- The National Archives Fees Order.

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 Historical Manuscripts Commissioner can seek advice about activity relating specifically to historical manuscripts (private 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. During the period covered by this report Dr Clive Field and Professor Michael Moss came to the end of their terms on the Advisory Council and Forum. At its meeting in November 2014, the Advisory Council agreed that Ms Hillary Bauer and Ms Lesley Ferguson should be appointed to the Forum in their place, joining existing members Dr Bendor Grosvenor and Dr Elizabeth Lomas.

There are three other members of the Forum who were appointed for a second three-year term with effect from 1 July 2014:

- Dr Clive Cheesman, Richmond Herald at The College of Arms
- Dr Ian Mortimer, historian and historical biographer, qualified archivist and Fellow of the Royal Historical Society
- Dr Christopher Ridgway, Curator at Castle Howard and Adjunct Professor in the History Department of the National University of Ireland

The Forum met twice during the year over the last year on 13 June 2014 and 31 January 2015. During these meetings the Forum considered the following issues:

- The National Archives' Independent Archives Team's future priorities

- Archives for the Future
- Acceptance in lieu of tax
- The EU General Data Protection Regulations
- Export Stops
- Proposals for an Index of Manuscripts of Daily Life
- Investigation of Charity and Scientific & Technical Archives
- Guidance on De-accessioning and Disposal
- The 20-year Rule
- The National Archives Future Direction & Strategy, and Realignment
- Proposals for an exhibition to celebrate the 150th anniversary of the Historical Manuscripts Commission
- Copyright and Publication Rights
- Improvements to Discovery, The National Archives online catalogue.

An area of particular concern for the Forum this year was the apparent weaknesses of operation of the export stop process, which were highlighted by the sale of General Wolfe's papers to the University of Toronto. Dr Grosvenor and Dr Field subsequently met with the Reviewing Committee on the Export of Works of Art and Objects of Cultural Interest to discuss the issues raised by the sale. At that meeting it was agreed that communications relating to the possible sale of such papers in future should be improved and widened. Arts Council press releases, for example, should be clearer to avoid urgent issues being overshadowed by more high profile cases.

The Rt Hon Lord Dyson

The Master of the Rolls
June 2015



Annex C

NSC 5/23 Help The Sun to Shine On Your Future Buy National Savings Certificates, 1934

Annual Report of the Independent Complaint Reviewer 2014-15

Jodi Berg OBE is the Independent Complaints Reviewer (ICR) for The National Archives. She has a background as a solicitor and a mediator and acts as the ICR for other public bodies. She is Chair of the Administrative Justice Forum.

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.

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. Complainants who are not happy with an ICR decision have the right to refer their concerns to the Parliamentary and Health Service Ombudsman. More information about the Ombudsman can be found at: www.ombudsman.org.uk

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. My experience is that The National Archives is keen to learn from complaints and improve service where it can.

Again this year I am pleased to record that the ICR Office was successful in retaining the BSI award for the quality of our Complaint Management System.

Overview of complaint activity and examples

Between 1 April 2014 and 31 March 2015, The National Archives recorded 94 complaints, a small increase from 85 last year. Most of these were resolved without the complainant needing to escalate their concerns to Internal Review by the Chief Executive's Office. Only two of these complaints resulted in referral to the ICR Office. The National Archives also recorded 235 compliments, which is confirmation that people appreciate the service they receive and is a marked increase on the 188 compliments recorded last year. This data has to be set in context against The National Archives' public contact, and this year The National Archives dealt with over 44,000 telephone enquiries, over 34,000 written enquiries, and it supplied over 647,000 documents to customers, mainly directly to the public. In the overall scheme of this extensive customer contact, complaints are very few in number and referrals to the ICR are rare.

As always, this year we have had several requests for help from people who have not yet been through The National Archives' internal complaints procedure. These customers have been referred on to The National Archives. Where we can, we offer general advice or assistance that they have been unable to obtain through initial contact with The National Archives. This year we responded to 13 people who were looking for help and information about a variety of issues:

- Obtaining information from The National Archives about slave trade records
- Difficulties in obtaining documents held at The National Archives relating to a First World War hero
- Difficulties in setting up an account online with The National Archives.

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, an expert in his area of interest, referred his complaint to me that The National Archives would not alter its online information as he thought appropriate, or agree to hold a review hearing about this in which he would have equal status with The National Archives. I explained that my review would consider matters from the viewpoint of seeing whether The National Archives employed its usual practice and procedures to a reasonable standard in its dealings with him. I noted that whilst he had put his views to The National Archives, and that The National Archives had made some changes as a result, a service user does not have equal say with the management of a public body about the way the service is delivered. I noted that The National Archives had addressed his complaint appropriately and there was no more that ICR review could achieve. Accordingly, I did not carry out a review on this occasion.

Complaints are generally a result of frustration and disappointment with a received service, however they can also reflect the genuine distress suffered by someone who does not achieve the outcome they want from their contact with an organisation.

Case study: Mr B complained to me about unfairness of process after he had unsuccessfully sought reclosure of records which contained sensitive information. Whilst I was unable to address decisions taken by The National Archives under statutory authority, I was able to look at the process by which the decision was taken. I carried out a thorough review but found no evidence of maladministration and so did not uphold the complaint. I noted that The National Archives had identified 'learning points' from what had happened and that in this way Mr B's complaint had made a positive and constructive difference to The National Archives' processes, which would help others in the future.

Following ICR review people can opt to refer their complaint to the Parliamentary and Health Service Ombudsman should they remain dissatisfied with the outcome.

Case study: Mr C complained to me in 2013 that The National Archives had failed to provide certain information to him despite his paying the fee for a search of the records. I carried out a review which resulted in the substantive complaint not being upheld, but I made recommendations for limited personal redress and for an improvement to complaint processes, both of which were accepted by The National Archives. Mr C remained dissatisfied and in 2014 he referred his complaint to the Parliamentary and Health Service Ombudsman. The Ombudsman's report stated: 'We have found the ICR's investigation of 'Mr C's' complaint to have been thorough and her findings evidence-based and reasonable.'

'I thank you for past concerns, sensitivities and personal support.' – Complainant

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.

E-mail: enquiries@icr.gsi.gov.uk

Telephone: 020 7930 0749



ISBN 978-1-4741-2051-7



9 781474 120517