



ANNUAL REPORT AND ACCOUNTS  
2016-17



# **Annual Report and Accounts of The National Archives 2016-17**

including the Annual Report of the Advisory Council on  
National Records and Archives 2016-17

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

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

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

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This is part of a series of departmental publications which, along with the Main Estimates 2016-17 and the document *Public Expenditure: Statistical Analyses 2016*, present the Government's outturn for 2016-17 and planned expenditure for 2017-18.



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# 1. Performance Report

## 1.1 Overview

### Introduction from the Chief Executive and Keeper To the Right Honourable Karen Bradley, Secretary of State for Digital, Culture, Media and Sport



I am pleased to present the Annual Report and Accounts for The National Archives 2016-17.

Two years ago, we published *Archives Inspire*, our audience-focused strategy, which sets out our priorities to meet the needs of our major audiences. During this time, expectations for greater government transparency, easier access to information, and finding solutions to forever preserve digital records have continued to rise. Meeting these demands has remained at the heart of our ambitions and those of the UK Government, and reaching this halfway point therefore comes at a critical time.

The rise in the creation and use of digital technologies has profoundly changed how records are created, captured and shared. Digital is rapidly transforming the very nature of what it means to be an archive or a government body, and users' needs continue to shift and grow. Extraordinary capabilities and the right infrastructure are required to keep pace. It is an issue that cannot be underestimated, nor can solutions be found in isolation. In March, we launched our new digital strategy, which outlines that nothing short of a revolution in digital archiving practice is required. Investment in the skills needed to secure the digital record is also of paramount importance. From its outset, *Archives Inspire* stated that we would need to think and organise ourselves differently in order to become a digital archive by instinct and design. Throughout 2016-17, we took stock of our own practices and capabilities, and started reshaping how we can better deliver our services. However, we recognise that there is still more to do.

Changing the way we work will benefit our audiences. As trusted experts in managing, preserving and using information, our priority is to increase government departments' compliance and capability in information management. The transition to the 20-year rule has accelerated the pace at which departments should be transferring their records for permanent preservation and they have amassed a significant legacy. Focused effort will be required if government is to meet its obligations. Our independent Information Management Assessment programme provides robust and effective solutions to better manage information, and helps departments develop their compliance and capability. Last year, we also worked with the Cabinet Office and the Government Digital Service on the Cross-Government Records Management Project to tackle the problem of government digital records. Together, with our combined advice and expertise, departments can get back on track.

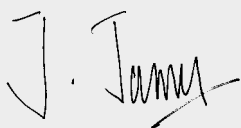
We are proud to lead and support a dynamic sector of 2,500 archives. Collectively, they form a unique ecosystem of collections and knowledge for all audiences to experience. Archives of all kinds face considerable resource and financial constraints; they are constantly seeking to reinvent themselves, to demonstrate their value to society, and to sustain their services, facilities and collections for the long-term. This can only be achieved by working in greater collaboration together with strong leadership. Following nationwide consultation with a wide

range of individuals, stakeholders and partners, we launched *Archives Unlocked*, a new, co-created strategic vision and action plan for archives in England. The vision outlines practical solutions to increase income generation, funding, and the development of essential skills and diversity across the sector.

We know we need to create and support research. It is new knowledge that will allow us to address our digital challenges, and make innovative progress across a range of disciplines. We are part of discussions across the UK and beyond about the future of archival research – from our well-attended 'Discovering Collections, Discovering Communities' conference series run in partnership with Research Libraries UK, to making the case for archives on a global scale via international engagement. Our collaborative research projects are gaining recognition, for example, for the ground-breaking findings on Shakespeare's will. However, we know that as The National Archives, we need to be leading the way in archival research. We commissioned research to find out the academic community's views, and we learned that our reputation as an Independent Research Organisation and service provider is undoubted, but the profile of our academic research could be better. In starting to address this, we published an academic and research roadmap – a strategic and practical response to what the academic community told us. The roadmap sets out how we will reinvigorate our connections with individual academics, research bodies, funding councils and universities, so that we can learn from and partner with the best.

We remain committed to changing the way audiences think about archives. Our public programming is starting to attract new audiences, and we are reimagining how people discover the stories held within our collection by using our public spaces in different ways. In the autumn, our popular 'Archives at Night' series saw several hundred people descend on Kew to immerse themselves in an interactive night of Victorian crime. In partnership with the National Trust, our 'Queer City' project combined archival records with heritage sites to showcase the stories of LGBT+ history, individuals and communities. We continue to lend our physical documents to institutions regionally and globally, and our online learning and community resources are engaging more and more young people and students. These activities highlight the many transformative steps we are taking to make our collections, and those of other archives, open to anyone, from anywhere.

The future for archives is going to be challenging but exciting, and we are confident that we can grow by embracing the changes ahead, for future generations. I would like to thank everyone who has helped us in coming this far: our users, partners, volunteers, the Friends of The National Archives, and our brilliant staff.



**Jeff James**  
**Chief Executive and Keeper**  
10 July 2017



## Who we are

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

We are many things to many audiences.

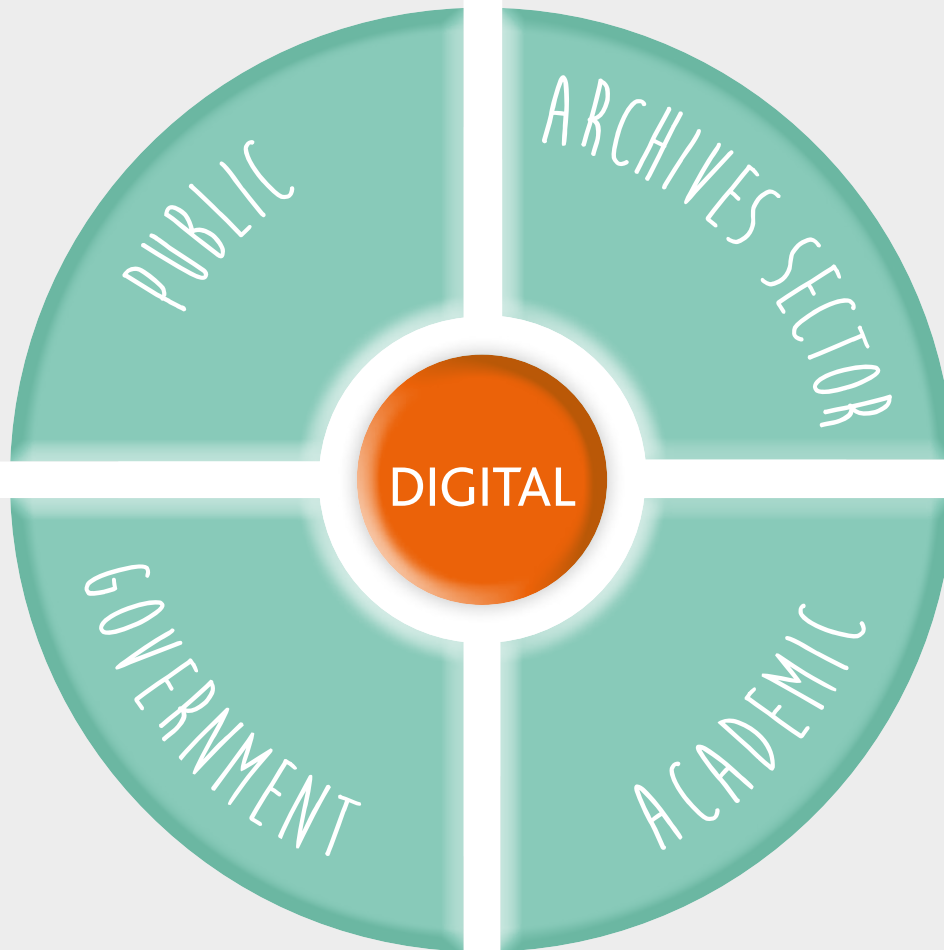
*Archives Inspire*, our ambitious strategic plan, will see us think and organise ourselves differently to meet the needs of each of our major audiences, and to face our biggest challenge – digital.

Tackling the complexities that digital technology presents is at the heart of our plans. Digital technology has changed forever what it means to be an archive, a government department, business or charity. It has changed how people tell their everyday stories, and how we forever preserve the records and information that make up our national collection. We are creating the online and digital capacity to meet each of our audiences' needs, and to become a digital archive by instinct and design.



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

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



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

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

# Our audiences and the digital challenge

## For government,

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

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

As the UK Government's official archive and publisher, our information management expertise gained further traction and influence across Whitehall during 2016-17. We partnered with the Cabinet Office and the Government Digital Service on the Cross-Government Records Management project to find innovative solutions for managing the future government digital record by exploring new techniques and software, such as e-discovery and analytical tools. The project has seen government departments gain a greater understanding of the volume of both their digital and physical information, and is enabling them to plan ahead for the appraisal, selection and transfer of their holdings to The National Archives for permanent preservation, while keeping them on track with the transition to the 20-year rule.

Information management is a vital aspect of our business as an evolving digital archive. Working with knowledge and information management communities across government, we launched the Information Management Report, an integrated online

survey of both departments' digital and paper holdings. The results of the survey will make it easier for departments to monitor and measure the broad extent of their legacy holdings, and to inform senior leaders and officials across central government on departments' progress against the 20-year rule transition.

The last year has seen The National Archives release a wide variety of government records to the public. In September, records from the UK Security Service, often referred to as MI5, provided insight into the interwar years, Second World War and post-war era up to the mid-1960s. In December, files from the Prime Minister's Office and Cabinet Office spanning 1989 and 1990 were released, shedding light on a range of topics, including the resignation of Prime Minister Margaret Thatcher. December marked the 100th anniversary of Lloyd George's premiership and the first ever official and systematic record of Cabinet proceedings. To commemorate the anniversary, we created and launched the 'Cabinet 100' online resource in partnership with the Cabinet Office, which is available on our website.

# ARCHIVES INSPIRE TRUST

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Police road crossing duty, 1951  
Catalogue reference: MEPO 13/58

In March 2017, the last tranche of original files of financial assistance claims by UK victims of Nazi persecution were released, in conjunction with the Foreign and Commonwealth Office. The transfer of this collection is now complete, and contains more than 4,000 files of correspondence by claimants to the Foreign Office from 1964 to 1966.

### **We are exploring shared service innovations and good practice in information management**

Last year, The National Archives' knowledge and information management experts worked closely with government stakeholders to enhance and refine the management of official paper records. Working with the Crown Commercial Service, our expertise formed an essential part of the creation and specification of a new multi-million pound records management framework. The framework comprises specialised functions to better support departments in being compliant, and to protect the value of physical records throughout the entire records management process, including storage capacity, appraisal and selection, cataloguing and preparation, and sensitivity review. The framework is designed to work alongside the newly established method to accelerate the transfer of records for permanent preservation, which helped departments to increase the volume and maintain the quality of the records they transferred to The National Archives.

In January 2017, the UK Government published the report *Better Information for Better Government*, its response to Sir Alex Allan's recommendations following his review of government information management. We continue to create and develop ways to successfully transfer digital records in partnership with other government bodies, and we will soon receive digital records about the 2012 Olympic Games and the 2010 Ryder Cup from the Welsh Government. Designed in collaboration with partner government departments, we updated our joint digital transfer guidance.

### **We are providing a network for knowledge and information management leaders to enhance capability**

We continue to deepen our government-wide networks, and to share best practice guidance on information assurance and cyber security. In September, we hosted our fifth annual joint public and private sector workshop on cyber security, in partnership with the Security Awareness Special Interest Group. Our quarterly Information Management Liaison Groups, held at Kew, focus on current developments and trends in the information management sphere. Last year's event featured speakers from the Cabinet Office, the Government Digital Service, Northumbria University and the Digital Preservation Coalition, who shared their insights and advice with delegates from a range of government bodies. The event also included an exhibition of original documents that were connected to its theme.

In March 2017, the Chief Executive and Keeper of The National Archives addressed leaders, innovators and professionals at the annual government Knowledge and Information Management (KIM) conference. The conference took place at the Department for Business, Energy and Industrial Strategy, and hundreds of delegates represented and discussed a variety of disciplines including librarianship, records management and information rights. We worked closely with the KIM Leaders Network to update and publish the Knowledge Principles guidance, which is used and shared departmental-wide.

### **We are delivering outstanding legislative platforms and services which underpin the responsibilities of the UK Parliaments and Assemblies; and we are enabling innovation in the use, re-use and sharing of data**

Our expertise helped to shape a significant change in the way that Command and government-sponsored House of Commons Papers will be produced for the UK Government. Working with the Crown Commercial Service, the public sector-wide Managed Print and Digital Solutions framework came into effect at the end of



December, and we are currently advising and supporting central government organisations transition of the production of these papers to the framework. Work is now underway to make enhancements to official publishing methods for the Queen's Printer, Queen's Printer for Scotland, and Government Printer for Northern Ireland to improve the way legislation is registered, edited and published.

Our pioneering online resource [legislation.gov.uk](http://legislation.gov.uk) continued to move from strength to strength in making online statute more accessible for anyone to use. By the end of March 2017, 87% of all Acts of the UK Parliaments and Assemblies were brought up to date. A beta version of a legislation drafting and amending tool was created in partnership with key stakeholders and legislation drafters in both the UK and Scottish Parliaments, and the tool will be further refined. We are supporting government with analysis of the impact of the legislative changes following the result of the EU referendum.

Last year, in collaboration with the Intellectual Property Office and the Government Digital Service, we produced new guidance on copyright for civil servants, and licensing for the public sector, supporting our work as the UK policy lead on the re-use of public sector information. We continue to support archives in the public sector with guidance and advice on complying with the Re-use of Public Sector Information Regulations 2015. In particular, we have helped archives and other public sector bodies to define their public task.

# Our audiences and the digital challenge

## For the public,

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

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

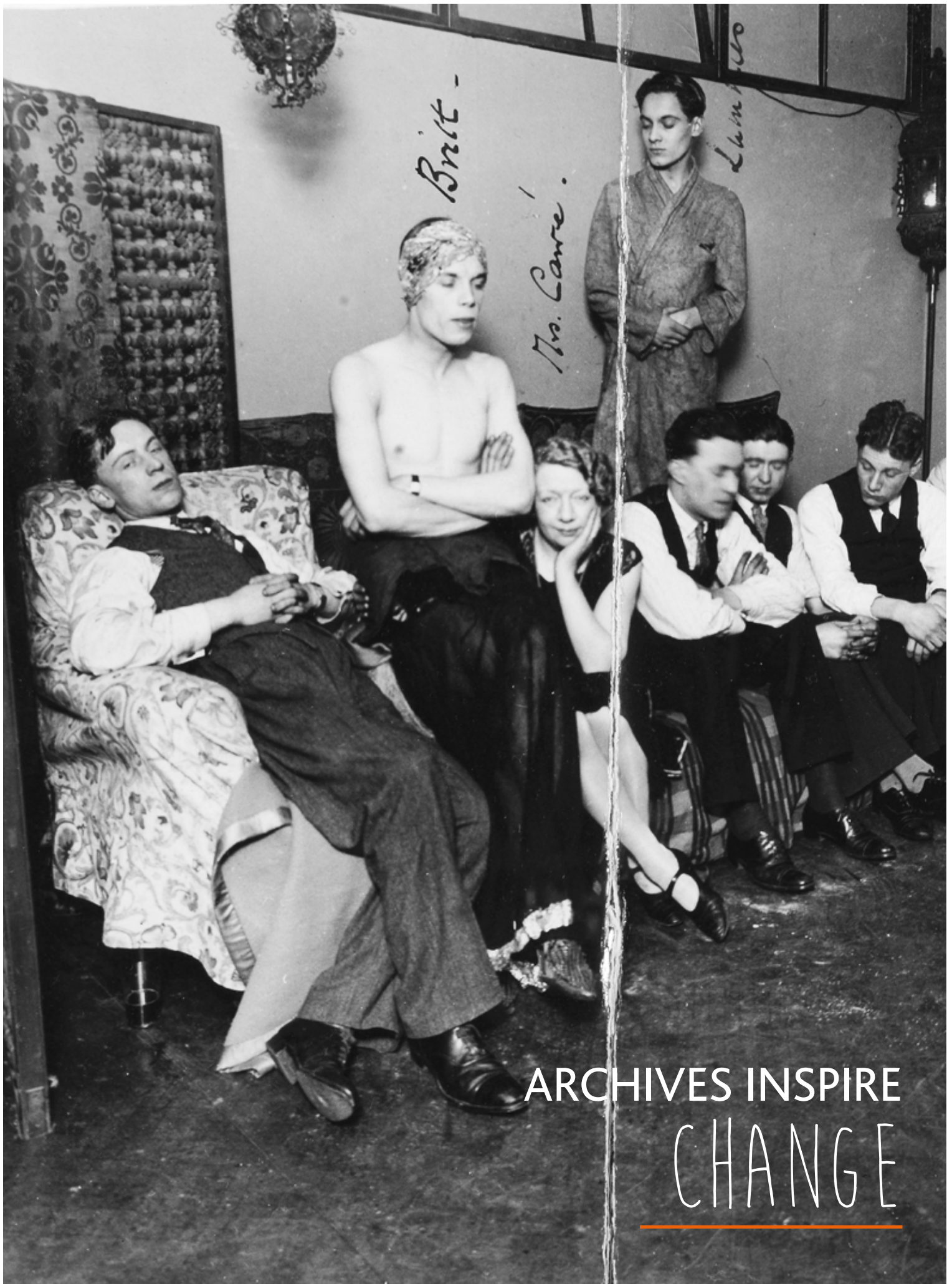
Throughout the year, we continued to reshape our services and transform our Kew site, using our public spaces in a variety of ways to engage our audiences. In April, as part of our First World War centenary programme, 'Changing the Landscape' was the first multimedia arts exhibition held in our reading rooms. Inspired by the story of a Rifleman on the first day of the Battle of the Somme, the exhibition included hundreds of unpublished items of correspondence and photographic postcards. The exhibition and associated events, supported by the National Lottery through Arts Council England, included talks for local communities and schools.

During the summer, young filmmakers created the stop-motion animation film *Somme Tales*, as part of a joint media project supported with funding by the Friends of The National Archives. As part of the Imperial War Museum's Centenary partnership events, we hosted a public screening of the listed film *The Battle of the Somme*. The film is included in the UNESCO Memory of the World Register, and the screenings formed part of commemorative activities for the centenary of the Battle of the Somme undertaken across the UK.

In October, the innovative artwork 'A Graphic War' was installed and displayed throughout The National Archives public spaces. It included a series of bold and colourful sculptures exploring the role of graphic design at home and on the front lines during the First World War, portraying the history of the conflict in a creative and engaging way. The display proved so popular with audiences that it was extended for several months.

The outreach project 'Loyalty and Dissent: South Asia and the First World War' resulted in five new short plays commissioned by playwrights from the Tamasha Theatre Company, inspired by our documents relating to the experiences of people from South Asia during the First World War. Jointly funded by the Friends of The National Archives and the Theatre Company, the plays were performed on site at Kew and at the Rich Mix Centre in London's East End.

Our 'Archives at Night' events continue to excite and attract both new and existing audiences. Run in association with the nationwide 'Museums at Night' festival and Culture24, we entertained more than 300 people in October to an evening of dramatic performances, document displays and talks on the theme of Victorian crime, including Jack the Ripper and the Murder at Road Hill House.



*Brit -*

*Mr. Care!*

*Lam...*

ARCHIVES INSPIRE  
CHANGE

Keeping a disorderly house, Fitzroy Square, London, 1927  
Catalogue reference: CRIM 1/387/1



Our collections continue to gain greater attention in the UK and beyond. Last year, we loaned documents to the Museum of London's 'Fire! Fire!' exhibition about the Great Fire of London, and to the Petit Palais Museum, Paris, for 'Insolence Incarnate', an exhibition about Oscar Wilde, which attracted more than 95,000 visitors. Our documents also featured in exhibitions with our regional partners, including the National Museum of the Royal Navy's 'Pioneers to Professionals – Women and the Royal Navy', in Portsmouth. We are delighted that we agreed to loan Domesday Book to Lincoln Castle for their 'Battles and Dynasties' exhibition, and we continue to loan the unique 14th century letter concerning Sir William Wallace to National Records Scotland.

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

Following the success of our joint exhibition 'By Me William Shakespeare' with Kings College London, Shakespeare's will travelled to Stratford-Upon-Avon for the first time in 400 years, and was displayed at the Shakespeare Birthplace Trust before returning to The National Archives. Shakespeare's life and death was also the inspiration for an interactive family workshop 'Theatre Tots: Who was William Shakespeare?', which delighted younger audiences of two to six-year olds. Another one of our family events 'A Knights Tale: Medieval Fun', sponsored by the Friends of The National Archives, saw adults and children of all ages participate in historical interactive activities.

In November, the three-day 'Voices of the Home Front' conference saw delegates explore the histories of everyday lives during

the First World War. Online, our interactive platform 'Great Wharton' brought to light the quirkiest aspects of the Home Front via a bird's-eye perspective of a fictional town. Based on information taken from our records, users can discover more about 'egg trains' during times of rationing, school pupils making munitions and women undertaking war work.

Launched in March 2017, in partnership with the National Trust, the 'Queer City' project highlighted the lesser-known stories surrounding LGBT+ heritage. The project forms part of wider programming that commemorates 50 years since the partial decriminalisation of homosexuality through the 1967 Sexual Offences Act. 'Queer City' saw the recreation of the Caravan club, an LGBT+ friendly members' venue of 1934, and showcased an innovative way for archives and heritage sites to work together to create immersive and authentic experiences.

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

As part of the V&A Museum's 'You Say You Want a Revolution? Records and Rebels 1966-1970' project, secondary school students explored our collections and interpreted events from 1960s Britain. The project culminated in an interpretative audio-visual theatrical performance by the students which detailed a journey through time, and included the Apollo moon landings, the influence of The Beatles and the assassination of Martin Luther King Jr against a backdrop of popular 60s music. The project is the result of an exciting collaboration with The National Archives' education and outreach colleagues, records specialists, the V&A and the Wren Academy.

We are committed to providing students from all backgrounds access to learning, and we are increasingly reaching more students online. Last year, we launched new online educational tools for schools including the topic of 'Georgian Britain' with support from guest curators and authors. We have also developed new themes for our learning sessions on migration, slave rebellion and the Whitechapel murders. This year, we taught more than 8,000 students on site and online. We continue to work and support teachers in the use of primary source materials in the classroom. Working with York University, we are developing a teacher scholar programme for the project on medieval immigrants.

Last year, we welcomed young people to Kew as part of our work experience activities, and engaged regional communities, including Stirling and Exeter. Working with local business partnerships, we successfully piloted a work placement programme with Mencap, and we have continued placements from an Islamic faith school. We provided further access for young people seeking work experience via our relationship with the National Autistic Society.

The dedication, support and valued expertise of the Friends of The National Archives and our volunteers make it possible for us to showcase even more of our diverse collection to audiences. Over the last year, more than 220,000 First World War Officers personnel files were catalogued. Audiences can now gain further insights into the full names, ranks and regiments of serving officers. Some of the papers also reveal the lesser-known stories of historical figures such as Walter Tull, one of the first black officers in the British Army.

In collaboration with the National Maritime Museum, the Crew List Index Project details full transcriptions of Crew Lists and Agreements from the Merchant Navy in 1915. Volunteers from all over the world joined us online to complete this project, and we are once again working with the museum to create a new free-to-search database resource 'Royal Navy First World War Lives at Sea'. We were delighted to be nominated and shortlisted for this project at the Maritime Media Awards. Our volunteers also provided vital support for the conservation treatment and rehousing of the eight million photographs within our collection.

Throughout the year, the Friends continued to support and fund our events and activities, including some of our public, education and outreach projects. Together, the Friends and volunteers have also helped us to provide regular tours of the Keeper's Gallery to members of the public.

# Our audiences and the digital challenge

## For the archives sector,

**we are an effective leader and collaborator.**

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

**We are influencing the future through a new strategic approach which actively promotes the archival health of the nation**

In March, we launched *Archives Unlocked*<sup>1</sup>, the new co-created strategic vision for the archives sector. *Archives Unlocked* is underpinned by three core themes that place the user at its heart: trust, enrichment and openness, and presents an ambitious and practical approach to meeting the sector's needs in facing the challenges and opportunities of today and the future, including the advent of digital. To co-create the vision, we worked with a wide range of partners and organisations – from business archives, local authority archives, university archives, independent archives, trusts, funding bodies and other cultural heritage institutions. The vision is accompanied by a robust action plan that outlines how, by working closely with the sector, we will practically support archives in making significant changes with positive impacts for the benefit of their users. *Archives Unlocked* was launched at the Southbank Centre Archive Studio located at the Royal Festival Hall.

**We strongly advocate for the sector to raise awareness of the importance and potential of archives, and we are engaging with others to sustain vibrant collections and services**

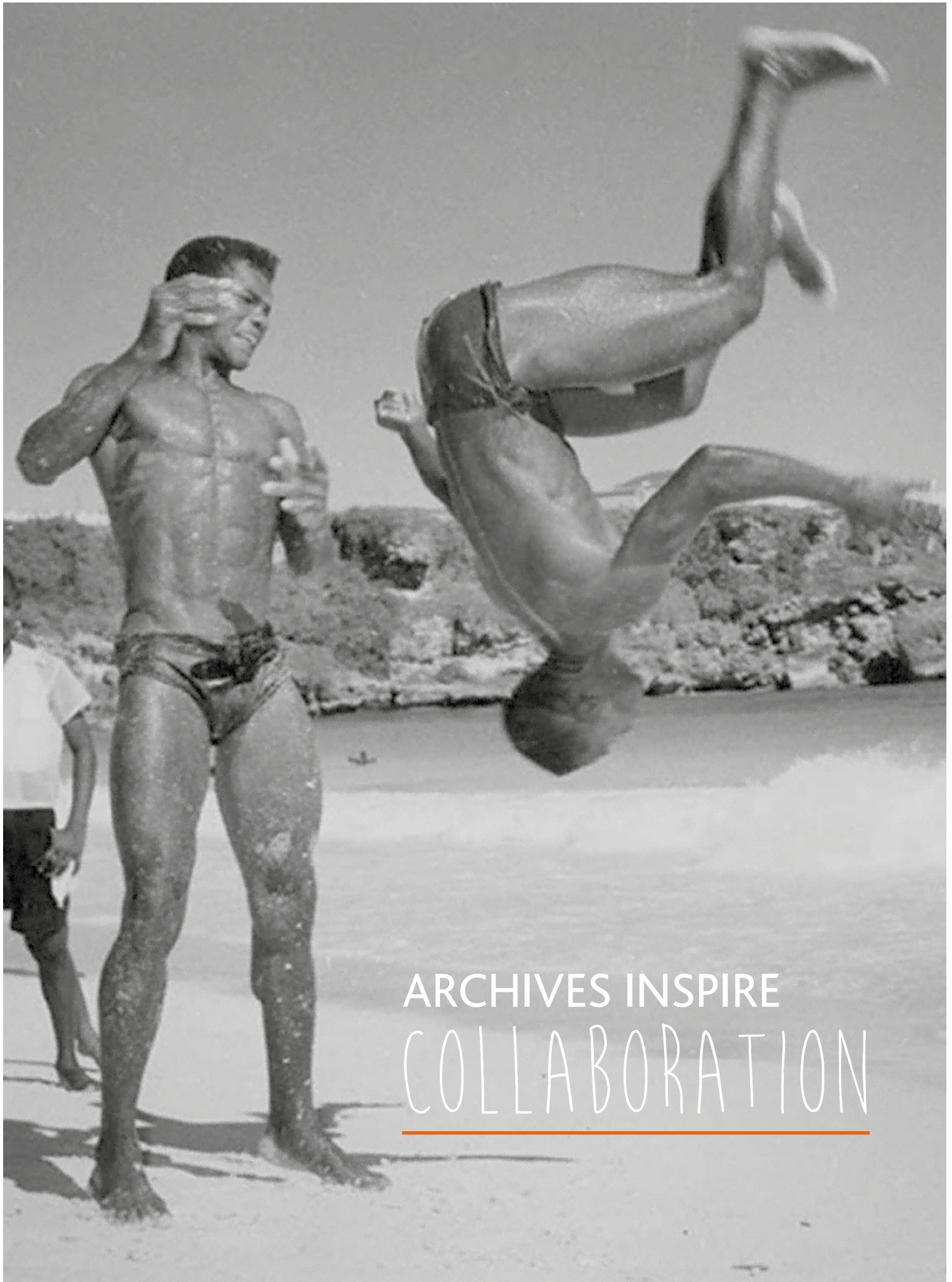
We have a long and proud history of working with other archives, bodies and institutions. Together, we support and raise awareness of archives of all kinds, and broaden the reach and impact of our diverse archival collections. In November, we successfully ran the annual 'Explore Your Archive' campaign, in partnership with the Archives and Records Association (ARA). More than 100 events took place throughout the UK and Ireland, and the campaign's social media activities saw nearly 30,000 uses of themed hashtags. Working through ARA, we provided further support and guidance to the sector via the Community Archives and Heritage Group.

We continued our work in building strategic regional archive partnerships and in the development of new ones, including in South Yorkshire and the East Midlands. We also completed a varied programme of free training events which were attended by more than 300 delegates.

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<sup>1</sup> [nationalarchives.gov.uk/archives-sector/projects-and-programmes/strategic-vision-for-archives/](http://nationalarchives.gov.uk/archives-sector/projects-and-programmes/strategic-vision-for-archives/)





ARCHIVES INSPIRE  
COLLABORATION

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'Transforming Archives' entered its third and final year. Funded by the Heritage Lottery Fund (HLF), the programme has supported over 30 trainees in archives across England, with a focus on developing vital skills for the sector. In December, the programme won the prestigious NCDD (Dutch Coalition for Digital Preservation) Award for Teaching and Communications, from the Digital Preservation Coalition. We shared the award with our sister programme in Scotland, 'Opening up Scotland's Archives'.

We were delighted to win further funding from the HLF to enable us to make a first step towards expanding digital expertise across the sector. 'Bridging the Digital Gap' will offer traineeships for digital archive assistants, and the first phase of funding is supporting us to develop the training plan and recruitment strategy.

Over the last 18 months, we have worked to find greater ways to forge meaningful connections between archives and higher education. Our Higher Education Archive Programme (HEAP) engages and provides support to university archives, libraries and special collections. HEAP entered a second successful year and saw us working with more than 100 higher educational bodies to explore how archives can add value to higher education teaching. We established a new archival network: the Science, Technology and Engineering Archives Group, which will focus on improving access to and exploitation of these unique types of archives and their information. We also completed the five-year Religious Archives support plan which advocated for archives that manage religious and faith-related materials.

We have celebrated an increasing number of newly accredited archive services, bringing the UK total to 72 over the course of the three years of the scheme. As the programme continues to develop, we have seen the first archive services successfully retain their accreditation after a scheduled review. Updates to the programme to meet the increasing digital challenges faced by the sector have been agreed with partners and piloted with archives across the country.

**We are developing the funding, investment capacity and opportunities of the sector to increase its financial sustainability**

We continue to actively support and guide archives in finding ways to sustain their services for the long term, by developing new approaches to diversify their funding base. 'Fundraising for Archives', supported by the HLF, is a development programme that seeks to equip the sector with vital fundraising and income generating skills. Over the last year, the programme has supported more than 160 different archive services. We are starting to see the positive impact of the training: participants have shared their experiences and outcomes in creating stronger funding bids and strategies. In February, we published guidance on income generation for archives, which outlines how collections, physical spaces and expertise can be deployed to generate income. The guidance draws on our expertise and that of archives across the country.



As part of our expert programme of support on the transition to the 20-year rule, we distributed £660,000 of New Burdens funding to more than 40 local bodies approved to hold public records, and we provided further training and guidance nationwide.

Last year, in partnership with the Pilgrim Trust, we commissioned a wide-ranging review of the national Cataloguing Grants programme. The programme has funded more than 120 cataloguing projects nationwide totalling £3.7 million. The review assessed the enormous impact of this scheme – from the innovative cataloguing techniques at York City Archives, to the development of archival management techniques at the East London Mosque. We are now reshaping the programme in response to the review's recommendations as we plan to expand its reach even further, and we aim to relaunch it in the autumn.

**We are encouraging creativity, good practice and the sharing of knowledge through programmes, surveys, tools and guidance**

Discovery, our online catalogue, continues to expand and showcase the diverse range of archival collections across the UK. The Manorial Documents Register is both a legal tool and a unique window into British history. During 2016-17, more than 1,100 manors were added to Discovery, covering Wiltshire, Cambridgeshire and Huntingdonshire. The project unearthed an 18th century manorial document in Frankfurt which has now been transferred to Lincolnshire archives and can be explored in context for the first time in nearly 50 years.

Our Accessions to Repositories survey invites archive services across the UK and Ireland to tell us about the diverse records they have acquired over the last year. We received more than 250 responses from participating archives, and we anticipate adding thousands of entries to our database. Following in-depth analysis of these responses, we will present a data-driven picture of collecting patterns in UK repositories.

# Our audiences and the digital challenge

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

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

We continue to raise our profile and reputation as a research institution. The annual 'Discovering Collections, Discovering Communities' conference, run in partnership with Research Libraries UK (RLUK), attracted more than 600 delegates from across the archival, heritage, and academic sectors to explore the social, cultural, and economic impact of heritage collections. During the conference, we presented our ground-breaking findings on re-evaluating the understanding of medieval wax seals, and our new evidence on the creation of Shakespeare's will.

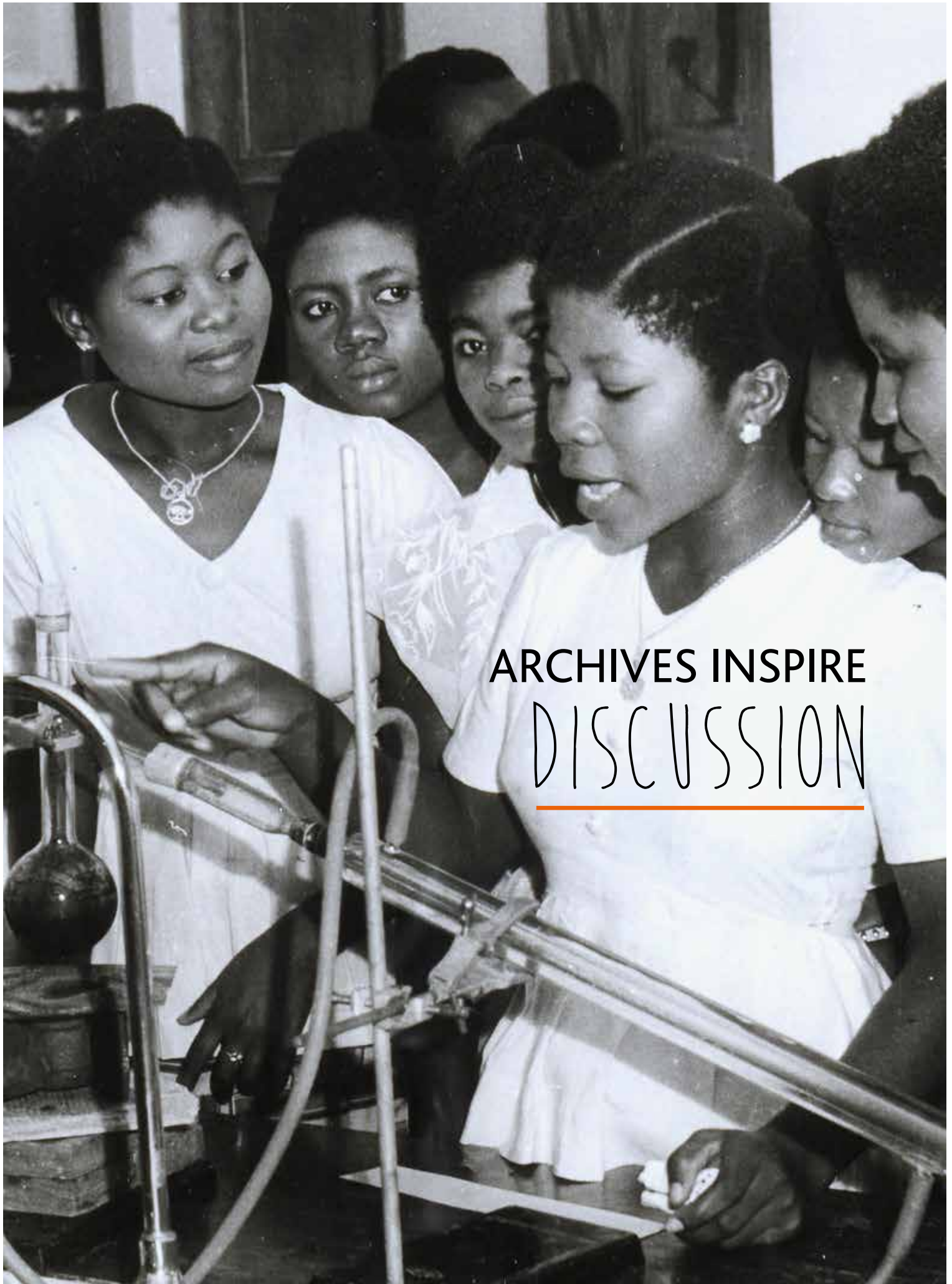
In November, HM Treasury (HMT) released records from the Private Office papers of Geoffrey Howe from his time as Chancellor of the Exchequer between May 1979 and June 1983. To commemorate the release, for the first time, HMT and The National Archives jointly organised an academic event with a panel of academics and former civil servants exploring the political and economic aspects of this chancellorship. In late February 2017, we came together with the

Institute of Historical Research and the Royal Historical Society to run the annual Gerald Aylmer conference. This year's conference explored the innovative ways in which archival-based teaching can enhance the learning process within higher education.

During British Science Week 2017, our project to conserve nearly eight million photographs in our collection featured on the National Heritage Science Forum blog, which showcases UK-wide contributions from heritage scientists from its member organisations.

Our work in partnership with the British Film Institute (BFI) has allowed us to gain valuable insight into the long-term protection of vulnerable materials, such as our public information film collections. BFI has found innovative ways to allow unprecedented public access to them via their 'Unlocking Film Heritage' programme. The films have received hundreds of thousands of views on the BFI player and via social media. We have also catalogued descriptions of more than 1,000 films sponsored by the Ministry of Information and Central Office of Information which are held by the BFI.





ARCHIVES INSPIRE  
DISCUSSION

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The preservation and care of our physical collection benefits from greater collaboration with a wide range of partners, and helps to support the archives sector. Last year, we worked closely with the British Standards Institution and the European Committee for Standardization on the further development of conservation and storage standards for archival collections. The new standards are due to be published in late 2017, and allow us to further share our expertise while informing our own best practices and learning across disciplines.

In September, the International Council on Archives (ICA) Congress took place in Seoul, South Korea. The theme of the congress, 'Archives, harmony and friendship', focused on the importance of international collaboration in meeting the digital challenges archives face. During the congress, we presented our recent findings on Shakespeare's will and discussed how archival collections can be interpreted in vibrant and engaging ways. We signed a Memorandum of Understanding with one of our many international partners, Library and Archives Canada, reinforcing our commitment to making the case for archives on a global scale. We have also signed a Memorandum of Understanding with the National Archives of the United Arab Emirates to establish a framework of cooperation. In January, as part of the ICA Standards Setting Forum, we hosted a workshop for digital archivists, developers and other specialists from across the world to explore international digital standards for archival records.

**We are establishing a renowned research centre to coordinate and galvanise our long-term research programme, and responding to the changing needs of the academic and research sectors**

The year has seen major advances in how we strengthen our relationships and collaborations with academics and researchers across disciplines. An academic landscape scoping study examined our position within the research landscape. In response to the study's findings and recommendations, we developed and published our academic engagement and research roadmap<sup>2</sup>, which will build on our work and relationships to date, to forge new working partnerships and to showcase our own research more effectively.

We commissioned and completed a major piece of research: *Collecting Drivers for Higher Education Institutions*, which examined the nature and rationale of the distinctive archival collections held by a range of higher education institutions. Jointly funded by RLUK, the research forms part of our commitment to work together on matters of shared interest to the archive and research library sectors – to improve understanding, share good practice and help institutions develop.

During 2016-17, we continued to support the research student communities through our Collaborative Doctoral Partnerships, which are funded by the Arts and Humanities Research Council, and through the successful delivery of our Postgraduate Archival Skills Training.

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<sup>2</sup> [nationalarchives.gov.uk/about/our-role/research-and-scholarship/about-our-research/](http://nationalarchives.gov.uk/about/our-role/research-and-scholarship/about-our-research/)

Our annual Catalogue Day is now in its 16th year, and allows us to highlight a variety of digital and paper-based cataloguing activities to new and existing audiences. The event is open to everyone, drawing a diverse audience of family historians, academics, researchers, and archival and information management professionals. The event explored our involvement in the development of optical character recognition – a technology that can convert scanned paper documents or images into editable and searchable information. It also included an update on the international High Court of Admiralty 'Prize Papers' project – the thousands of letters taken from ships captured in wartime by the Royal Navy, or by privateers between 1650 and 1815. Recent work has seen letters from the 1660s to 1670s, and from the American War of Independence, being arranged for cataloguing.

Over the last year, we made significant progress in identifying and researching thousands of unsorted records, including more than 2,200 17th century files from the Court of Common Pleas, which were uploaded to Discovery and made available to researchers for the first time. We continue to improve the quality of our data through our State of the Catalogue programme, which is identifying data in Discovery to build on and improve in order to support collection management, public access and research. Responding to the suggestions of users, we have made more than 14,000 essential amendments.

### **We are enhancing our current research reputation to develop funding success, and we are shaping a programme of world class digital research**

Recent funding successes demonstrate the value and breadth of The National Archives' research interests across the physical and digital spheres. In November, the Wellcome Trust awarded us more than £150,000 for the project 'Shell Shock, Syphilis and Self-Inflicted Wounds'. The project will see more than 50,000 case files relating to the medical records of fighting servicemen in the First World War catalogued and made searchable via Discovery.

We completed the highly innovative data science project 'Traces through Time', and have built an international consortium of academic partners to bring the right skills and experience to collaborate further on future projects. Together with our own expertise of our digital holdings, we now understand more about the complex and essential skills needed to tackle such work – including data mining, digital history, natural language processing, user interface design and statistical modelling. The outcomes of this work were presented by our digital experts at the prestigious 2016 IEEE Big Data conference in Washington DC. We continue to share our thinking at conferences and events on the topic of data analytical approaches to connecting archival data, and we have forged new partnerships with institutions such as universities to explore this area in greater detail.

# Our audiences and the digital challenge

## Digital technology

**has changed forever what it means to be an archive. The National Archives is constantly evolving – over the last few years, we have made important changes to the way we think and work in order to become a digital archive by instinct and design.**

**We are making Discovery the primary destination for anyone wanting to access archives in the UK, and we are providing platforms and tools which help other archives put more of their collections online**

Throughout the year, Discovery underwent technological advances in how records can be better accessed and presented to our audiences. For the first time, the catalogue provides a comprehensive search of all of the text within a record, a technique which is currently applied to the Cabinet Papers series. We have also developed a new API (application programming interface), making it much easier for people to access and interrogate our data. We conducted a three-month exploration phase into how people access and use Discovery, which has given us a clear direction for a set of incremental improvements. We have also worked to improve how other catalogues of archives across the country are made available through Discovery.

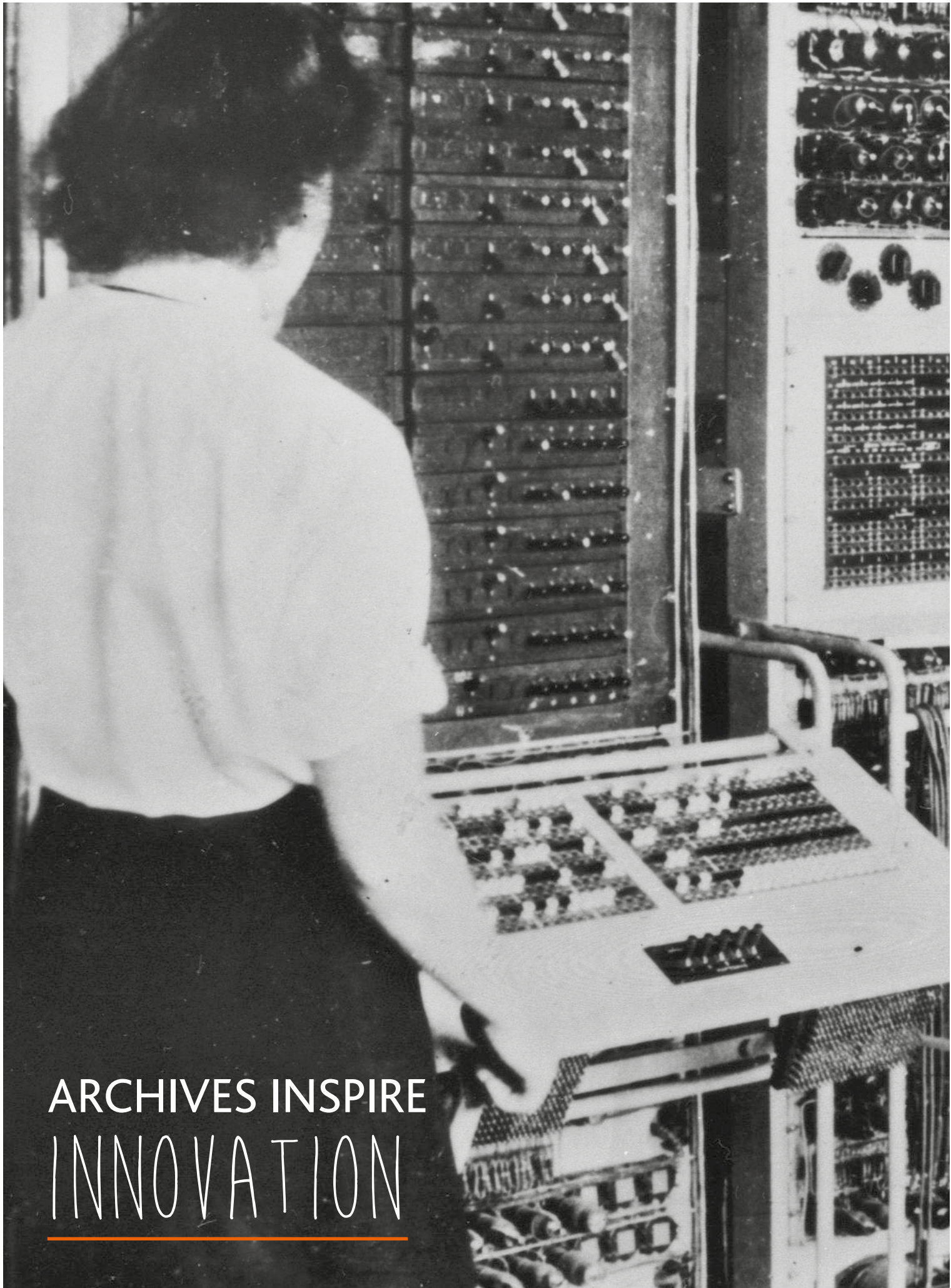
Over the last year, government departments and other institutions looked increasingly to us for leadership on solutions to digital archiving. We enhanced our capability as a digital archive by improving our Digital Records Infrastructure, which involved upgrading the core platform and developing

solutions for some of the complexities surrounding digital preservation, particularly in preserving and authenticating partial or incomplete data. We reinforced our commitment to PRONOM, our registry of file format signatures, with the release of more than 100 new signatures during the year. This vital resource, relied on by archives around the world, supports the management of digital preservation risks.

**We are building partnerships, including with commercial partners, which provide innovative online services to our users**

We continue to grow our working relationships with other archives and memory institutions to develop innovative online services. We actively participated in the work of the Digital Preservation Coalition, a collaborative body that aims to enhance capacity in digital preservation. In June, we sponsored the development of a new digital preservation handbook. We also celebrated success across the digital field through our sponsorship of the Digital Preservation Awards 2016. In September, with colleagues from the National Records of Scotland, we led discussions about the future of e-archiving at the meeting of European archivists at the Historical Building of the National Council of the Slovak Republic.





# ARCHIVES INSPIRE INNOVATION

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Colossus electronic digital computer, 1943  
Catalogue reference: FO 850/234

Last year, we joined an international research network that is exploring born-digital data for arts and humanities research. Working with leading academics, we are growing our digital knowledge and capacity for the preservation of born-digital data, while informing technical specialists of our expertise, which could be applied to their own specialisms. This work will be further explored throughout the year.

**We are leading a transformation in how digital records are managed at scale, from creation to presentation, to meet changing customer expectations in a digital world**

In March, we launched our new digital strategy<sup>3</sup> which sets out our ambitions to create the 'disruptive digital archive' and our plans to become a digital archive by instinct and design over three phases: reshape, grow and accelerate. Archives need to develop extraordinary capabilities to ensure digital records can be kept. The use of digital technologies has profoundly shaped what types of records are created, captured, shared and made available. We are currently a world leading first-generation digital archive – simulating in a digital way practices designed for managing physical records. One of the most important ideas in the digital strategy is around generations of digital archive, and outlines the need for us to become a second-generation digital archive, with archival practices designed for digital records, for the future.

We are exploring new, innovative approaches to provide vital government information management services. In collaboration with the Government Digital Service and departments across Whitehall, we tested several concepts for a government digital interface. The interface aims to develop a comprehensive and accessible process for the appraisal, selection, review and transfer of born-digital government information. Over the last year, we have made our digital transfer and preservation workflows more efficient, and we accessioned several major born-digital records series including those from the Supreme Court, the Coroner's Inquests into the London Bombings of 7 July 2005, the Leveson Inquiry, and the Royal Mint. We have also moved essential parts of our digital services to the cloud, allowing us to offer flexible and resilient hosting of our services for the long term.

Working with the University of Surrey's Centre for the Digital Economy, we won funding for an innovative collaborative project exploring the use of distributed ledger technology to authenticate digital records. A distributed ledger is a database which can securely record financial, physical or electronic assets for sharing through entirely transparent updates of information.

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<sup>3</sup> [nationalarchives.gov.uk/about/our-role/plans-policies-performance-and-projects/our-plans/digital-strategy/](http://nationalarchives.gov.uk/about/our-role/plans-policies-performance-and-projects/our-plans/digital-strategy/)

We continued to develop and improve our digital services with a focus on meeting our users' needs, and ensuring an accessible, responsive experience through our website. Via user research, we completely overhauled how people are able to contact The National Archives, identifying key transactions (such as requesting a search for British citizenship) and analysing what our users need. We rebuilt our web forms to simplify the user interface and to refine our essential behind-the-scenes processes. Through the use of analytics, we are able to constantly monitor and improve our digital offerings.

We have operated the UK Government Web Archive, growing this important collection of records of government on the web, and have worked to ensure that matters of significant national interest, such as information on the EU referendum, have been securely accessioned. We also procured a new web archiving service for the future, increasing our capability to archive government on the web, for example by doubling the number of website captures we can conduct in a year, as well as providing a better service for users and value for money.



# 1.2 Performance analysis

## Financial approach and results

### Preparation of the accounts

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

### Going concern basis

The National Archives is financed by amounts drawn from the UK Consolidated Fund, approved annually by Parliament to meet the Department's Net Cash Requirement for the year. As with other government departments, the ongoing financing of The National Archives' activities and related liabilities is met by future grants from the UK Consolidated Fund and the application of future income, both to be approved annually by Parliament. Such approval for amounts required for 2017-18 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 £33.5m. A copy of our final budgetary control limits is available online at: [www.gov.uk/government/publications/supplementary-estimates-2016-17](http://www.gov.uk/government/publications/supplementary-estimates-2016-17).

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

Management information is reported monthly to the Executive Team and at each Board meeting. 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 performance

Operating income was £10.8m in 2016-17 (2015-16: £10.4m). Income generated from grants, royalties and licensing of digital copies has contributed to the increase.

Operating expenditure was £19.5m (2015-16: £19.4m). Spend on contracted services, grants paid, film and internet archiving and website hosting have all increased since 2015-16. Staff costs were £24.4m compared to £24.8m. This is due in part to the decrease in full-time equivalent staff number from 600 to 568, the impact of which is reduced by increased social security costs from £1.5m to £1.9m.

The National Archives' net resource outturn was £33.2m compared to a budget allocation of £33.5m. The non ring-fenced element, which is the controllable element of our expenditure, was managed to less than 1% of our allocation.

The ring-fenced outturn was £5.6m compared to the budget allocation of £5.8m. Ring-fenced expenditure is mainly for depreciation and amortisation costs.

The total capital expenditure of £2.7m is marginally lower than our budgeted allocation, and £1.6m higher than our 2015-16 expenditure. This increase reflects the need to invest in enhancements to our digital capabilities, complete vital work on our buildings and replace key parts of our infrastructure and equipment.

The Annually Managed Expenditure (AME) surplus is £88k higher than our allocation due primarily to a release of an onerous lease provision for office space within a government building in Norwich. The office space was vacated in 2015-16 but has been re-occupied in the short term.

The net cash outturn for the year was in line with our net cash allocation of £30.4m.

### **Financial position**

Assets and liabilities are shown in the Statement of Financial Position on page 83. Assets less liabilities totalled £184m as at 31 March 2017 (2015-16: £169m).

The National Archives' held assets of £191m as at 31 March 2017 (2015-16: £177m), Property, plant and equipment represented 87% of the asset value (2015-16: 87%), which has risen this year largely due to the increase in construction tender prices.

Total liabilities were £7.0m as at 31 March 2017 (2015-16: £8.0m). Accruals and deferred income accounted for £4.4m, which is 63% of the value. Trade payables decreased from £0.9m to £0.4m.

### **Contingent liabilities**

The National Archives has no contingent or significant liabilities to report.

### **Statement of payment practice**

The National Archives operates in line with government's commitment to pay suppliers promptly. During 2016-17 we estimate that 98% were paid within agreed credit periods.

# Performance against our business priorities

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

<b>Our goal</b>	<b>How we were to achieve this</b>	<b>Status</b>
<b>Explore shared service innovations and good practice in information management, and pilot solutions for the transfer of digital records</b>	We will develop a repeatable and scalable process for the transfer and preservation of digital records with training and advice to government on the management of their information.	Achieved.
<b>Provide a government network for knowledge and information management leaders, to enhance capability</b>	We will share knowledge and expertise in information management through themed networking meetings and targeted training to support digital and information assurance capability.	Achieved.
<b>Hold government departments to account for their record handling, to keep the transition to the 20-year rule on track</b>	We will deliver clear leadership and guidance in reinforcing effective information management across government.	Achieved.

Our goal	How we were to achieve this	Status
<p><b>Enable greater government transparency, an increasingly open record and innovation in the use, re-use and sharing of data</b></p>	<p>We will work across government and with key stakeholders to deliver expert leadership on the re-use of public sector information and the legislative framework of public records, Crown rights and official publishing.</p>	<p>Achieved.</p>
	<p>We will work with other parts of government across the four UK jurisdictions to reinforce 'digital first' publishing for official materials.</p>	<p>Achieved.</p>
<p><b>Shape and deliver outstanding legislative platforms and services, which underpin the responsibilities of the UK Parliaments and Assemblies</b></p>	<p>We will collaborate with our legislative partners to develop tools for drafting, amending and publishing legislation, re-shaping our services and the contracts that underpin them.</p>	<p>Partially achieved. A beta version of a legislation drafting and amending tool was created in partnership with key stakeholders and legislation drafters in both the UK and Scottish Parliaments, and the tool will be further refined. Development for the cloud migration project was completed in February 2017, and final migration completed in May 2017.</p>

# Performance against our business priorities

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

Our goal	How we were to achieve this	Status
<b>Grow our audience by connecting with new users</b>	We will increase awareness of our rich collections and services, attracting and engaging with greater and more diverse audiences.	Achieved.
<b>Provide a joined-up on site and online experience and use technology to make our routine services more efficient</b>	We will enhance our customers' experience of using our digital resources at Kew.	Partially achieved. Wi-Fi services were enhanced. Further work to be undertaken to introduce key user services – for example, 'bring your own devices' capabilities.
<b>Develop new and exciting public programmes and services, which rival those of other pre-eminent institutions, and inspire curiosity about The National Archives and the hidden gems in our collection</b>	We will commemorate the centenary of the First World War through a range of public programmes, both online and at Kew.	Achieved.
	Through our 'Shakespeare 400' programme, we will use the 400th anniversary of Shakespeare's death to engage new audiences and enhance our reputation within the wider cultural and heritage sector.	Achieved.

Our goal	How we were to achieve this	Status
<p><b>Re-imagine and reconfigure our Kew site to be a vibrant and welcoming learning environment</b></p>	<p>Make changes to our building and grounds to inspire our visitors to use and experience our collection in new and exciting ways.</p>	<p>Achieved.</p>

# Performance against our business priorities

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

Our goal	How we were to achieve this	Status
<p><b>Influence the future through a new strategic approach, which actively promotes the archival health of the nation</b></p>	<p>We will agree the strategic objectives for our leadership of the sector in the period to 2020 and develop with the sector an action plan to implement them.</p>	<p>Achieved. <i>Archives Unlocked</i>, the new strategic vision and action plan for archives in England was launched by our Minister, and published on our website<sup>4</sup> (and in print) on 29 March 2017. The written ministerial statement was placed on Hansard and the launch event trended on Twitter. All of this was achieved by extensive co-creation with the archives sector and key stakeholders.</p>
<p><b>Be a strong advocate for the sector to raise awareness of the importance and potential of archives</b></p>	<p>We will use a wide range of events, publications, partnerships and other engagement opportunities to demonstrate the value, needs and impact of archives.</p>	<p>Achieved.</p>

<sup>4</sup> [nationalarchives.gov.uk/archives-sector/projects-and-programmes/strategic-vision-for-archives/](http://nationalarchives.gov.uk/archives-sector/projects-and-programmes/strategic-vision-for-archives/)



Our goal	How we were to achieve this	Status
<b>Engage and collaborate with other archives to sustain vibrant collections and services</b>	We will support archives of all kinds to maintain and develop the capacity, skills and services needed to preserve our archival heritage and meet the diverse needs of archive users.	Achieved. We have accredited 72 archival services in total, including 43 places of deposit, spread across a range of archive services.
<b>Develop the funding and investment capacity and opportunities of the sector to increase its financial sustainability</b>	We will provide guidance, training and advice to help and encourage archive services to diversify and grow their funding streams.	Achieved.
<b>Encourage creativity, good practice and the sharing of knowledge through programmes, surveys, tools and guidance</b>	We will develop and deliver programmes, surveys, tools and guidance to support best practice, joint working and shared services in the archives sector.	Partially achieved. Research to develop shared services for the archives sector has been completed. Further work to be undertaken based on evidence gathered in consultation with the archives sector, key stakeholders, and via user testing.

# Performance against our business priorities

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

<b>Our goal</b>	<b>How we were to achieve this</b>	<b>Status</b>
<b>Expand our national and international reputation for pioneering research and collections management in line with our status as an Independent Research Organisation</b>	We will develop a new collections, collections development, and cataloguing strategy for the records we hold.	Achieved.
<b>Enhance our current research reputation to develop funding success</b>	We will refresh our research and grants approval process to focus on delivery of high-quality successful projects and grants applications that meet our business objectives.	Partially achieved. We appointed a new Head of Research and a Grants Manager to take forward the already revised grants process. Direct grant funding won increased from £200k in 2015-16, to £983k in 2016-17.
<b>Shape a programme of world class digital research</b>	We will identify and prioritise the key digital research challenges facing The National Archives and the wider archives sector.	Achieved.

Our goal	How we were to achieve this	Status
<p><b>Establish a renowned research centre to coordinate and galvanise our long-term research programme</b></p>	<p>We will shape new strategies to build and demonstrate our research capacity, capability and impact, and for the wider archives sector. We will also explore different approaches to fostering an enhanced research culture within The National Archives.</p>	<p>Achieved.</p>
<p><b>Respond to the changing needs of the academic and research sector</b></p>	<p>We will improve coordination of our academic engagement, reaching out to national and international research sectors in higher education and government at a new strategic level, and prioritising responses to needs identified by our research scoping study.</p>	<p>Achieved. We launched our new academic and research roadmap, which sets out how we intend to reinvigorate our connections with individual academics, research bodies, funding councils and universities, for the benefit of our varied and shared research goals over the next few years.</p>

# Performance against our business priorities

## We will become a digital archive by design

Our goal	How we were to achieve this	Status
<b>Lead a transformation in how digital records are managed at scale, from creation to presentation</b>	Scaling up for digital records by taking forward the next phase of development of our digital records infrastructure (DRI).	Achieved.
<b>Build partnerships, including with commercial partners, which provide innovative online services to our users</b>	Address the challenge of digital archiving by forging new collaborations and partnerships, in government, with other archives and with other organisations.	Achieved.
<b>Make Discovery the primary destination for anyone wanting to access archives in the UK, and provide platforms and tools which help other archives put more of their collections online</b>	Enable data contributors in UK archive repositories to upload and maintain their own catalogue data directly to Discovery.	Partially achieved. Successfully piloted the migration of third-party digital documents to the new cloud service provider. Work continues to enable the delivery of access to other online archive collections.

Our goal	How we were to achieve this	Status
<p><b>Meet changing customer expectations in a digital world</b></p>	<p>Transform our digital and IT offer by building the skills, structures and governance we need to meet our digital and technology challenges.</p>	<p>Partially achieved. We delivered Agile coaching and training for our digital experts, and agreed an IT strategy to build on and develop our ICT infrastructures. In March, we launched our new digital strategy, which sets out our approaches to becoming a digital archive by instinct and design over three phases: reshape, grow and accelerate.</p>

# Performance against our input indicators

Input indicator	2016-17 Outcome	2015-16 Outcome
Original records delivered to on site users <sup>5</sup>	589,586	615,001
Electronic records delivered to online users <sup>6</sup>	229,927,678	190,805,999
<b>Staff diversity</b>		
Women	49.88%	53.43%
Top management women <sup>7</sup>	49.23%	48.37%
Black and minority ethnic <sup>8</sup>	19.72%	20.13%
Disabled	10.36%	10.42%
<b>Staff engagement (as reported by the Civil Service People Survey)</b>	68%	70%
<b>Time taken to deliver original records to on site users</b>	98% of documents delivered to users within one hour	98% of documents delivered to users within one hour
<b>Time taken to respond to Freedom of Information, Data Protection and Environmental Information Regulation Requests<sup>9</sup></b>	93.2% of enquiries responded to within statutory deadlines	95.1% of enquiries responded to within statutory deadlines
<b>Total departmental spend<sup>10</sup></b>	£30.3 million	£29.2 million
<b>Staff sickness absence<sup>11</sup></b>	4.5 days per member of staff (average)	4.3 days per member of staff (average)
<b>Outstanding effects on legislation.gov.uk<sup>12</sup></b>	53,000 amendments applied to primary legislation on legislation.gov.uk	65,906 unapplied amendments remaining to bring legislation.gov.uk up to date
<b>Number of physical records accessioned<sup>13</sup></b>	72,956 pieces 1,494 metres	41,784 pieces 899 metres

<sup>5</sup> Figures for the number of original records delivered to on site users – 2014-15: 647,140; 2013-14: 674,231

<sup>6</sup> These numbers include downloads from our licensed internet associates. Figures for the number of electronic records delivered to online users – 2014-15: 198,704,334; 2013-14: 204,122,320

<sup>7</sup> This represents the percentage of women at Band G (Civil Service Grade 7) and above

<sup>8</sup> This represents the percentage of people that declared their ethnicity, and not the total number of staff. The number of employees declaring ethnicity during the year ranged from 376 to 404

<sup>9</sup> 2016 saw fluctuations in staff numbers within The National Archives' Freedom of Information Centre (FOI); at the same time, we continued to receive similarly high volumes of FOI requests. We remain in the top ten public authorities who provide figures for FOI statistics collated by the Cabinet Office, including Departments of State, receiving just under 3,000 enquiries in 2016 – Freedom of Information Statistics: Implementation in Central Government: [www.gov.uk/government/statistics/freedom-of-information-statistics-annual-2016](http://www.gov.uk/government/statistics/freedom-of-information-statistics-annual-2016)

<sup>10</sup> Total departmental spending is the sum of the resource outturn and the capital outturn less depreciation

<sup>11</sup> Figures for staff sickness absence per member of staff – 2014-15: 5.1 days; 2013-14: 4.7 days

<sup>12</sup> For this year, we have changed the way we report amendments to better reflect how legislation is constantly being brought up to date. During 2016-17, 87% of Acts on legislation.gov.uk have been brought fully up to date: 53,000 amendments were applied to primary legislation and 42,000 new amendments were recorded on legislation.gov.uk, with a particular focus on completing the 100 most used Acts on the service

<sup>13</sup> The significant increase in physical accessions is the result of improvements to working practices and processes during 2016-17. This includes providing targeted support to government departments (and their third party suppliers) to agree and deliver against challenging but achievable transfer plans; ensuring quality assurance in the transfer process (thereby reducing the need for intensive quality control at the point of transfer); and increasing The National Archives' capacity within existing resources to complete internal processing of the records transferred to us

# Performance against our impact indicators

Impact indicator	2016-17 Outcome	2015-16 Outcome
<b>Web continuity</b>	14.8 million visits to the UK Government Web Archive <sup>14</sup>  7.2 million visitors to the UK Government Web Archive <sup>15</sup>	17.2 million visits to UK Government Web Archive  8.9 million visitors to UK Government Web Archive
<b>Sustainable development<sup>16</sup></b>	Carbon emissions from business operations (including travel) reduced by 8% compared with 2015-16 (a 58% reduction compared with the 2009-10 baseline)  Operational ('business as usual') waste reduced by 4% compared with 2015-16 (a 41% reduction compared with the 2010-11 baseline)  In 2016-17 40% of our total waste was re-used or recycled  Water consumption increased by 41% compared with 2015-16 (a 21% reduction compared with the 2009-10 baseline)	Carbon emissions from business operations (including travel) reduced by 15.3% compared with 2014-15 (a 55% reduction compared with 2009-10)  Operational ('business as usual') waste reduced by 20.3% compared with 2014-15 (a 38% reduction compared with 2010-11)  In 2015-16, 46.7% of our total waste was re-used or recycled  Water consumption reduced by 11.7% compared with 2014-15 (a 36% reduction compared with 2009-10)
<b>Customer satisfaction</b> On site users Online users legislation.gov.uk users	91% 62% 77%	93% 60% 76%
<b>Records and information management services used across government<sup>17</sup></b>	5 Information Management Assessments completed 5 Information Management Assessments reports published 5 action plans published 2 annual review reports published 8 formal review meetings undertaken	5 Information Management Assessments completed 3 Information Management Assessments reports published 1 action plan published 4 annual review reports published 8 formal review meetings undertaken

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

<sup>14</sup> The decline in use of the UK Government Web Archive is due to several factors. The discontinuation of 'web continuity redirection' by the Government Digital Service, which redirected visitors automatically to the web archive when a document was no longer on a live government website, has had a significant impact. In addition, more relevant content has been made available on GOV.UK, which combined with aggressive search engine optimisation, has also helped to reduce traffic. The service remains well used and we anticipate usage stabilising

<sup>15</sup> Refer to the footnote above

<sup>16</sup> We review and seek to improve our sustainable development data and reporting processes each year. Refer to Annex A: Sustainability accounting and reporting on page 105 for a comprehensive overview of our progress

<sup>17</sup> In April 2017, The National Archives launched a new online IMA self-assessment tool: [nationalarchives.gov.uk/information-management/manage-information/ima/information-management-self-assessment-tool/](http://nationalarchives.gov.uk/information-management/manage-information/ima/information-management-self-assessment-tool/)

# Environment and sustainability

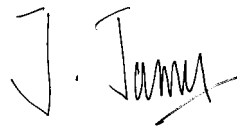
During 2016-17, we have continued to reduce our environmental impact, building on the progress we have made since 2010. We achieved a 58% reduction in carbon emissions compared with the baseline year of 2009-10, and against the government target of a 32% reduction. In real terms, we have more than halved the energy use of the organisation, while continuing to conserve and maintain the storage of our collection in the required environmental conditions.

We have worked to meet and exceed our obligations under the 'Greening Government Commitments'<sup>18</sup>, delivering continued reductions in total waste. Despite an increase in water consumption compared with 2015-16, our overall water consumption is still 21% less than the 2009-10 baseline year. For further information please see Annex A on page 105.

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) in accordance with our biodiversity plan, as a local amenity that is open to the public from dawn till dusk 364 days a year
- Maintaining site drainage systems to meet our obligations to the flood defence of the local area

- Working closely with Taylor Wimpey, the developer of the adjacent former HM Revenue and Customs site, to reduce the impact of their construction works on our operations and on local residents and neighbours
- Communicating regularly with our neighbours regarding planned maintenance works
- Hosting the regular Police Liaison Group meetings with the Metropolitan Police Service Safer Neighbourhood Team, local neighbourhood watch representatives and residents of the Kew ward
- Hosting regular meetings, talks and presentations by the Kew Society, including annual general meetings and providing space for other local resident groups



**Jeff James**  
**Chief Executive and Keeper**  
**10 July 2017**

<sup>18</sup> <https://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020>



## 2. Accountability report

### 2.1 Corporate governance report

#### Statement from Lesley Cowley OBE, Lead Non-executive Board Member



The National Archives' Board is responsible for ensuring the leadership of the organisation is provided with both guidance and challenge in setting strategic direction, achieving business plans, delivering business responsibilities, managing risk and achieving performance targets.

The Board is made up of the Chief Executive, six Executive Directors, three Non-executive Board Members, the Head of Strategy and Chief Executive's Office, and myself as Lead Non-executive Board Member. The Non-executive Board Members bring an independent perspective to their role, as well as wide and varied experience from their extensive careers.

The Board met nine times during the financial year and has a scheduled forward work programme, in order to ensure that we allocate sufficient time to consideration of key areas and issues. All Board Members have been provided with induction and information, in order to ensure that we are properly briefed on issues arising at Board, and I typically chair the Board meetings. We also have full and timely access to relevant information.

A highlight of the Board year was the successful launch of *Archives Unlocked*, the new strategic vision for archives. The vision reinforces the significance of the archives sector to society, and also includes how digital technologies have fundamentally changed the ways people use and experience archives worldwide.

The Board was therefore pleased to be able to develop and agree a new digital strategy for The National Archives itself, which recognises how much more thinking and planning is needed to embrace the many digital challenges and opportunities ahead for us.

During the year, the Board carried out a full self-assessment exercise, in order to identify areas where we can improve the way that the Board operates and carries out its role. Non-executive Board Members are also subject to an annual appraisal.

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

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

**Lesley Cowley OBE**  
**Lead Non-executive Board Member**  
**The National Archives' Board**  
**10 July 2017**

# Directors' report

## About The National Archives

The National Archives' remit is summarised on pages 8 to 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.

Directorate	Role
<b>Information Policy and Services directorate</b>	<p>Provides professional leadership across government in information management and policy</p> <p>Guides government and public bodies on selecting records for preservation and transfer to The National Archives</p> <p>Advises government, public bodies and local archives on information and archive policy</p> <p>Promotes access to, and re-use of public information through the UK Government Licensing Framework, legislation.gov.uk and supports the delivery of government's Transparency commitments through the use of open standards and linked data</p>
<b>Public Engagement directorate</b>	<p>Delivers and develops services for all our visitors, ensuring that our on site, online and remote services work together effectively, following best practice and complying with relevant standards</p> <p>Provides online and on site educational services to teachers and students and develops new audiences, particularly with those at risk of exclusion</p> <p>Provides expert advice, document production and other services using different channels: online, letters, emails and telephone; and face-to-face on site at Kew</p> <p>Raises awareness of the records we hold and the services we provide, using a combination of traditional and new media; and protects our reputation and brand</p>
<b>Operations directorate<sup>19</sup></b>	<p>Maintains and develops our ICT infrastructure for the safe storage and delivery of information; provides expertise on ICT and information assurance matters across the organisation</p> <p>Runs key projects to enhance our technological capability to manage and deliver government information more effectively</p>

<sup>19</sup> This directorate was previously called Chief Operating Officer's directorate until 31 March 2016

Directorate	Role
<b>Operations director</b> (cont.)	<p>Ensures that our resources are allocated and used efficiently and effectively, that our corporate systems comply with best practice and meet the needs of the business; and that our statutory and legal responsibilities are discharged</p> <p>Manages and maintains our estate, providing a safe, secure and suitable environment for staff and visitors</p> <p>Develops The National Archives' human resources policy, administration and advice for all those working at Kew, all aspects of recruitment and selection; pay, learning and development; employee relations, staff engagement and wellbeing that lives up to our organisational values</p>
<b>Research and Collections director</b>	<p>Delivers The National Archives' leadership responsibilities for the wider archives sector in England</p> <p>Leads on strategic research for the organisation and supports key academic relationships</p> <p>Preserves, conserves, researches and provides access to our collection</p>
<b>Digital directorate</b>	<p>Manages a fully-functioning digital archive and ensures continued access to digital information for future generations</p> <p>Ensures the capture and preservation of government websites, data and online digital documents and continued open access to them</p> <p>Develops tools, techniques and technology to ensure the long-term survival of digital records, making it easier for audiences to access our collections, and those held by other archives</p> <p>Develops new digital approaches to identify digital public records in a changing and dynamic technological environment, measuring and mitigating risks</p> <p>Collaborates with other archives and institutions nationally and internationally to develop digital archival practice and standards</p>
<b>Finance and Commercial director</b> <sup>20</sup>	<p>Generates income for The National Archives through its commercial services and develops new business opportunities</p> <p>Digitises our records, often working with external partners, to improve availability and access</p> <p>Ensures value for money in all our contractual arrangements, and promotes compliance with procurement policies and regulations</p> <p>Ensures that our corporate systems comply with best practice and meet the needs of the business</p> <p>Ensures that our statutory and legal responsibilities are discharged</p>

<sup>20</sup> Created with the appointment of the Finance and Commercial Director on 21 November 2016

## The National Archives' Board <sup>21</sup>



**Jeff James**  
Chief Executive  
and Keeper



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



**Carol Tullo**  
Director,  
Information Policy  
and Services<sup>22</sup>



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



**John Sheridan**  
Digital Director



**Paul Davies**  
Operations  
Director<sup>23</sup>



**Neil Curtis**  
Finance and  
Commercial  
Director<sup>24</sup>



**Lesley Cowley**  
**OBE**  
Lead Non-  
executive Board  
Member



**Dr Claire Feehily**  
Non-executive  
Board Member



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



**Peter Phippen**  
Non-executive  
Board Member

<sup>21</sup> Maurice Goddard was the Independent Member of the Audit and Risk Committee until 18 November 2016

<sup>22</sup> Until 30 June 2017

<sup>23</sup> Appointed 1 June 2016

<sup>24</sup> Appointed 21 November 2016

### **Company directorships and other significant interests held by Board Members**

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

### **Audit**

The financial statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General. The audit fee was £48,000 (see note 4 to the accounts). The National Audit Office did not provide any non-audit services during the year.

As far as the Accounting Officer is aware, there is no relevant audit information of which the National Audit Office is unaware. The Accounting Officer has taken all steps necessary to keep himself informed of any relevant audit information and to establish that the entity's auditors are notified of that information.

### **Public sector information**

The National Archives has complied with the cost allocation and charging requirements set out by HM Treasury. The National Archives is one of the public sector bodies now brought fully within the scope of the Re-use of Public Sector Information Regulations 2015 and has taken steps to ensure that it complies with those Regulations, including publishing a statement of its public task.<sup>25</sup>

### **Reporting of personal data-related incidents**

Details of our reporting of personal data-related incidents are shown in the Governance statement on page 60.

### **Published sickness data**

Staff sickness is 4.5 (2015-16: 4.3) days per member of staff (average).

### **Risks and uncertainties**

Details of our risks and uncertainties are provided in the Governance statement on pages 55 to 59.

### **Pension liabilities**

Present and past employees are covered by the provisions of the civil service pension arrangements. These arrangements are explained in more detail in the Remuneration and staff report on page 61 and note 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 72.

### **Review of activities**

A review of our activities during 2016-17 can be found on pages 10-29 of this report.

### **The National Archives' governance**

Details of The National Archives' governance can be found in the Governance statement on page 51.

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<sup>25</sup> [nationalarchives.gov.uk/documents/statement-of-public-task.pdf](http://nationalarchives.gov.uk/documents/statement-of-public-task.pdf)



# Statement of Accounting Officer's responsibilities

**Under the Government Resources and Accounts Act 2000, the HM Treasury has directed The National Archives to prepare, for each financial year, resource 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, application of resources, changes in taxpayers' equity and cash flows for the financial year.

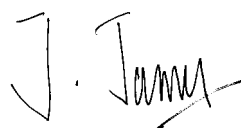
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the *Government Financial Reporting Manual* and in particular to:

- observe the Accounts Direction issued by the 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
- ensure that he is not aware of any relevant audit information of which the entity's auditors are unaware, and he has taken all steps that ought to have been taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information

- confirm that the annual report and accounts as a whole is fair, balanced and understandable, and he takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable
- prepare the accounts on the going concern basis.

The HM Treasury has appointed Jeff James, Chief Executive and Keeper, as Accounting Officer of The National Archives.

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 National Archives' assets, are set out in *Managing Public Money* published by the HM Treasury.



**Jeff James**  
**Accounting Officer**  
**10 July 2017**

# Governance statement

The National Archives' Board is the main governance body of The National Archives. It consists of the Chief Executive, the six Executive Directors<sup>26</sup>, a Lead Non-executive Board Member, three Non-executive Board Members and the Head of Strategy and Chief Executive's Office. Formal Board meetings take place nine times a year; in addition, the Board typically has one to two strategy away days.

## **The National Archives' Board is responsible for ensuring that the leadership of The National Archives:**

- sets the strategic direction and makes strategic choices
- provides leadership in the delivery of statutory, corporate and business responsibilities
- makes key investment, procurement and project decisions that withstand scrutiny
- identifies and manages risks effectively
- encourages improvements in performance across the organisation
- takes corporate responsibility for its decisions and their implementation.

## **The role of Board Members is to:**

- provide effective challenge through open debate on Board matters
- ensure the right information and evidence is available to make decisions, measure performance and provide assurance
- uphold the values of the organisation as well as those expressed in the Seven Principles of Public Life.

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

The Executive Team is the executive decision-making body of the organisation. It consists of the Chief Executive and Keeper and Executive Directors. The Head of Strategy and Chief Executive's Office and/or the Head of the Private Office also attend Executive Team meetings which are normally held weekly.

## **The role of the Executive Team is to:**

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

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

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<sup>26</sup> The number of Executive Directors on the Board varied between four and six during the year

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 Executive Team's attention. In addition, Directors attend 'question and answer' sessions. These events can be chaired by a Non-executive Board Member and are usually held quarterly. All members of staff are invited to attend and may ask any question about the running of the organisation or current concerns. Any questions may be submitted anonymously in order to encourage openness.

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

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

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

- reviewing the effectiveness of the assurance framework in meeting the Board/Accounting Officer's assurance needs

- reviewing the reliability and integrity of these assurances
- providing an opinion on how well the Board and the Accounting Officer are supported in decision-taking, and in discharging their accountability obligations (particularly in respect of Financial Reporting).

The Audit and Risk Committee undertakes an annual review of its effectiveness using a self-assessment checklist. This year a revised self-assessment checklist was agreed; its layout provided contributors more opportunity for qualitative assessment. All members and regular attendees were invited to complete the self-assessment checklist. The Committee considered that it met the relevant mandatory requirements, had been well focused and organised and that it has taken positive steps to streamline some of the work and align it more closely with the key risks of the organisation. The Committee did, however, recognise further progress could be made in streamlining the regular business of the Committee and developing its methods of ensuring the agenda addressed the real risks of the organisation.

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

### **The Board's performance**

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

## Highlights of Board and Committee reports

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

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

The Board is content that the data with which it is provided is adequate, timely and comprehensive and there are robust arrangements for reviewing and checking data.

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

- Recommendations from internal audits and progress on implementation of recommendations: this year the Committee received assurance that management was taking appropriate action to fully implement internal audit recommendations or provided business justification if implementation deadlines (which are set by the owner as part of their management response to each recommendation) were not met
- Fraud risk assessment: this gave the Committee further assurance that The National Archives has a good culture of fraud awareness and mitigation and highlighted any new areas for potential fraud
- Security (physical, information assurance and data handling): the Committee noted that there were no significant breaches of security. It was also given assurance that The National Archives' performance detailed in the Cabinet Office Security Policy Framework was subject to Internal Audit scrutiny

- Business Continuity Management (BCM): this gave the Committee assurance that regular testing of systems and procedures are carried out in accordance with a Test and Exercise Plan. BCM preparedness remains high with confident and well-practised management teams
- Health and safety: this gave the Committee assurance that The National Archives remains a safe working environment for staff, visitors and contractors, and complies with legal requirements
- Environment and sustainability: this gave the Committee assurance that The National Archives was on track to meet all Greening Government commitments
- Employee Related Risks: this gave the Committee understanding of the current Human Resource risks and provided assurance that avenues for confidential reporting within The National Archives were understood and had been tested
- Government Remote Services: this gave the Committee assurance that work undertaken by the Government and Remote Services team to protect records despatched to Government Departments is satisfactorily achieved.

In addition, the Committee received regular updates and progress reports on other issues of particular interest. This year these included approval of a revised risk management policy, which was expanded to include a section on risk appetite and tolerance and more detailed explanation of roles and responsibilities of the Executive Team, the Audit and Risk Committee, and the Board in relation to risk.

## 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 periodically reviews the Board's effectiveness and corporate governance to ensure that it aligns with good practice elsewhere across government – taking into account its unique role and responsibilities, and the statutory and non-statutory roles fulfilled by its senior officials. The new structure strengthens the ability of Non-executive Board Members to challenge the Chief Executive and Keeper and Executive Team, to clearly position it as an advisory body, and to shape the Board agenda.

Formal Board meetings take place nine times a year. In addition, the Board typically has one to two strategy away days. The Chief Executive and Keeper, Executive Directors, and Non-executive Board Members attended the following numbers of formal Board meetings (for which they were eligible to attend) during the year:

### Attendance of Board meetings for the Chief Executive, Executive Directors and Non-executive Board Members

Name	Role	Board	Audit and Risk Committee
Jeff James	Chief Executive and Keeper	8 of 9	3 of 4
Neil Curtis	Finance and Commercial Director <sup>27</sup>	4 of 4	2 of 2
Paul Davies	Operations Director <sup>28</sup>	8 of 9	3 of 4
Dr Valerie Johnson	Director of Research and Collections	8 of 9	N/A
Caroline Ottaway-Searle	Director of Public Engagement	8 of 9	N/A
Carol Tullo	Director of Information Policy and Services	6 of 9	N/A
John Sheridan	Digital Director	9 of 9	N/A
Lesley Cowley OBE	Lead Non-executive Board Member	8 of 9	4 of 4
Dr Claire Feehily	Non-executive Board Member	8 of 9	4 of 4
Brian Gambles MBE	Non-executive Board Member	9 of 9	4 of 4
Maurice Goddard	Independent Member of the Audit and Risk Committee <sup>29</sup>	N/A	2 of 2
Peter Phippen	Non-executive Board Member	9 of 9	4 of 4

The Audit and Risk Committee met four times during 2016-17. Representatives from our internal and external auditors attend all Committee meetings.

<sup>27</sup> Appointed 21 November 2016

<sup>28</sup> Appointed 1 June 2016

<sup>29</sup> Until 18 November 2016



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

The National Archives' internal audit services are provided by RSM Risk Assurance Services LLP. 2016-17 was the third of a four-year programme of audit work for which they are contracted.

### **Managing our risks**

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

In 2016-17, 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.

Following a review of our risk categories by the Senior Leadership Team, the Executive Team were satisfied with the current risk categories and they will present review findings to the Audit and Risk Committee later next year.

The degree of risk is measured by considering likelihood and impact. To describe our appetite for each category of risk, the Executive Team sets maximum 'residual risk' scores and the Board expects that risks at all levels in the organisation will be managed within these scores. Where a risk exceeds its residual risk score, remedial action is taken where possible to reduce either likelihood or impact, where it is cost-effective to do so. The Executive Team has identified a set of strategic risks, linked to our strategic and business priorities and informed by internal developments, external influences and longer-term commitments. These risks, if not properly managed, would compromise our ability to provide our statutory services or diminish these services to a degree unacceptable to our users. Typically, each strategic risk is owned by a member of the Executive Team and they are regularly reviewed by the Executive Team, The National Archives' Board, and the Audit and Risk Committee.

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

### **Failure to meet the challenges of digital:**

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

Overview of controls in place during the year:

- streamlining the transfer processes for digital records
- implementing the 'reshape' phase of The National Archives' digital strategy
- recruiting to the required digital posts over the next three years, including digital apprenticeships

- increasing coordination of our digital archive and our offer to government
- continuing development of our Digital Records Infrastructure
- developing our collaboration with national and international archives to address key digital challenges
- working with other memory institutions such as the Digital Preservation Collaboration.

#### **Economy and funding:**

There is a risk that The National Archives' commercial income and/or funding fails to deliver the anticipated levels of external income.

Overview of controls in place during the year:

- drafting the commercial strategy
- completing a fundraising feasibility study and ongoing development of a fundraising arm
- increasing focus on international commercial agreements
- engaging commercial partner relationships
- tendering new commercial opportunities competitively with a robust approach
- active management of in-house productivity.

#### **The impact of valuing our iconic collection:**

There is a risk our iconic collection is not accessible to the public due to their irreplaceable nature and value.

Overview of controls in place during the year:

- working with relevant partners in government to identify the implications of making the national treasures of our collection accessible to the public

- ensuring the relevant assurances are in place and documented when loaning and/or exhibiting our iconic documents
- auditing The National Archives' loans procedures internally in 2016-17.

Other strategic risks considered and mitigated include:

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

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

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

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

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

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

- **Implementation of resource realignment project:** there is a risk that the 'Developing our Future Workforce Programme' will fail to deliver the goals identified by the project to get the right people with the right skills, in the right areas, in an appropriate timescale.

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

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

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

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

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

- information management
- information security and data protection
- leavers policy
- fraud policy
- anti-bribery policy
- conflict of interest policy
- complaints policy
- asset disposal
- routes for confidential reporting ('whistle blowing').

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

The National Archives' is satisfied that we manage and mitigate risks, and where necessary, that we take action to contain the impact of risk. We are confident that our risk management approach has been comprehensive, allowing the Executive Team to identify early, and respond to, any possible threats to the achievement of our objectives.

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

#### **Other assurance sources**

The National Archives' obtains additional assurance from internal reporting, external validation and independently assessed awards and successful grant funding applications. Highlights during 2016-17 included:

- For the 12 months ended 31 March 2017, the Head of Internal Audit Opinion concluded that 'the organisation has an adequate and effective framework for governance, risk and internal control'. The Board is committed to seeking out areas where improvements to the overall control framework can be made.

- In February, The National Archives' Director of Information Policy and Services won the Whitehall and Industry Group's (WIG) inaugural Leadership Impact Award. This new award recognises the work that WIG alumni do in the field of leadership and cross-sector learning and celebrates the impact leadership development has on organisations and personal growth. WIG is a charity that aims to improve mutual understanding and constructive collaboration between government, industry and the not-for-profit sector. Members are from top FTSE companies and Whitehall departments, charities, universities, local authorities and government agencies.
  - Together with the Scottish Council on Archives, we won the NCDD (Dutch Coalition for Digital Preservation) Award for Teaching and Communications, for the joint training programme 'Transforming Archives/Opening Up Scotland's Archives'.
  - We were delighted to receive support from the Heritage Lottery Fund (HLF) to enable us to make a first step towards expanding digital expertise across the archives sector. Awarded as part of the HLF's 'Skills for the Future' programme, this initial, Development Funding will help create a training plan in digital archival skills, and a recruitment strategy designed to attract a broad range of candidates.
  - Our 1915 Crew List online transcription project was recognised in the Museum Volunteer Awards, receiving a Highly Commended Award in the Bringing Innovation category. Volunteers transcribed 39,000 voyages, including the names and personal details of 750,000 seamen, using electronic copies of the documents. The four-year project was started by The National Maritime Museum and The National Archives in 2012, for the First World War centenary. It attracted the help of over 400 online volunteers from as far afield as Japan, Mexico, New Zealand and Canada.
  - We were delighted to be nominated and shortlisted for a Maritime Media Awards 2016 for the 1915 Crew List Index project, completed in collaboration with the National Maritime Museum (NMM).
  - Staff engagement: staff were invited to participate in the Civil Service People Survey, which 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 68%. We are pleased that, with this score, we continue to be a Civil Service High Performer.
- Environmental improvements: monitoring provides us 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 we 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, provided independent assurance that we continue to provide high quality services to our customers. We are pleased to note that, during this year's assessment, we were also awarded one additional area of 'Compliance Plus' recognising our strengths in developing customer insight. 'Compliance Plus' is defined as 'behaviours or practices that exceed the requirements of the standard, and are viewed as exceptional or as an exemplar for others – either within the organisation or in the wider customer service arena.' Independently assessed through the Customer Service Excellence accreditation, this brings our total number of 'Compliance Plus' elements to 13.

### **Information risk**

The National Archives continues 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 2016-17.



## Reporting of personal data-related incidents

**Table 1: Summary of protected personal data-related incidents formally reported to the Information Commissioner's Office in 2016-17**

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 2016-17**

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

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

## 2.2 Remuneration and staff report

### Senior civil service grades

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries.

In reaching its recommendations, the Review Body has regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities
- regional/local variations in labour markets and their effects on the recruitment and retention of staff
- government policies for improving public services, including the requirement on departments to meet the output targets for the delivery of departmental services
- the funds available to departments as set out in the government's departmental expenditure limits
- government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found on the Office of Manpower Economics web pages on GOV.UK.<sup>30</sup>

### Service contracts

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

Unless otherwise stated below, the officials covered by this report hold appointments that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

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

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

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

Maurice Goddard was an Independent member of the Audit and Risk committee from 1 January 2016 to 18 November 2016.

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](http://www.civilservicecommission.org).

### Salary, bonus and pension entitlements

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

The Nominations and Governance Committee is chaired by the Lead Non-executive Board Member and membership consists of all Non-executive Board Members. The policy on remuneration of senior civil servants, and

<sup>30</sup> [www.gov.uk/government/organisations/office-of-manpower-economics](http://www.gov.uk/government/organisations/office-of-manpower-economics)

the deliberations of the Nominations and Governance Committee adhere to Cabinet Office policy, which follows the guidance and recommendations of the Review Body on Senior Salaries. Senior staff have written objectives agreed with the Chief Executive and Keeper. Performance against these objectives, and against The National Archives' values, forms the basis of their formal appraisal and subsequent pay and bonus recommendations. This information is used by the Nominations and Governance Committee to determine pay awards according to the Review Body on Senior Salaries' annual recommendations.

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

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue 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 2016-17 relate to performance in 2015-16 and the comparative bonuses reported for 2015-16 relate to performance in 2014-15. In addition, an in-year bonus was awarded for performance in the current year.

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

Name	Salary		Bonus		Benefits in kind		Pension benefits		Total	
	2016-17 £000 in bands of £5,000	2015-16 £000 in bands of £5,000	2016-17 £000 in bands of £5,000	2015-16 £000 in bands of £5,000	2016-17 £ (to nearest £100)	2015-16 £ (to nearest £100)	2016-17 £000 (to nearest £1,000)	2015-16 £000 (to nearest £1,000)	2016-17 £000 in bands of £5,000	2015-16 £000 in bands of £5,000
<b>Jeff James</b> Chief Executive and Keeper	115-120	115-120	5-10	-	-	-	47	46	175-180	160-165
<b>Clem Brohier</b> Chief Operating Officer (to 31 March 2016)	N/A	105-110	N/A	5-10	-	-	N/A	32	N/A	145-150
<b>Neil Curtis</b> Finance and Commercial Director (from 21 November 2016)	30-35 (full-year, full-time equivalent 95-100)	N/A	-	N/A	-	N/A	13	N/A	45-50	N/A
<b>Paul Davies</b> Operations Director (from 1 June 2016) Disclosure relates to current role	70-75 (full-year, full-time equivalent 85-90)	N/A	-	N/A	-	N/A	19	N/A	90-95	N/A
<b>Mary Gledhill</b> Commercial and Digital Director (to 30 October 2015)	N/A	50-55 (full-year, full-time equivalent 85-90)	N/A	5-10	N/A	-	N/A	22	N/A	80-85
<b>Dr Valerie Johnson</b> Director of Research and Collections	85-90	80-85	-	-	-	-	40	36	120-125	115-120
<b>Caroline Ottaway-Searle</b> Director, Public Engagement	85-90	85-90	0-5	-	-	-	34	34	125-130	120-125
<b>John Sheridan</b> Digital Director (from 8 December 2015). Disclosure relates to current role	80-85	25-30 (full-year, full-time equivalent 80-85)	-	-	-	-	65	27	145-150	50-55
<b>Carol Tullo</b> <sup>31</sup> Director, Information Policy and Services	90-95	90-95	5-10	-	-	-	20	25	120-125	115-120
<b>Professor Lisa Jardine CBE</b> Non-executive Director (to 25 October 2015)	N/A	5-10 (full-year, full-time equivalent 10-15)	N/A	N/A	-	-	N/A	N/A	N/A	5-10

<sup>31</sup> until 30 June 2017

Name	Salary		Bonus		Benefits in kind		Pension benefits		Total	
	2016-17 £000 in bands of £5,000	2015-16 £000 in bands of £5,000	2016-17 £000 in bands of £5,000	2015-16 £000 in bands of £5,000	2016-17 £ (to nearest £100)	2015-16 £ (to nearest £100)	2016-17 £000 (to nearest £1,000)	2015-16 £000 (to nearest £1,000)	2016-17 £000 in bands of £5,000	2015-16 £000 in bands of £5,000
<b>Peter Phippen</b> Non-executive Director/ Board Member	5-10	10-15	N/A	N/A	100	-	N/A	N/A	10-15	10-15
<b>Fiona Ross</b> Non-executive Director (to 31 December 2015)	N/A	5-10 (full-year, full-time equivalent 10-15)	N/A	N/A	N/A	2,600	N/A	N/A	N/A	10-15
<b>Trevor Spires CBE</b> Non-executive Director (to 31 December 2015)	N/A	5-10 (full-year, full-time equivalent 10-15)	N/A	N/A	N/A	1,000	N/A	N/A	N/A	5-10
<b>Lesley Cowley OBE</b> Lead Non-executive Board Member (from 1 January 2016)	15-20	0-5 (full-year, full-time equivalent 10-15)	N/A	N/A	100	500	N/A	N/A	15-20	0-5
<b>Dr Claire Feehily</b> Non-executive Board Member (from 1 January 2016)	10-15	0-5 (full-year, full-time equivalent 10-15)	N/A	N/A	400	700	N/A	N/A	10-15	0-5
<b>Brian Gambles MBE</b> Non-executive Board Member (from 1 January 2016)	10-15	0-5 (full-year, full-time equivalent 10-15)	N/A	N/A	-	500	N/A	N/A	10-15	0-5
<b>Maurice Goddard</b> Independent member of the Audit and Risk committee (to 18 November 2016)	0-5 (full-year, full-time equivalent 5-10)	0-5 (full-year, full-time equivalent 5-10)	N/A	N/A	-	N/A	N/A	N/A	0-5	0-5



## Pay multiples

	2016-17	2015-16
Band of highest-paid Director's remuneration (£)	125-130	115-120
Median total remuneration (£)	28,593	26,996
Ratio	4.5	4.4

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.

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

The banded remuneration of the highest-paid Executive Director in The National Archives in the financial year 2016-17 was £125k-£130k (2015-16: £115-£120k). This was 4.5 times the median remuneration of the workforce, which was £28,593. The 0.1 increase in this ratio is attributable to a bonus payment made to the highest paid Director, offset by the reduction in members of staff at the lower salary bands, including 12 security staff who were transferred to the facilities management provider under a TUPE arrangement in January 2017. In both 2016-17 and 2015-16, no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £15,000-£129,000 (2015-16: £15,000 - £118,000)

## Pension benefits (audited)

Name	Accrued pension at pension age as at 31/03/17 and related lump sum £000 in bands of £5,000	Real increase / (decrease) in pension and related lump sum at pension age £000 in bands of £2,500	CETV at 31/03/17 <sup>32</sup> £000 to nearest £000	CETV at 31/03/16 £000 to nearest £000	Real increase in CETV £000 to nearest £000
<b>Jeff James</b> Chief Executive and Keeper	5 - 10	2.5 - 5	80	48	21
<b>Neil Curtis</b> Finance and Commercial Director (from 21 November 2016)	0 - 5	0 - 2.5	7	N/A	5
<b>Paul Davies</b> Operations Director (from 1 June 2016) Disclosure relates to current role	20 - 25	0 - 2.5	393	359	17
<b>Mary Gledhill</b> Commercial and Digital Director (to 30 October 2015)	N/A	N/A	N/A	91	N/A
<b>Valerie Johnson</b> Director of Research and Collections (from 19 January 2015). Disclosure relates to current role	15 - 20	2.5 - 5	219	179	17
<b>Caroline Ottaway-Searle</b> Director, Public Engagement	15 - 20	0 - 2.5	268	232	24
<b>John Sheridan</b> Digital Director (from 8 December 2015). Disclosure relates to current role	15 - 20	2.5 - 5	218	171	35
<b>Carol Tullo</b> Director, Information Policy and Services	20 - 25 plus lump sum of 65 - 70	0 - 2.5 plus a lump sum of 2.5 - 5	522	499	19

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

<sup>32</sup> The factors used to calculate the Cash Equivalent Transfer Value (CETV) were reviewed by the scheme actuary in 2016, so the tables of factors used to calculate the CETV in 2016 are not the same as those used to calculate the CETV in 2017

## Civil service pensions

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

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

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos, a member builds up a pension based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% 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, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

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

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their

buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax that may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

## Staff report

The National Archives is committed to equal opportunities for all. Policies are in place to guard against discrimination and 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 on page 71 was 568 (2015-16: 600). On 31 March 2017, there were 597 employees (568 full-time equivalents) on our payroll. These were made up of 526 permanent employees and 71 employees on limited period appointments. 297 (49.7%) were female and 36 employees (10.2% of the total who declared) declared themselves as disabled and are recognised as having a disability in the context of the Equality Act 2010. Also 71 employees (18.7% of the total who declared) identified themselves to be from ethnic minorities. We actively manage sickness absence and the average absence rate was 4.5 days per full-time equivalent (4.3 days in 2015-16).

There was no expenditure on consultancy in 2016-17 (2015-16: £179k).

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

We continue to encourage and support our staff, and invest in their wellbeing. Stress-related illness accounted for 4.5% (2015-16: 4.5%) of the total sickness rate.

For the eighth year, we participated in the civil service staff engagement survey, achieving an overall engagement score of 68% (2015-16: 70%) and retaining our status as a civil service 'high performer'.

We are committed to training and developing our line managers. We continue to run the Corporate Management Development Programme, in partnership with Civil Service Learning. The programme aims to equip line managers with the skills needed to lead and develop staff.

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

### Equality and diversity

The National Archives continued to develop the staff Equality and Diversity network, and to grow a positive relationship with the Employers Network for Equality and Inclusion. We are a level two Disability Confident employer, and have promoted a positive focus and awareness on autism in the workplace this year, with autistic staff providing talks and developing a video to increase awareness and understanding. We also held a stammering awareness session, an Inclusive Leadership course for managers, and our staff LGBT+ group, re-launched this year, met regularly.

We awarded two diversity education bursaries, which assist candidates in gaining a qualification to help them enter the archives sector by providing financial support. The bursaries help to address the socio-economic barriers to entry that may exist for some candidates.

As our public programming develops, we continue to include diverse histories programming to showcase content all year round that engages communities across all societal groups. Prominent events have included work on mental health records and disability: in collaboration with the University of Creative Arts, the 'In Our Minds'<sup>33</sup> project explored how archive materials can be used creatively to develop work as a response, including sculpture and soundscapes.

2017 marks 50 years since the passing of the Sexual Offences Act, which partially decriminalised homosexual acts in England and Wales. For this significant anniversary year, we built on past LGBT+ programming to create a season of prominent events, including working collaboratively with the London Metropolitan Archives to recruit a youth group as part of two Being Human Festival funded events<sup>34</sup>, and collaborating with Schools Out to hold a festival of public talks OUTing the Past. Collaboration with the National Trust extended this work through 'Queer City'<sup>35</sup>, a project engaging close to 2,000 people in archival material related to past LGBT+ spaces.

In November, we took part in the BBC's *Black and British* season by creating new research guidance on Black British social and political history in the 20th century, and web pages to raise awareness of our collections relating to black history. We continue to deliver and develop work to mark the centenary of some women gaining the parliamentary franchise in 2018.

### **Health and safety**

The Chief Executive and Keeper of The National Archives is committed to ensuring a safe and secure environment for all visitors and staff, and to the welfare of all who work here or visit as the highest organisational priority.

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

The Health and Safety Committee is chaired by the Operations Director with membership that includes staff representatives from across the organisation including operational and 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 2016-17, the number of reported accidents and non-injury near misses remained low. We continually review procedures and take opportunities to improve wherever possible.

Our procedures for managing members of the public during an emergency are thorough and well-documented. We train our staff in evacuation procedures and assess our efficiency at every opportunity.

We have a team of 18 fully qualified volunteer first aiders who have agreed 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.

An annual report on activity relating to health and safety is presented to the Audit and Risk Committee. The report provides statistics on accidents and incidents, in particular any that are reportable under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

The National Archives full-time Health and Safety Advisor left the organisation in late 2016 and recruitment of a Safety, Health and Environment (SHE) Manager to replace them is in progress.

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<sup>33</sup> [nationalarchives.gov.uk/blog/minds-creative-responses-mental-health-records/](http://nationalarchives.gov.uk/blog/minds-creative-responses-mental-health-records/)

<sup>34</sup> [www.flickr.com/photos/beinghumanfest/sets/72157672943167163](http://www.flickr.com/photos/beinghumanfest/sets/72157672943167163)

<sup>35</sup> [www.nationaltrust.org.uk/queer-city-london](http://www.nationaltrust.org.uk/queer-city-london)



## Staff numbers and related costs

### Senior Civil Service (SCS) by band as at 31 March 2017

Salary band	2016-17 Number	2015-16 Number
£60,000 - £70,000	-	-
£70,000 - £80,000	-	-
£80,000 - £90,000	4	3
£90,000 - £100,000	2	1
£100,000 - £110,000	-	1
£110,000 - £120,000	1	1
	<b>7</b>	<b>6</b>

### Average full-time equivalent number of persons employed

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

	2016-17			2015-16
	Permanently employed staff	Other staff <sup>36</sup>	Total	Total
Government information management	121	-	121	145
Preservation and protection	100	2	102	104
Public access	345	-	345	351
<b>Total</b>	<b>566</b>	<b>2</b>	<b>568</b>	<b>600</b>

<sup>36</sup> 'Other staff' includes agency staff and any specialist contractor

**Staff costs comprise (audited):**

	2016-17			2015-16
	Permanently employed staff £000	Other staff £000	Total £000	Total £000
Wages and salaries	18,827	140	18,967	19,666
Social security costs	1,889	-	1,889	1,505
Other pension costs	3,682	-	3,682	3,765
<b>Sub total</b>	<b>24,398</b>	<b>140</b>	<b>24,538</b>	<b>24,936</b>
Less recoveries in respect of outward secondments	(94)	-	(94)	(95)
<b>Total net costs</b>	<b>24,304</b>	<b>140</b>	<b>24,444</b>	<b>24,841</b>

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

For 2016-17, employers' contributions of £3,594k were payable to the PCSPS (2015-16: £3,686k) at one of four rates in the range 20% to 24.5% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £85k (2015-16: £79k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £3k (2015-16: £3k) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £7k (2015-16: £7k). Contributions prepaid at that date were nil (2015-16: nil).

**Compensation for loss of office**

Carol Tullo, Director, Information Policy and Services, received a settlement payment comprising payment in lieu of notice and a severance payment within the range £50k to £99k. The settlement has been agreed by HM Treasury, the full cost of which is accounted for in the 2016-17 accounts.

**Reporting of civil service and other compensation schemes – exit packages (audited)**  
 (numbers in brackets are comparatives for 2015-16)

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	2 (-)	- (-)	2 (-)
£10,000 - £24,999	- (-)	- (-)	- (-)
£25,000 - £49,999	- (-)	3 (-)	3 (-)
£50,000 - £99,999	- (1)	2 (-)	2 (-)
£100,000 - £149,999	- (-)	- (-)	- (-)
£150,000 - £200,000	- (-)	- (-)	- (-)
<b>Total number of exit packages</b>	<b>2 (1)</b>	<b>5 (-)</b>	<b>7 (-)</b>
<b>Total resource cost</b>	<b>£6,835</b> <b>(£54,556)</b>	<b>£264,046</b> <b>£-</b>	<b>£270,881</b> <b>(£54,556)</b>

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, where applicable. For departures under the Civil Service Compensation Scheme, exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the civil service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

# Review of tax arrangements of public sector appointees

**Table 1: For off-payroll engagements as of 31 March 2017, for more than £220 per day and that last longer than six months**

<b>Number of existing engagements as of 31 March 2017</b>	<b>0</b>
<b>of which:</b>	
Number that have existed for less than one year at time of reporting	0
Number that have existed for between one and two years at time of reporting	0
Number that have existed for between two and three years at time of reporting	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

**Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2016 and 31 March 2017, for more than £220 per day and that last longer than six months**

<b>Number of new engagements, or those that reached six months in duration between 1 April 2016 and 31 March 2017</b>	<b>0</b>
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	0
Number for whom assurance has been requested	0
<b>of which:</b>	
Number for whom assurance has been received	0
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 2016 and 31 March 2017**

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

## 2.3 Parliamentary accountability and audit report

### Statement of Parliamentary Supply (SoPS)

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

Summary of resource and capital outturn 2016-17	SoPS Notes	2016-17 Estimate			2016-17 Outturn			2016-17 Voted outturn compared with estimate: saving/(excess)	2015-16 Outturn
		Voted £000	Non-voted £000	Total £000	Voted £000	Non-voted £000	Total £000	£000	Total £000
<b>Departmental Expenditure Limit</b>									
- Resource	1.1	33,540	-	33,540	33,308	-	33,308	232	33,941
- Capital	1.2	2,730	-	2,730	2,711	-	2,711	19	1,122
<b>Annually Managed Expenditure</b>									
- Resource	1.1	(61)	-	(61)	(149)	-	(149)	88	(140)
- Capital	1.2	-	-	-	-	-	-	-	-
<b>Total</b>		<b>36,209</b>	<b>-</b>	<b>36,209</b>	<b>35,870</b>	<b>-</b>	<b>35,870</b>	<b>339</b>	<b>34,923</b>
Total Resource	1.1	33,479	-	33,479	33,159	-	33,159	320	33,801
Total Capital	1.2	2,730	-	2,730	2,711	-	2,711	19	1,122
<b>Total</b>		<b>36,209</b>	<b>-</b>	<b>36,209</b>	<b>35,870</b>	<b>-</b>	<b>35,870</b>	<b>339</b>	<b>34,923</b>

### Net cash requirement

	SoPS Notes	2016-17 Estimate £000	2016-17 Outturn £000	2016-17 Outturn compared with estimate: saving/(excess) £000	2015-16 Outturn £000
Net cash requirement	3	30,422	30,417	5	29,630

### Administration costs

	2016-17 Estimate £000	2016-17 Outturn £000	2015-16 Outturn £000
Administration costs	9,660	9,583	9,097

Figures in the areas outlined in bold are voted totals or other totals subject to Parliamentary Control. Explanations of variances between Estimate and Outturn are given in Note 1 (Analysis of net outturn by section).

The notes on pages 86 to 104 form part of these accounts.

## SOPS 1. Net outturn

### SOPS 1.1 Analysis of net resource outturn by section

	Administration			Programme			2016-17 Outturn	Net total £000	2016-17 Estimate Net total compared to Estimate £000	2015-16 Outturn
	Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000	Total £000			Total £000
Spending in Departmental Expenditure Limit										
- Voted	9,627	(44)	9,583	34,457	(10,732)	23,725	33,308	33,540	232	33,941
Annually Managed Expenditure										
- Voted	-	-	-	(149)	-	(149)	(149)	(61)	88	(140)
<b>Total</b>	<b>9,627</b>	<b>(44)</b>	<b>9,583</b>	<b>34,308</b>	<b>(10,732)</b>	<b>23,576</b>	<b>33,159</b>	<b>33,479</b>	<b>320</b>	<b>33,801</b>

### SOPS 1.2 Analysis of net capital outturn by section

	Gross £000	Income £000	Net £000	2016-17 Outturn	Net £000	2016-17 Estimate Net total compared to Estimate £000	2015-16 Outturn
				Net £000			Net £000
Spending in Departmental Expenditure Limit							
- Voted	2,711	-	2,711	2,730	19	1,122	
Annually Managed Expenditure							
- Voted	-	-	-	-	-	-	
<b>Total</b>	<b>2,711</b>	<b>-</b>	<b>2,711</b>	<b>2,730</b>	<b>19</b>	<b>1,122</b>	



## SOPS 2. Reconciliation of outturn to net operating expenditure

### SOPS 2.1 Reconciliation of net resource outturn to net operating expenditure

	SoPS Notes	2016-17 Outturn £000	2015-16 Outturn £000
<b>Total resource outturn in Statement of Parliamentary Supply</b>	1.1	<b>33,159</b>	<b>33,801</b>
Less capital research expenditure		10	-
<b>Net Operating Expenditure in Consolidated Statement of Comprehensive Net Expenditure</b>		<b>33,169</b>	<b>33,801</b>

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

	SoPS Notes	Estimate £000	Outturn £000	Net total outturn compared with estimate: saving/(excess) £000
<b>Resource Outturn</b>	1.1	33,479	33,159	320
<b>Capital Outturn</b>	1.2	2,730	2,711	19
<b>Accruals to cash adjustments:</b>				
<i>Adjustments to remove non-cash items</i>				
- Depreciation and amortisation		(5,800)	(5,616)	(184)
- Loss on disposal		-	(12)	12
- New provisions and adjustments to previous provisions		-	115	(115)
- Other non-cash items		(48)	(48)	-
<i>Adjustments to reflect movements in working balances</i>				
- Increase/(decrease) in inventories		-	(12)	12
- Increase/(decrease) in receivables		-	(784)	784
- (Increase)/decrease in payables		-	869	(869)
- Use of provisions		61	35	26
<b>Net cash requirement</b>		<b>30,422</b>	<b>30,417</b>	<b>5</b>

## Parliamentary accountability disclosures (audited)

### Losses and special payments

There were no losses or special payments above £300k in The National Archives during 2016-17 (2015-6: nil).

### Remote contingent liabilities

In addition to contingent liabilities within the meaning of IAS 37, The National Archives also reports liabilities for which the likelihood of a transfer of economic benefit in settlement is too remote to meet the definition of contingent liability. In the year 2016-17 there are no remote contingent liabilities to report (2015-16: nil).

### Fees and charges

Fees and charges are disclosed in note 5a of the financial statements.

## Core financial tables <sup>37, 38</sup>

Table 1: Public spending

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Resource Departmental Expenditure Limits (DEL)</b>								
Section A: The National Archives (DEL)	34,799	33,915	34,093	33,941	33,308	33,570	33,570	33,570
<b>Total Resource DEL</b>	<b>34,799</b>	<b>33,915</b>	<b>34,093</b>	<b>33,941</b>	<b>33,308</b>	<b>33,570</b>	<b>33,570</b>	<b>33,570</b>
<i>Of which:</i>								
Pay	24,606	24,249	24,957	24,841	24,444	25,518	25,518	25,377
Net current procurement <sup>39</sup>	5,207	4,481	4,217	3,286	3,099	2,792	2,792	2,933
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-
Depreciation	4,904	5,133	5,496	5,674	5,616	5,200	5,200	5,200
Other	82	50	(577)	140	149	60	60	60
<b>Resource Annually Managed Expenditure (AME)</b>								
Section B: The National Archives (AME)	(82)	(52)	577	(140)	(149)	(60)	(60)	(60)
<b>Total Resource AME</b>	<b>(82)</b>	<b>(52)</b>	<b>577</b>	<b>(140)</b>	<b>(149)</b>	<b>(60)</b>	<b>(60)</b>	<b>(60)</b>
<i>Of which:</i>								
Take-up of provisions	-	-	610	-	-	-	-	-
Release of provisions	(106)	(66)	(34)	(141)	(150)	(61)	(61)	(61)
Other	24	14	1	1	1	1	1	1

<sup>37</sup> The outturn numbers are based on prior year audited figures; however the core financial tables section is not subject to the National Audit Office audit

<sup>38</sup> Plan numbers reflect the 2016-17 to 2019-20 Spending Review settlements. The composition of the plan numbers shown are subject to change as internal plans are further developed

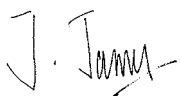
<sup>39</sup> Net of income from sales of goods and services

**Table 1: Public spending (continued)**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Total Resource Budget</b>	<b>34,717</b>	<b>33,863</b>	<b>34,670</b>	<b>33,801</b>	<b>33,159</b>	<b>33,510</b>	<b>33,510</b>	<b>33,510</b>
<i>Of which:</i>								
Depreciation	4,904	5,133	5,496	5,674	5,616	5,200	5,200	5,200
<b>Capital DEL</b>								
Section A: The National Archives (DEL)	4,456	2,018	2,007	1,122	2,711	2,700	2,100	400
<b>Total Capital DEL</b>	<b>4,456</b>	<b>2,018</b>	<b>2,007</b>	<b>1,122</b>	<b>2,711</b>	<b>2,700</b>	<b>2,100</b>	<b>400</b>
<i>Of which:</i>								
Net capital procurement <sup>40</sup>	4,456	2,018	2,007	1,122	2,711	2,700	2,100	400
<b>Total Capital Budget</b>	<b>4,456</b>	<b>2,018</b>	<b>2,007</b>	<b>1,122</b>	<b>2,711</b>	<b>2,700</b>	<b>2,100</b>	<b>400</b>
<b>Total departmental spending<sup>41</sup></b>	<b>34,269</b>	<b>30,748</b>	<b>31,181</b>	<b>29,249</b>	<b>30,254</b>	<b>31,010</b>	<b>30,410</b>	<b>28,710</b>
<i>Of which:</i>								
Total DEL	34,351	30,800	30,604	29,389	30,403	31,070	30,470	28,770
Total AME	(82)	(52)	577	(140)	(149)	(60)	(60)	(60)

**Table 2: Administration budgets**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
	Outturn	Outturn	Outturn	Outturn	Outturn	Plans	Plans	Plans
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Administration Costs</b>								
Section A: The National Archives (DEL)	8,489	8,570	8,660	9,097	9,583	8,500	8,500	8,500
<b>Total administration budget</b>	<b>8,489</b>	<b>8,570</b>	<b>8,660</b>	<b>9,097</b>	<b>9,583</b>	<b>8,500</b>	<b>8,500</b>	<b>8,500</b>
<i>Of which:</i>								
Pay bill	5,249	5,243	5,241	5,297	5,695	6,106	6,106	6,106
Expenditure	3,281	3,358	3,456	3,827	3,932	2,418	2,418	2,418
Income	(41)	(31)	(37)	(27)	(44)	(24)	(24)	(24)



**Jeff James**  
Accounting Officer  
10 July 2017

<sup>40</sup> Expenditure on tangible and intangible non-current assets net of sales

<sup>41</sup> Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME

# Audit certificate and report

## **The Certificate of the Comptroller and Auditor General to the House of Commons**

I certify that I have audited the financial statements of The National Archives for the year ended 31 March 2017 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in those reports and disclosures as having been audited.

## **Respective responsibilities of the Accounting Officer and auditor**

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

## **Scope of the audit of the financial statements**

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

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

### **Opinion on regularity**

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2017 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 2017 and of the Department's net operating expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

### **Opinion on other matters**

In my opinion:

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

### **Matters on which I report by exception**

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

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

### **Report**

I have no observations to make on these financial statements.

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

**12 July 2017**

# 3. Financial statements

## Accounts summary

### Statement of Comprehensive Net Expenditure

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

for the year ended 31 March 2017	Notes	2016-17 £000	2015-16 £000
Income from sale of goods and services	5	(10,776)	(10,429)
<b>Total operating income</b>		<b>(10,776)</b>	<b>(10,429)</b>
Staff costs	3	24,444	24,841
Depreciation and impairment charges	6,7	5,616	5,674
Provision expense		-	132
Other operating expenditure	4	13,885	13,583
<b>Total operating expenditure</b>		<b>43,945</b>	<b>44,230</b>
<b>Net operating expenditure</b>		<b>33,169</b>	<b>33,801</b>
<b>Other comprehensive net expenditure</b>			
Items which will not be reclassified to net operating costs:			
- Net gain on revaluation of property, plant and equipment	6	(15,228)	(8,161)
- Net loss/(gain) on revaluation of intangible assets	7	(2,469)	3,308
- Receipt of donated asset		1	1
<b>Comprehensive net operating expenditure for the year</b>		<b>15,473</b>	<b>28,949</b>

The notes on pages 86 to 104 form part of these accounts.

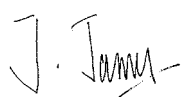


## Statement of Financial Position

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

as at 31 March 2017	Notes	31 March 2017		31 March 2016	
		£000	£000	£000	£000
<b>Non-current assets:</b>					
Property, plant and equipment	6	166,581		154,412	
Intangible assets	7	21,438		18,838	
Trade receivables falling due after more than one year	12	198		315	
<b>Total non-current assets</b>			<b>188,217</b>		<b>173,565</b>
<b>Current assets:</b>					
Inventories		82		94	
Trade and other receivables	12	323		883	
Other current assets	12	2,453		2,560	
Cash and cash equivalents	11	5		11	
<b>Total current assets</b>			<b>2,863</b>		<b>3,548</b>
<b>Total assets</b>			<b>191,080</b>		<b>177,113</b>
<b>Current liabilities:</b>					
Trade and other payables	13	(357)		(913)	
Provisions	14	(12)		(72)	
Other liabilities	13	(5,654)		(5,722)	
<b>Total current liabilities</b>			<b>(6,023)</b>		<b>(6,707)</b>
<b>Total assets less current liabilities</b>			<b>185,057</b>		<b>170,406</b>
<b>Non-current liabilities:</b>					
Other liabilities	13	(604)		(855)	
Provisions	14	(325)		(415)	
<b>Total non-current liabilities</b>			<b>(929)</b>		<b>(1,270)</b>
<b>Total assets less liabilities</b>			<b>184,128</b>		<b>169,136</b>
<b>Taxpayers' equity and other reserves:</b>					
General fund			62,032		62,924
Donated asset reserve			7		8
Revaluation reserve			122,089		106,204
<b>Total equity</b>			<b>184,128</b>		<b>169,136</b>

The notes on pages 86 to 104 form part of these accounts.



**Jeff James**  
Accounting Officer  
10 July 2017

## Statement of Cash Flows

for the year ended 31 March 2017

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 department's future public service delivery.

	Notes	2016-17 £000	2015-16 £000
<b>Cash flows from operating activities</b>			
Net operating cost		(33,169)	(33,801)
Adjustments for non-cash transactions	4	5,561	5,747
(Increase)/decrease in trade and other receivables	12	784	(960)
(Increase)/decrease in inventories		12	(6)
Increase/(decrease) in trade and other payables	13	(875)	610
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		6	34
Use of provisions	14	(35)	(132)
		<b>(27,716)</b>	<b>(28,508)</b>
<b>Net cash outflow from operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(2,468)	(1,055)
Purchase of intangible assets	7	(233)	(67)
Proceeds of disposal of property, plant and equipment		-	-
		<b>(2,701)</b>	<b>(1,122)</b>
<b>Net cash outflow from investing activities</b>			
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) - current year		30,411	29,596
Payment of Consolidated Fund Extra Receipts		-	-
		<b>30,411</b>	<b>29,596</b>
<b>Net financing</b>			
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>			
Payments of amounts due to the Consolidated Fund		-	-
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b>11</b>	<b>45</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>5</b>	<b>11</b>

The notes on pages 86 to 104 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2017

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

	Notes	General Fund £000	Revaluation Reserve £000	Donated Asset Reserve £000	Taxpayers' Equity £000
<b>Balance at 31 March 2015</b>		<b>66,991</b>	<b>101,407</b>	<b>9</b>	<b>168,407</b>
Net Parliamentary funding		29,630	-	-	29,630
Comprehensive net expenditure for the year		(33,801)	4,853	(1)	(28,949)
Auditor's remuneration	4	48	-	-	48
Transfers between reserves		56	(56)	-	-
<b>Balance at 31 March 2016</b>		<b>62,924</b>	<b>106,204</b>	<b>8</b>	<b>169,136</b>
Net Parliamentary funding		30,417	-	-	30,417
Comprehensive net expenditure for the year		(33,169)	17,697	(1)	(15,473)
Auditor's remuneration	4	48	-	-	48
Transfers between reserves		1,812	(1,812)	-	-
<b>Balance at 31 March 2017</b>		<b>62,032</b>	<b>122,089</b>	<b>7</b>	<b>184,128</b>

The notes on pages 86 to 104 form part of these accounts.

# Notes to the Departmental Resource Accounts

## 1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted by the FReM. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of The National Archives for the purpose of giving a true and fair view has been selected. The particular policies adopted by The National Archives are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the department to prepare an additional primary statement. The Statement of Parliamentary Supply and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

### 1.1 Accounting convention

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

### 1.2 Property, plant and equipment

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

The National Archives building and grounds at Kew are freehold property. There are no leased assets recognised in the Statement of Financial Position.

Land and buildings are stated at fair value using professional valuations every five years minimum. Appropriate indices are used in intervening years.

A change in accounting policy for the valuation of land has been implemented in the 2016-17 accounts. Prior to 2016-17, it was considered inappropriate to index the land in the intervening years between professional valuations, as the land has planning restrictions in place. The professional valuation in 2015-16 resulted in a large upward revaluation, prompting a change in account policy to utilise appropriate indices in the intervening years between professional valuations in order to provide more reliable relevant information on the valuation of the land. There is no financial impact on the prior year figure resulting from this change in policy, as in 2015-16 a professional valuation took place. It is impractical to estimate the impact in future periods.

Other non-current assets are stated at fair value using appropriate indices only where their values are material with respect to the overall Net Book Value of non-current assets held. Where indices are not applied, depreciated historical cost is considered as a proxy for fair value, as per FReM 7.1.14.

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

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

### 1.3 Heritage assets

The National Archives holds more than 11 million physical records, artefacts and a significant and growing digital archive classed as non-operational heritage assets that 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 in our collection have been catalogued and contain descriptions of a broad range of documents and items. Further details of our online catalogue, Discovery, can be found at [nationalarchives.gov.uk/records](http://nationalarchives.gov.uk/records)

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

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

### 1.4 Intangible assets

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

In addition, The National Archives recognises licences issued to third parties and internal revenue generating databases (such as our Digital Download and Image Library services) as intangible assets with indefinite lives, reflecting the underlying nature of the supporting public records. The valuation adopted in each case is based on current forecasts of reasonably foreseeable future revenue generating capacity, discounted as appropriate. Prior to 2016-17 accounts, the growth rate applied to the forecasting model for licenses issued was a weighted average of the final three years of the five year actual forecast royalty income. A change in accounting estimate is implemented in the current financial year whereby the revenue generating capacity of each license issued for the next ten years is estimated. Were the licenses issued valued using the old methodology, the valuation would be £21.8m which is £2.2m more than the £19.6 valuation using the current method. It is impractical to estimate the impact in future periods.

Each intangible asset is subject to annual review to assess at each reporting date whether there is any indication that the asset is impaired, as required by International Accounting Standard 36: Impairment of Assets. Further details of the effects of changes in our forecast estimates are shown under market risk in note 10 of the accounts.

### 1.5 Depreciation and amortisation

Freehold land is not depreciated.

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

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

### 1.6 Inventories

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

### 1.7 Foreign Currencies

Transactions denominated in foreign currency are accounted for at the Sterling equivalent at the exchange rate ruling at the time of the transaction. Differences on translation of balances are recognised as operating costs within the Consolidated Statement of Comprehensive Net Expenditure.

### 1.8 Operating income

Operating income is income that relates directly to the operating activities of The National Archives. It principally comprises charges for services provided – such as for the sale of copies of documents, sale of publications and other items and services, reproduction fees and royalties for the publication of images, as well as income generated by the licensing of digital copies of historical records. Operating income also includes grants and contributions from organisations, including other government departments, to carry out specific projects. All operating income is recorded when the service is provided. Elements that relate to work not yet completed are held at the end of the reporting period as deferred income and subsequently recognised as income upon completion of the service.

### 1.9 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.

### 1.10 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.

### 1.11 Pensions

The provisions of the Principal Civil Service Pension Scheme (PCSPS) cover most past and present employees in The National Archives. While this is an unfunded defined benefit scheme, in accordance with the FReM adaptation of IAS 19, the National Archives accounts for it as a defined contribution scheme. The National Archives recognises contributions payable as an expense in the year in which they are incurred, and the legal or constructive obligation is limited to the amount that it agrees to contribute to the fund.

### 1.12 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.

### 1.13 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.

### 1.14 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.

### 1.15 Contingent liabilities

Provisions represent liabilities of uncertain timing or amount. Provisions are recognised when The National Archives has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount. If the likelihood of payment is less than probable, but greater than remote, a contingent liability is disclosed in the accounts.

Provisions and contingent liabilities are valued at the best estimate of the expenditure required to settle the obligation. They are

discounted to present value using rates set by HM Treasury, where the effect is material.

### 1.16 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 2017, the value of those cash assets was £18,997. 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.

### 1.17 Prior period adjustments

There are no prior period adjustments.

### 1.18 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 2017 or later periods, following EU-adoption and as applied by the FReM. These standards are not expected to have a material impact on The National Archives' future accounts. They are as follows:

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

## 2. Statement of Operating Expenditure by Operating Segment

*International Financial Reporting Standard 8: Operating Segments* (IFRS 8) requires operating segmental information to be provided based on information that the Chief Executive and Keeper as Chief Operating Decision Maker (CODM) uses to make decisions about the organisation. This information reviewed by the CODM is currently presented based on our management structure as per pages 46 to 48. 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.

### 2016-17

	Government information management £000	Preservation and protection £000	Public access £000	Total £000
Income	(2,898)	(367)	(7,511)	(10,776)
Operating expenditure	8,609	10,314	19,406	38,329
Depreciation and amortisation	1,261	1,511	2,844	5,616
<b>Net operating cost</b>	<b>6,972</b>	<b>11,458</b>	<b>14,739</b>	<b>33,169</b>

### 2015-16

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

### 3. Staff costs

Staff costs comprise:

	2016-17			2015-16
	Permanently employed staff £000	Other staff £000	Total £000	Total £000
Wages and salaries	18,827	140	18,967	19,666
Social security costs	1,889	-	1,889	1,505
Other pension costs	3,682	-	3,682	3,765
<b>Sub total</b>	<b>24,398</b>	<b>140</b>	<b>24,538</b>	<b>24,936</b>
Less recoveries in respect of outward secondments	(94)	-	(94)	(95)
<b>Total net costs</b>	<b>24,304</b>	<b>140</b>	<b>24,444</b>	<b>24,841</b>

Further analysis on staff numbers, compensation scheme packages and pension disclosure can be found on pages 71-73, within the accountability report.

## 4. Operating costs

	2016-17		2015-16	
	£000	£000	£000	£000
<b>Rentals under operating leases:</b>				
Hire of plant and machinery		40		49
<b>Non-cash items:</b>				
Depreciation and amortisation				
- Civil estate	3,279		3,600	
- Other non-current assets	2,337		2,074	
Auditor's remuneration - audit work	48		48	
Loss on disposal of non-current assets	12		34	
Provisions				
- Released in year	(115)		(9)	
		5,561		5,747
<b>Other expenditure</b>				
Accommodation and building maintenance	5,778		5,919	
Other contracted services	1,701		1,200	
IT maintenance	1,286		1,271	
Recruitment and training	385		341	
Minor software and hardware	239		236	
Telecommunications	179		175	
Internal audit	76		51	
Travel, subsistence and hospitality	327		319	
Legal expenses	75		37	
Advertising	72		92	
Consultancy	-		179	
Postage, stationery and store supplies	183		231	
Grants paid	601		401	
Film and internet archiving	689		598	
Subscriptions	233		211	
Public access	576		890	
Digitisation and scanning	15		149	
Shop stores	139		155	
Conferences	69		53	
Website hosting	448		365	
Conservation and preserving materials	32		36	
Minor furniture, equipment and related maintenance	203		186	
Royalties	43		43	
Other expenditure	551		455	
		13,900		13,593
		19,501		19,389

## 5. Income

	2016-17 £000	2015-16 £000
<b>Operating income analysed by classification and activity, is as follows:</b>		
Income:		
Fees and charges to external customers	10,304	9,726
Fees and charges to other government departments	472	702
EU Funding income	-	1
	<b>10,776</b>	<b>10,429</b>

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

	2016-17 Income £000	2016-17 Full cost £000	2016-17 (Deficit)/Surplus £000
Reprographic services	401	581	(180)
Information and publishing	7,836	3,408	4,428
Externally funded projects	572	594	(22)
Other	1,967	1,967	-
	<b>10,776</b>	<b>6,550</b>	<b>4,226</b>

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

The category 'other' includes charges for our public services, for which the charges are set out by the Fees Regulations under the Public Record Act (1958) and are based on recovering the costs of providing the services.

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

## 6. Property, plant and equipment

	Land £000	Buildings £000	Plant and machinery £000	Furniture and fittings £000	Transport equipment £000	Information technology £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>								
<b>At 1 April 2016</b>	36,500	104,500	10,891	7,772	61	7,090	445	167,259
Additions	-	-	909	-	-	807	752	2,468
Reclassification	-	-	445	-	-	-	(445)	-
Disposals	-	-	(175)	(20)	-	(62)	-	(257)
Revaluation	3,942	11,286	-	-	-	-	-	15,228
<b>At 31 March 2017</b>	<b>40,442</b>	<b>115,786</b>	<b>12,070</b>	<b>7,752</b>	<b>61</b>	<b>7,835</b>	<b>752</b>	<b>184,698</b>
<b>Depreciation</b>								
<b>At 1 April 2016</b>	-	-	4,796	3,279	60	4,712	-	12,847
Charged in year	-	3,279	1,016	188	1	1,031	-	5,515
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	(175)	(18)	-	(52)	-	(245)
Revaluation	-	-	-	-	-	-	-	-
<b>At 31 March 2017</b>	<b>-</b>	<b>3,279</b>	<b>5,637</b>	<b>3,449</b>	<b>61</b>	<b>5,691</b>	<b>-</b>	<b>18,117</b>
<b>Net Book Value at 31 March 2017</b>	<b>40,442</b>	<b>112,507</b>	<b>6,433</b>	<b>4,303</b>	<b>-</b>	<b>2,144</b>	<b>752</b>	<b>166,581</b>
<b>Net Book Value at 31 March 2016</b>	<b>36,500</b>	<b>104,500</b>	<b>6,095</b>	<b>4,493</b>	<b>1</b>	<b>2,378</b>	<b>445</b>	<b>154,412</b>



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

## Notes

- a) Freehold land and buildings were valued on 31 March 2016 at £141 million on the basis of depreciated replacement cost by an external firm of Chartered Surveyors, BNP Paribas Real Estate UK. Their valuation was carried out in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors. In years where there is no professional valuation exercise, revaluation is derived from the relevant indices as appropriate.
- b) Revaluation in year is accounted for within other comprehensive net expenditure (page 82) and accumulated in taxpayers' equity under the revaluation reserve. Any decrease in valuation of an asset in year has not exceeded any amount previously credited to the revaluation surplus.

## 7. Intangible assets

	Software licences £000	Revenue-generating databases £000	Licences issued £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>					
<b>At 1 April 2016</b>	278	1,401	17,274	-	18,953
Additions	233	-	-	-	233
Reclassifications	-	-	-	-	-
Revaluation	-	108	2,361	-	2,469
<b>At 31 March 2017</b>	<b>511</b>	<b>1,509</b>	<b>19,635</b>	-	<b>21,655</b>
<b>Amortisation</b>					
<b>At 1 April 2016</b>	115	-	-	-	115
Charged in year	102	-	-	-	102
<b>At 31 March 2017</b>	<b>217</b>	-	-	-	<b>217</b>
<b>Net Book Value at 31 March 2017</b>	<b>294</b>	<b>1,509</b>	<b>19,635</b>	-	<b>21,438</b>
<b>Net Book Value at 31 March 2016</b>	<b>163</b>	<b>1,401</b>	<b>17,274</b>	-	<b>18,838</b>

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

#### Note

- a) Revaluation in year is accounted for within other comprehensive net expenditure (page 82) and accumulated in taxpayers' equity under the revaluation reserve. Any decrease in valuation of an asset in year has not exceeded any amount previously credited to the revaluation surplus.

## 8. Further information on heritage assets

### 8a. Preservation and management

Acquisition of heritage assets is through government bodies selecting digital and physical records for permanent preservation and transferring these records to The National Archives. In January 2013, central government began a 10-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 National Archives is the guardian of the nation's public record. Its core role includes preserving and protecting, making available, and bringing to life the vast collection of historical information it holds. Most of the records are unique and irreplaceable and have been preserved for their historical, social, legal and administrative value. This includes significant collections of digital records.

We adopt a risk-based approach in preserving our digital and physical records. This consists of conducting a preservation risk assessment for whole collections, which are subsequently reviewed periodically – and for digital records, on a continual and regular basis. The National Archives adopts a combined approach of preventative measures and conservation treatments for records in their digital and physical forms.

Expenditure that is required to preserve or clearly prevent further deterioration of individual collection items is recognised in the Statement of Comprehensive Net Expenditure when it is incurred. In 2016-17 £1,729k was recognised (2015-16: £1,799k).

#### Our approach to preservation risk

##### Physical records

The physical 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 comprise a variety of

formats: parchment, traditional paper records, seals, maps, costumes, paintings, films, items of court evidence, and more.

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 physical materials. In order to fulfil our responsibilities to provide access, we are constantly improving our catalogue data, and monitoring the environmental conditions in our repositories. We have a dedicated team responsible for the long-term preservation of The National Archives physical collection for continued access and future use, and we improve the stability of our most vulnerable records through conservation work.

We seek appropriate and secure accommodation for all our holdings, wherever they are stored, processed, transferred, 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. We recognise that of all potential risks to the long-term preservation of our records, inappropriate storage is the most significant.

In the year to March 2017, we received records covering 1,492 metres of shelving (899 metres in 2015-16).

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

## **Digital records**

The National Archives takes a leading role in dealing with the issues associated with the survival and preservation of today's digital public records.

Our digital preservation techniques and policies follow current best practice as recognised nationally and globally. It involves first establishing the file formats of the accessioned records and then preserving the original digital objects using passive 'bit level' preservation; this ensures the secure storage and fundamental integrity of the record.

A regular assessment of the risk of digital 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.

During the year we took 1,467 snapshots of websites and social media accounts for the UK government web archive (1,447 in 2015-16).

### **8b: Access**

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

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

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

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

## 9. Capital and other commitments

### 9.1 Capital commitments

Contracted capital commitments at 31 March 2017 not otherwise included in these financial statements:

	2016-17 £000	2015-16 £000
Property, plant and equipment	536	-

### 9.2 Other financial commitments

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

	2016-17 £000	2015-16 £000
Not later than one year	1,614	1,093
Later than one year and not later than five years	5,766	454
	<b>7,380</b>	<b>1,547</b>



## 10. Financial instruments

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

### Market risk

The intangible asset valuations of revenue generating databases and licences issued are based on forecasts of future revenue generating capacity, discounted as appropriate. The forecast cashflows estimated are subject to market conditions as they are dependent on customer use of the products offered – both existing and new.

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 2016-17 valuation £000
2016-17 income 10% less than forecast for revenue-generating databases	(250)
2016-17 income 10% higher than forecast for revenue-generating databases	250
2016-17 income 10% less than forecast for licences	(2,074)
2016-17 income 10% higher than forecast for licences	2,074

### 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 intangibles valuation would be taken against the revaluation reserve.

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

## 11. Cash and cash equivalents

	2016-17 £000	2015-16 £000
Balance at 1 April	11	45
Net change in cash and cash equivalent balances	(6)	(34)
<b>Balance at 31 March</b>	<b>5</b>	<b>11</b>
The following balances at 31 March are held at:		
- Government Banking Service	3	6
- Cash in hand	2	5
<b>Balance at 31 March</b>	<b>5</b>	<b>11</b>

## 12. Trade receivables, financial and other assets

	2016-17 £000	2015-16 £000
<b>Amounts falling due within one year:</b>		
Trade receivables	323	883
Deposits and advances	81	63
Prepayments and accrued income	2,372	2,497
	<b>2,776</b>	<b>3,443</b>
<b>Amounts falling due after one year:</b>		
Prepayments and accrued income	198	315
	<b>198</b>	<b>315</b>
<b>Total receivables</b>	<b>2,974</b>	<b>3,758</b>

## 13. Trade payables and other current liabilities

	2016-17 £000	2015-16 £000
<b>Amounts falling due within one year:</b>		
Other taxation, social security and pension	1,113	1,035
Trade payables	357	913
Accruals and deferred income	3,763	3,893
Short-term staff benefits (earned leave liability)	773	783
Amounts issued from the Consolidated Fund for supply but not spent at year end	5	11
	<b>6,011</b>	<b>6,635</b>
<b>Amounts falling due after one year:</b>		
Deferred income	604	855
	<b>604</b>	<b>855</b>
<b>Total payables</b>	<b>6,615</b>	<b>7,490</b>

## 14. Provisions for liabilities and charges

	2016-17		Total
	Early retirement costs	Onerous lease	
Balance at 1 April	12	475	487
Provision not required written back	-	(115)	(115)
Provided in year	-	-	-
Provisions utilised in year	(12)	(23)	(35)
<b>Balance as at 31 March</b>	<b>-</b>	<b>337</b>	<b>337</b>

	2015-16		Total
	Early retirement costs	Onerous lease	
Balance at 1 April	92	536	628
Provision not required written back	(5)	(4)	(9)
Provided in year	-	-	-
Provisions utilised in year	(75)	(57)	(132)
<b>Balance as at 31 March</b>	<b>12</b>	<b>475</b>	<b>487</b>

	2016-17		Total
Analysis of expected timing of discounted cash flows	Early retirement costs	Onerous lease	
Not later than one year	-	12	12
Later than one year	-	325	325
<b>Balance as at 31 March</b>	<b>-</b>	<b>337</b>	<b>337</b>

	2015-16		Total
Analysis of expected timing of discounted cash flows	Early retirement costs	Onerous lease	
Not later than one year	12	60	72
Later than one year	-	415	415
<b>Balance as at 31 March</b>	<b>12</b>	<b>475</b>	<b>487</b>

### 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 -1.95%.

## 15. Contingent liabilities

There were no contingent liabilities at the reporting date (2015-16: nil).

## 16. Related party transactions

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

John Sheridan is a Director of the Digital Preservation Coalition (DPC) and the DLM Forum, for and on behalf of The National Archives. The National Archives paid a membership fee of £9,000 (2015-16: £9,000) and £895 (2015-16: nil) respectively. A further sponsorship award was made to the DPC to the sum of £5,000 during 2016-17 (2015-16: nil).

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

## 17. Third party assets

The National Archives held short-term monetary assets valued at £18,997 on behalf of other government departments at the end of the reporting period (£16,988 at 31 March 2016).

	31 March 2016	Gross inflows	Gross outflows	31 March 2017
	£000	£000	£000	£000
Bank balance	17	158	156	19
	<b>17</b>	<b>158</b>	<b>156</b>	<b>19</b>

## 18. Events after the reporting period date

These accounts have been authorised for issue by the Accounting Officer on the same date as the C&AG's Audit Certificate.

# Annex A

## Sustainability accounting and reporting

2016-2017 is the first year of the 'Greening Government Commitments 2016 to 2020'<sup>42</sup>. This report presents an overview of The National Archives' activities during the 2016-17 financial year, our progress against the revised Greening Government Commitments targets, and our plans for the next financial year 2017-18.

This report was prepared in accordance with HM Treasury's *Public sector annual reports: sustainability reporting guidance 2016-17*. Further information is available on our website.<sup>43</sup>

### Our approach

#### Governance and reporting

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

We are committed to meeting, and exceeding where practical, the Greening Government Commitments. We are an active participant in the cross-Whitehall Sustainability Group, sharing best practice and benefiting from lessons learnt from other private and public sector organisations.

#### Data accuracy

We review and seek to improve our data gathering and reporting processes each year. Although we attempt to minimise estimation, this is used where it is not practical to obtain exact figures. This is particularly the case with waste data, where weighing individual bins is not always practical. In such cases, we seek guidance from the relevant contractor to help us apply accurate estimates, and explain clearly in

our reporting the basis of the estimation and the possible impact on figures. Data may be re-stated in later years if post year-end reconciliation shows previous figures were inaccurate; for example, if a utility bill arrives after the end of the reporting period. Changes to estimation processes will also be explained. Commentary to explain any changes that have a significant effect on the main indicators has been provided.

In 2016-17, we conducted an extensive review of our data reporting processes. Various improvements have been made which are reflected in the 2016-17 data, including:

- We are now reporting the amount of diesel used by our three standby generators. This generator is only used in the event of grid electricity failures, and consumption is low. Data is based on the amount of diesel purchased – not necessarily entirely consumed – during the year.
- A change in water supplier has meant our actual consumption has not been automatically metered in 2016-17. Figures have been reconciled with manual meter readings taken by the on site team.
- As part of our ongoing development of an internal environmental management system, we are developing data accounting dashboards for greenhouse gas emissions, waste, paper, water, and business travel. The dashboards will continue to be developed in 2017-18 to enhance the level of data accuracy and consistency.
- In 2016-17, we are reporting our IT electronic waste disposal figures for the first time. Since our IT e-waste contractor only provides us with the total weight of IT e-waste sent for recycling and re-use, we have estimated the proportion recycled and the proportion re-used based on the nature of the items and their likely attractiveness on the resale market.

<sup>42</sup> [www.gov.uk/government/publications/greening-government-commitments-2016-to-2020](http://www.gov.uk/government/publications/greening-government-commitments-2016-to-2020)

<sup>43</sup> [nationalarchives.gov.uk/about/our-role/transparency/](http://nationalarchives.gov.uk/about/our-role/transparency/)

## Our sustainability strategy and targets

As a non-ministerial government department, we work to achieve the Greening Government Commitments – a set of targets and outcomes that together help ensure that central government meets its vision for sustainability.

### Meeting the Greening Government Commitments

Progress has been strong in the first year of reporting against the revised Greening Government Commitments (GGC) targets, building on the progress made in their previous iteration (2010-2015).

Indicator	GGC target (2019-20)	The National Archives' target (2019-20)	The National Archives' target baseline year	Change against the baseline 2016-17 (+/-%)	Change compared with 2015-16 (+/-%)
Greenhouse gas emissions	-32%	-57%*	2009-10	-58%	-8%
Operational waste produced	Less than 10% waste to landfill	Zero waste to landfill	2010-11	0%	0%
	Reduce waste generation	Reduce waste generation**	2010-11	-39%	0%***
	Increase recycling rate	Increase recycling rate	2010-11	-25%	-7%
Paper	-50%	- 50%	2010-11	- 50%	-30%
Water used	Reduce water consumption	-25%	2009-10	-21%	+47%
Domestic flights taken	-30%	-30%	2009-10	-24%	+6%

\*This is the target for the Department for Digital, Culture, Media and Sport. We are currently reviewing energy forecasts to set an internal target as -57% has been surpassed

\*\*There has been a 4% reduction in waste generation on a like-for-like basis, but from 2016/17 we now include e-waste figures in recycling and re-use

\*\*\*We have exceeded the original internal target of 25% waste generation reduction, and will be reviewing waste forecasts to set another internal target



## 2016-17 performance

Performance in 2016-17 has continued the previous trend for carbon, energy and waste. For any indicators that have increased, we continue to strive for improvement.

Indicator	2016-17	2016-17 per FTE employee	2015-16	2015-16 per FTE employee
Greenhouse gas emissions – scopes 1-3 tCO <sub>2</sub> e	3,362	5.9	3,638 (a)	6.1
Energy used: MWh	8,932	15.7	9,052	15.1
Waste produced*	107	0.2	107	0.2
Water used m <sup>3</sup>	19,573	34.5	13,270 (b)	22.1
Domestic flights taken	69	0.1	66 (a)	0.1

\* Excludes 'one-off' construction and refurbishment projects waste, to enable meaningful comparison

(a) Restated following improvements to business travel and emissions accounting

(b) Restated as January to March 2015-16 was estimated due to inconsistent readings from a faulty meter

### Greenhouse gas emissions

Our greenhouse gas emissions associated with building energy use and domestic business travel in the 2016-17 financial year were 3,362 tonnes. This represents a 58% reduction in greenhouse gas emissions against the 2009-10 financial year figures.

Indicator		2016-17	2015-16
Greenhouse gas emissions: tonnes CO <sub>2</sub> e	Gross emissions for scopes 1 and 2	3,006	3,300 (a)
	Gross emissions for scope 3	356	338 (a)
Building energy consumption: MWh	Electricity: non-renewable	5,638	0 (b)
	Electricity: renewable	0	5,667 (b)
	Electricity: good-quality combined heat and power	232	187
	Natural gas	3,056	3,198
	Diesel oil	6	None recorded
Financial indicators: £	Energy	700,442.46	790,531
	Carbon Reduction Commitment allowances	48,689	56,117
	Business travel	142,043.61	129,952.16 (a)

(a) Restated following improvements to business travel and emissions accounting

(b) Restated as energy contract in 2015-16 was 100% renewable energy. Energy is purchased through a Crown Commercial Service framework contract and The National Archives does not have influence over this decision

We avoid unnecessary business travel, and have a general approach of promoting travel by public transport rather than car, and train rather than plane, wherever practical. However, our public task, our leadership role for the archives sector and our reach, both national and international, necessitates a certain amount of business travel. In 2017-18, we will conduct a review of our business travel to understand better the factors influencing the decision to travel, the choice of transport mode, and what alternatives are available.

In 2016-17, we revised the methodology for domestic travel emissions calculations to enhance the accuracy of the data. We have collated this data centrally and in doing so, improved the emission conversion factors across all sources of travel data. In 2017-18, we will conduct an internal audit on travel data, suppliers, and the reporting procedure.

In 2016-17, we conducted an in-depth energy audit of our premises, including a day/night survey to identify any equipment left on after hours unnecessarily. Combined with general equipment upgrades, such as the move towards using direct drive fans, and a successful trial of new LED lighting, we achieved a 58% reduction in energy consumption against the previous year, despite it being the warmest year on record.<sup>44</sup>

In 2017-18, we will continue to roll out our behavioural change programme to raise awareness of and promote energy efficient behaviours. We will explore opportunities relating to several major energy projects, including rolling out LED lighting across the site, potentially in collaboration with our total facilities management provider and the RE:FIT programme. We also hope to upgrade our building's boilers to high-efficiency alternatives, switch the office air handling plant to variable speed drive fans, and further expand the use of heat from our combined heat and power plant. We will also evaluate solar PV installation for the roof. CO<sup>2</sup> and NO<sub>x</sub> monitoring will help us reduce the operational run time of plant equipment and further improve air quality.

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<sup>44</sup> [www.nasa.gov/press-release/nasa-noaa-data-show-2016-warmest-year-on-record-globally](http://www.nasa.gov/press-release/nasa-noaa-data-show-2016-warmest-year-on-record-globally)

## Waste minimisation and management

At 107 tonnes, our operational waste has reduced by 39% against the financial year 2010-11 baseline, exceeding our original 25% reduction target. We are currently reviewing waste forecasts to establish a new target.

Indicator		2016-17	2015-16
<b>Operational waste: tonnes</b>	Total	106	106
	Recycled and re-used	43	50
	Energy from waste incineration	55	48
	Food and catering: anaerobic digestion	6	6
	Composted	2	2
	Landfill	0	0
<b>Construction and refurbishment projects waste: tonnes</b>	Total	50	45 (a)
	Recycled and re-used	49	44 (a)
	Landfill	1	1 (a)
<b>Operational waste expenditure: £*</b>	Total	31,927	27,837
	Recycled and re-used	12,403	8,210
	Energy from waste incineration	9,764	9,592
	Food and catering: anaerobic digestion	1,800	1,836
	Landfill	0	0

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

(a) Restated due to improvements in waste data accounting.

Although we have again achieved zero waste to landfill, our overall recycling rate has decreased in 2016-17 by 7%. In January 2017, we conducted site visits at the premises of our major waste contractors, to understand better how we can improve recycling rates and environmental data management. We identified that tolerance of contamination in mixed recycling loads is decreasing, to meet the demand for higher-quality recycled materials. In 2017-18, we will target contamination of our mixed recycling bins onsite, such as with disposable plastic cups and food waste, through an awareness programme with staff and visitors.

The Sustainable Christmas initiative focused on raising awareness among staff of how to minimise waste – such as leftover food and wrapping paper – over the Christmas period. Our Sustainable Food Week initiative in March 2017 included raising awareness on minimising waste associated with food. Staff were rewarded for bringing their own mugs to the café and restaurant rather than using disposable cups.

## Use of finite resources

Indicator	2016-17	2015-16
<b>Water consumption: m<sup>3</sup></b>	19,573 (a)	13,270 (b)
<b>Water supply costs: £</b>	38,670	31,470 (b)
<b>Paper use: reams A4 eq.</b>	2,252.5	3,202

(a) February and March 2017 consumption estimated by the supplier based on January meter readings

(b) Restated as January to March 2015-16 was estimated due to inconsistent readings from a faulty meter

Reducing water consumption continues to be a challenge, with a 47% increase in consumption against the previous year, although water consumption has still reduced by 21% against the 2009-10 baseline. During the warmest year on record, our cooling towers required extra water to maintain the collection repositories at the correct temperature and humidity levels. It is also likely that the two boreholes which normally provide us with water for our grounds were less effective as water reserves shrank. The rainwater harvesting usually used to irrigate the grounds was also ineffective in the very dry conditions. In 2017-18, we will take a closer look at our areas of water consumption, to understand better where savings can be made.

In 2015-16, the mains and bypass water meters had to be replaced as they ceased providing automated consumption readings for the purposes of billing accurately. To supplement those artificially low statistics, we estimated the consumption based on January to March of previous years. We have now received accurate billing records for this period. In 2016-17, the supplier has estimated February and March's consumption. We are currently investigating the reasons for this and have used invoiced data for reported figures.

### **Sustainable procurement**

We continue to align our procurement to the Crown Commercial Service frameworks, and seek to consider opportunities of the creation of social and environmental value through our procurement, rather than focusing solely on economic factors.

In 2016-17, we have embedded sustainability in the re-tendering of major contracts, including that of our total facilities management provider. We will continue this in 2017-18, when other major contracts such as the catering contract are due for re-tender. We will also review our sustainable procurement policy and develop a cross-departmental procedure to embed it within everyday practices at The National Archives.

### **Greening Information and Communication Technology (ICT)**

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

### **Biodiversity**

In 2016-17, we began revisions to the Biodiversity Action Plan, to create a more practical approach to biodiversity management on site. In November 2016, Hedgehog Awareness Month encouraged staff to consider hedgehog-friendly practices in their own gardens. A wildflower meadow has been sown, and a new planting scheme has been devised for a large bed to support native pollinator species year-round. Our new Second World War styled allotments are encouraging our staff to get involved in the great outdoors. The first biodiversity survey of the 2017 calendar year highlighted key species, created with staff involvement. We will continue a series of biodiversity surveys through 2017.

### **Climate change adaptation**

The greatest risks climate change poses for our operations are from flooding and temperature extremes. We mitigate this risk by maintaining an up-to-date Flood Response Plan, and upgrading our buildings and systems to enhance our resilience against temperature extremes and any future volatility in energy markets.

# Annex B

## Advisory Council on National Records and Archives 14th Annual Report 2016-17

To the Right Honourable Karen Bradley MP, Secretary of State for Digital, Culture, Media and Sport

### Part One – The Advisory Council

The Advisory Council on National Records and Archives (the Council) is an independent body. It advises you as Secretary of State for Digital, Culture, Media and Sport (the Secretary of State) on issues relating to access to public records and represents the public interest in determining which historical records should not be open to public access, as such records normally are. It was established by the Public Records Act 1958 (PRA) and is a non-departmental public body.

The Council is chaired by the Master of the Rolls. The Rt Hon Sir Terence Etherton was appointed as the Master of the Rolls with effect from 3 October 2016. This followed the retirement of The Rt Hon Lord Dyson. The Council particularly wishes to record its gratitude to Lord Dyson for his chairmanship of the Council during his time in office.

Details of the membership of the Council during the period covered by this report are set out in Appendix A.

#### The role of the Council

The Council:

- advises the Secretary of State on issues relating to public records that are over 20 years old (historical public records), including public access to them, at the point they are transferred to The National Archives
- advises the Secretary of State on requests from government departments to retain historical public records under the Public Records Act
- advises departments on the public interest when they propose to refuse access requests for historical records on

the grounds of Freedom of Information Act (FOIA) exemptions, examining and challenging the arguments provided by departments to justify such refusals

- through its sub-committee, the Forum on Historical Manuscripts and Academic Research, advises the Chief Executive of The National Archives and Keeper of Public Records 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.

As its name suggests, the Council's role is advisory. Accordingly, the Council does not:

- make the final decision on whether, when they become historical, records are transferred to The National Archives closed or on whether, when a closed record is reviewed after transfer, it should remain closed – the decision lies with the department whose records they are
- make the final decision on whether a record can be retained by a department – the decision is made by the Secretary of State for Digital, Culture, Media and Sport
- advise on departments' retention of records under the Security and Retention Instrument 2011
- advise on or review departments' decisions on the selection of their records for permanent preservation – this falls under the remit of the Keeper of Public Records.

## Part Two – The Advisory Council's work

### Meetings

The Council held four meetings this year: in May, July and November 2016 and in February 2017.

Jeff James, The National Archives' Chief Executive and Keeper of Public Records attended Council meetings. Meetings were also attended by other representatives from The National Archives who have particular expertise related to the issues considered by the Council.

### The Advisory Council's procedures and processes

The workload of both the Advisory Council and departmental knowledge management teams has continued to grow this year as the transition to the 20-year rule continues. To ensure that it is well-prepared for future challenges, the Council has begun a review of its procedures and processes. This will examine all aspects of how the Council operates, and how it interacts with departments, The National Archives, and in particular with the Department for Digital, Culture, Media and Sport (DCMS) as its parent department. The working group carrying out the review is due to report to the Council in July 2017.

### Engagement with departments

During this year HM Treasury, the Foreign and Commonwealth Office (FCO) and DCMS attended Council meetings to discuss the progress they were making in the review and transfer of their historical records. The Council had previously agreed to recommend that the departments should be allowed to retain these records provided that they gave these updates.

To ensure that it receives sufficient information from departments about their plans to review the historical records they wish to retain, the Council has introduced a new template for departments to complete. This asks them to provide more details of their holdings, their timetable for review and transfer, and any proposals they may have to prioritise records series, for example because they are of particular historical interest. The Council received applications from the

FCO, DCMS, the Department of Health, the Home Office, the Northern Ireland Office and the Cabinet Office. The Council was content to recommend that permission to retain their legacy records for the 12-month periods requested be given to the Cabinet Office, DCMS and the Northern Ireland Office. The requests from the FCO and the Department of Health, who were asking for permission to retain records for up to five years, were agreed on the basis that the departments provide an annual update on progress. In the case of the Home Office, the Council recommended that they be given 12 months in the first instance rather than the requested four years, to allow them to better assess their holdings and to draw up a review and transfer plan.

The Council also considered a three-year retention request and an update from the Department for Business, Energy and Industrial Strategy (BEIS). The initial request was received and agreed before the machinery of government changes, which saw the Department for Business, Innovation and Skills merge with the Department for Energy and Climate Change to create BEIS. The Council will continue to receive updates from the new department and will follow with interest the impact of the merger on resourcing and workload.

The Council also met representatives from the Ministry of Defence to discuss the measures it had introduced to improve the quality and consistency of its closure and retention applications. The Council was pleased with the department's commitment to making these improvements and looks forward to building a constructive relationship with them in the future. They also provided an update on their plans for the transfer of military service personnel records from the early half of the last century. The Council recognises the importance of these records to historians and genealogists, and as they are currently held in paper form only, hopes that a cost-effective way can be found to make them accessible through digitisation.



## Digital records

The working group which was set up in May 2015 to examine how the Advisory Council could continue to apply proper scrutiny to the increasing number of born-digital records (records not held in paper form) being transferred to The National Archives, concluded its work in July 2016. Members included Council members Stephen Hawker and John Millen, staff from The National Archives and representatives from government departments.

The template that the working group developed to capture the information that the Council required has been rolled out across government and a number of departments have already submitted applications using it.

## Access to public records

### • Closure of records under the Freedom of Information Act

The Council is responsible for advising the Secretary of State for Digital, Culture, Media and Sport on the application of FOIA to historical public records, including on applications from departments that wish their records to be transferred to The National Archives closed or partially closed (redacted) under exemptions permitted under the Act.

In 2016-17, 72,956 government records were transferred to The National Archives. Over 95% of these records were transferred open in full and can be viewed at The National Archives by any member of the public who has a reader's ticket. The remaining 5% of records were transferred closed, or partially closed where extracts were redacted, after departmental applications to do so had been scrutinised by the Council.

The number of closure applications submitted to the Council reduced slightly this year to 4,290, compared with 4,435 in 2015-16. Many of the applications the Council sees attract exemptions that are categorised by the FOIA as 'absolute', and as such are not subject to the public interest test. Most of these cases involve personal

information about private individuals, which is protected from release by the Data Protection Act. From an analysis of the schedule of applications considered by the Council in February this year, the obligation to protect personal information gave rise to an application for closure at transfer more frequently than any other reason.

The uneven quality of these applications, on which the Council commented in its last annual report, has continued to cause the Council some concern. The Council queried just under 12% of the applications it received, compared with 10% the year before. Almost half of this year's queries resulted in the applications being amended. In the majority of cases, the changes were requested in order to make the arguments for closure clearer rather than to alter the duration of closure or the FOI exemption to be applied to the records. While this has provided some reassurance that departments are taking care to ensure that they are applying the correct exemptions, there is still scope for them to improve the quality of the justifications they offer.

### • Retention of records under the Public Records Act

The Council also advises the Secretary of State on applications submitted by departments for the retention of public records under the Public Records Act 1958. The most common grounds for a department to seek to retain records are set out in guidance produced by The National Archives. The Secretary of State has accepted the Council's advice on every application considered this year.

This year, the Council considered 986 retention applications, an increase of less than 4% on 2015-16, but an increase of more than 25% on 2014-15. A brief analysis of the reasons for the increase carried by The National Archives at the request of the Council suggested that, in addition to the impact on review teams' workload of the transition to the 20-year rule, which requires departments to review two years' worth of material each year from 2013 until 2023:



- a) The introduction of The National Archives' Record Transfer Report in 2014, which provides greater transparency by publishing data on records transferred or retained by departments, has encouraged departments to make sure that they comply with the Public Records Act (PRA) and have a retention instrument to allow them to retain historical records for which they have an ongoing business need.
- b) Departments are increasingly being required to retain records which they may be asked to make available to inquiries or inquests, for example the Independent Inquiry into Child Sexual Abuse. A new category (no 8) has been added to the list of grounds for retention drawn up by The National Archives to reflect this.
- c) Departments are making more applications to the Council to retain records on security grounds for material that would previously have been considered to have fallen under the 2011 Security and Retention Instrument. The criteria for the application of the Instrument are being applied more tightly by departments and more material was considered out of scope of such 'blanket' retention approval.

While the increase in the number of applications received since 2015-16 was small, the number of queries raised almost trebled. This was in many cases because departments did not provide sufficient information when presenting their arguments for retention. On occasion there appeared to be a reluctance to respond fully to the Council's queries or to answer the questions posed. In such cases it took longer than should have been necessary for the Council to complete its consideration of a department's proposal. The Council would urge departments to be as open as possible when making their applications and answering queries.

There has also been a noticeable trend for departments to withdraw their applications when challenged (22 withdrawals this year compared to four in 2015-16). A significant number were withdrawn as soon as the Council raised query, which suggests to us that in such instances the department had not given enough thought to the request. The Council was sufficiently concerned to ask relevant departmental representatives to attend a Council meeting to discuss the matter further.

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

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

Further information on how the Council scrutinises and challenges the applications it receives is available on the Council's website.<sup>45</sup>

<sup>45</sup> [nationalarchives.gov.uk/about/our-role/advisory-council/](http://nationalarchives.gov.uk/about/our-role/advisory-council/)

		2014-15	2015-16	2016-17*
Closure applications	<b>applications considered</b>	4,250	4,435	4,290
	<b>applications queried</b>	181	480	506
	<b>applications where clarification was received and accepted</b>	105	340	228
	<b>applications which were amended by departments and accepted</b>	67	126	194
	<b>applications withdrawn by departments following challenge by the Council</b>	9	14	18
Retention applications	<b>applications considered</b>	793	952	986
	<b>applications queried</b>	28	44	116
	<b>applications where clarification was received and accepted</b>	21	28	34
	<b>applications which were amended by departments and accepted</b>	4	12	30
	<b>applications withdrawn by departments following challenge by the Council</b>	3	4	22

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

## FOI panels

- Records retained by departments and those closed at transfer to The National Archives remain subject to the Freedom of Information Act (FOIA) and individuals can make a Freedom of Information (FOI) request to have access to them.
- When The National Archives receives a FOIA request for access to closed information held there, it follows the procedure set out in Part VI of the Act. Under these provisions, before a request can be refused on the grounds of a qualified exemption, the Council must be consulted and carry out the public interest test, which is necessary before such an exemption can be applied. For this purpose panels of three Council members are convened to consider the public interest in the release or non-disclosure of the requested information. The Council has no part to play when a request is to be refused citing only absolute exemptions (around 50% of cases).
- In most cases the request concerns information closed at transfer on the grounds that it was either: information that if released would endanger the safety or physical or mental health of an individual; or information that would damage international relations; or information relating to law enforcement. Cases are carefully scrutinised and debated by panels on the basis of a fresh assessment by the department of the arguments for and against disclosure, taking account of any change in circumstances since the access status of the record was last considered. 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 concerns they have about departmental practices and draw attention to inconsistencies between departments in their handling of FOIA requests.
- During 2016-17, 33 panels were convened, with 400 cases being considered, an increase of 44% from 2015-16. Panels challenged 62 of these. Having been provided with more detail, the panels in most cases accepted departments' arguments for continuing to apply public-interest based exemptions. However, in two cases the panels' challenges resulted in the closed records being opened in full and in another, there was a partial release of the closed information.
- This year for the first time, a panel requested to see a record where it had been unable to reach a view based on the information it had been given by the department. A panel member subsequently visited The National Archives to view the record and, after they had done so, concluded that some more of the material should be opened. The department accepted this recommendation and the further extracts were released.

## Part Three – 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 sub-committee of the Advisory Council provides a means through which the Chief Executive and Keeper of The National Archives in his capacity as Historical Manuscripts Commissioner can seek advice on historical manuscripts (independent archives), as well as a place for discussion about academic research issues.

It is chaired by the Master of the Rolls. Its membership includes four members of the Advisory Council, and three additional members, all of whom have expertise in academic research and/or knowledge and experience of private archives.

Its meetings are attended by the Chief Executive and Keeper, and other staff from The National Archives.

The Forum met twice during this year and held one informal meeting via conference call. One scheduled meeting had to be cancelled due to a power cut at the venue. Much of the Forum's focus has been on re-formulating its terms of reference to reflect the findings of the review of its role carried out in 2015. It has also continued to discuss and advise on:

- a future exhibition on records held by independent archives
- the improvements to Discovery, The National Archives' online catalogue
- *Archives Unlocked*: a new strategic vision for the archives sector
- the work of The National Archives' archives sector development and academic engagement.

In addition, it has considered six cases dealing with the acceptance by the government of private archives in lieu of the payment of a tax liability under the provisions of the Inheritance Tax Act (1984).

**The Right Honourable Sir Terence Etherton  
The Master of the Rolls  
June 2017**

## Appendix A

### Members of the Advisory Council on National Records and Archives

The Master of the Rolls chairs the Advisory Council. The Master of the Rolls was originally responsible for the safekeeping of charters, patents and records of important court judgments. Today, he is President of the Court of Appeal (Civil Division) and Head of Civil Justice. The current Master of the Rolls is the Rt Hon Sir Terence Etherton. Three new members – Helen Forde, Angela Kelly and Jeannette Strickland – were appointed to the Advisory Council in July.

Dr Bendor Grosvenor resigned from the Advisory Council and from the Forum in November.

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 Digital, 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**, Freedom of Information Officer, University of Bath; independent historian; former communications adviser, civil servant and 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, Historic Environment Scotland
- **Dr Helen Forde**, Historian and archivist; formerly Board member of the Museums and Libraries Association, Chairman of the Board of Trustees of the Postal Museum and Vice-President of the Society of Antiquaries
- **Mr Stephen Hawker CB**, Independent Consultant

- **Ms Angela Kelly**, Legal Adviser and Examiner of Statutory Rules, Northern Ireland Assembly
- **Dr Elizabeth Lomas**, Senior Lecturer in Information Governance, University College London; formerly Head of Records Management Services for the Royal Household
- **Mr John Millen**, Formerly Policy Director, Ministry of Defence
- **Dr William Peace**, Visiting Senior Research Fellow, International Centre for Security Analysis, Kings College London; formerly Deputy Director for Strategy and Information, Serious Organised Crime Agency
- **Sir John Ramsden Bt**, Formerly HM Ambassador to Croatia; formerly Head, Central and North West Europe Department, Foreign and Commonwealth Office
- **Mr Michael Smyth CBE QC (Hon)**, Member Legal Services Board and Fundraising Regulator; Chairman Community Links; former Head of Government Practice Clifford Chance
- **Ms Jeannette Strickland**, independent archive and records consultant; formerly Head of Art, Archives and Records Management, Unilever
- **Mr Trevor Woolley CB**, Formerly Director General, Ministry of Defence

The Secretary to the Council is Beth Watson.

### Members of the Forum on Historical Manuscripts and Academic Research

Advisory Council members Hillary Bauer, Lesley Ferguson and Elizabeth Lomas also sit on the Forum. The current members of the Forum who do not sit on the Advisory Council are:

- **Dr Clive Cheesman**, Richmond Herald, The Royal College of Arms
- **Dr Ian Mortimer**, historian and historical biographer
- **Dr Christopher Ridgeway**, Curator, Castle Howard

The secretary to the Forum is Patricia Humphries.

# Annex C

## Annual Report of the Independent Complaints Reviewer 2016-17

Jodi Berg OBE is the Independent Complaints Reviewer (ICR) for The National Archives. She has a background as a solicitor and a mediator, and is a Fellow of the Chartered Institute of Arbitrators.

### ICR Service

The ICR service is free to complainants. My role is to review complaints that The National Archives has been unable to resolve itself. People can access the ICR service by contacting me directly or they can ask The National Archives to refer their complaints on to me.

Once I have received a referral and ascertained what the complaint is about, I assess whether it is amenable to settlement by agreement between The National Archives and its customer. If it is, I am able to negotiate an agreement which will usually involve The National Archives agreeing to take certain action in order to settle the complaint, this may include for example giving an apology or information to the customer. Where this is not possible, I carry out a thorough review of the issues and consider whether The National Archives has acted in accordance with its own policies and procedures and met reasonable standards of customer service.

Where appropriate, I can recommend action to put things right for the person concerned or to improve the future quality of The National Archives' service. I also keep oversight of the way in which The National Archives responds to customer feedback and complaints and seeks to learn from them. This report comments both on The National Archives and ICR complaint activity during the year.

This year, The National Archives dealt with over 29,000 telephone enquiries and over 32,500 written enquiries. The National Archives produced over 580,000 documents

in the year. In the overall scheme of this extensive customer contact, complaints are very few in number and referrals to the ICR are rare. As a consequence, I am satisfied that most people are pleased with the service they get from The National Archives and have no reason to complain. However, in any large public body problems do arise.

For those few cases where The National Archives cannot resolve complaints, it is important that people can turn to someone who is independent to settle matters by taking a fresh and impartial view of what has happened. The National Archives is committed to implementing my recommendations wherever practicable.

### ICR Standards

When people complain to the ICR's office they can expect to be treated with:

- Respect: we show regard for everyone and take their concerns seriously
- Courtesy: we communicate in an open and friendly manner and expect similar courtesy from complainants
- Honesty: we are clear about the limitations of our role from the outset and discuss the likely outcomes that can be achieved from review
- Objectivity: the ICR reaches decisions in a fair and impartial manner
- Flexibility: we tailor our service to meet people's legitimate needs
- Plain language: we use straightforward language and avoid jargon wherever possible.

We also adhere to the Ombudsman Association's Principles of Good Complaint Handling.

## **Overview of The National Archives' learning from complaints and customer feedback**

I am pleased to report that The National Archives continues to try to take lessons from the information arising from customer feedback and to implement changes aimed at improving the customer experience.

- This year, The National Archives piloted changes to how reading room rules are communicated to customers by explaining what items are allowed in, rather than what could not be taken in. This proved successful and is now published widely by The National Archives.
- In response to complaints previously raised, The National Archives introduced a record copying online service through which people can request a page check before placing an order for copies of documents through Discovery, The National Archives' online catalogue.
- In response to a previous ICR recommendation, The National Archives has been reviewing its reading room rules, relaxing the rules in certain areas regarding photography and bringing in refreshments.
- The National Archives has started a programme of works to improve its public areas and to create a new talks and events space.
- Customer service initiatives have included events which encourage visits and involvement in The National Archives' activities, such as the 'Archives at Night' events. Attendance has increased and the customer response has been positive.
- The Your Views feedback streams were reviewed. As a consequence, the way feedback from the Advice and Records Knowledge department is obtained has changed and a specifically developed survey has been introduced to enable The National Archives to better understand user's experiences of the service.

Following receipt of feedback from users, The National Archives made a number of system changes, including updating guidance on obtaining bank statements, which can be used as one form of identification for a reader's ticket, and improving the information on the advanced orders web-page about document lockers and access.

## **Overview of complaint activity and examples**

As always, this year we have had a number of enquiries and requests for assistance from people who need help from The National Archives or who have complaints to raise but 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 elsewhere. This year we responded to people who were looking for help and information about a variety of issues. Examples are:

- Difficulties in obtaining information from The National Archives' website about Polish refugees in Palestine between 1946 and 1948.
- Problems in finding out information from The National Archives regarding Nigerian court cases to assist with authorship of an academic book.
- An enquiry about the acquisition of General Courts Martial records through The National Archives.

Between 1 April 2016 and 31 March 2017, The National Archives itself recorded 74 complaints, a small increase from 71 last year. Most of these were resolved without the complainant needing to escalate their concerns to Internal Review, which is dealt with by the Chief Executive's Office. Only two of these complaints resulted in a new referral to the ICR Office. One complaint is highlighted in the case study below and the other review is ongoing. The National Archives also recorded 157 compliments.



### **Case study**

Mr X contacted The National Archives to enquire about 'errors' he had identified on display boards. He was dissatisfied with the action taken by The National Archives and raised a complaint which was responded to through the complaints procedure. He remained unhappy with The National Archives' actions and referred his complaint to the ICR. He said that while changes had been made to the boards, these were still misleading. He called for the resignation of the Chief Executive and Keeper. I explained that I was unable to achieve the changes to public information that he wanted to see as that was a matter for decision by The National Archives. Moreover, the ICR process is not disciplinary in nature or intent and employment issues are not within my remit.

Following review, I was satisfied that Mr X's comments were properly considered by the relevant The National Archives teams, whose conclusions were sought as part of the investigation into his complaint. I noted that his concerns were taken seriously and dealt with at the appropriate organisational level. He had had a face-to-face meeting to discuss his concerns and the review then carried out had been thorough, albeit the outcome may not have been what he wanted. Given this, I found no reason to take matters further and concluded my review at that point.

### **Finally**

I record my thanks to The National Archives' Customer Service and Complaints Team, and to the Quality and Excellence Department for their interest in customer complaints and feedback, and for their assistance with referrals and ICR review.

If complainants are dissatisfied with the outcome of ICR review, they can ask their MP to refer the matter to the Parliamentary and Health Service Ombudsman.

### **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](http://www.icrev.org.uk)

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