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Annual Report and Accounts of The National Archives									
		2018-19							
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Annual Report and Accounts of The National Archives 2018-19

Including the Annual Report of the Advisory Council on National Records and Archives 2018-19
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
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Annual Report and Accounts of The National Archives 2018-19

This is part of a series of departmental publications which, along with the Main Estimates 2019-20 and the document *Public Expenditure: Statistical Analyses 2018*, present the government's outturn for 2018-19 and planned expenditure for 2019-20.



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Preface

About the Annual Report and Accounts of The National Archives:

This document combines performance and financial data with analysis to help readers better understand our work. It sets out how we spend taxpayers' money to fulfil our remit as the official archive and publisher for the UK Government, and for England and Wales. It covers our activities from April 2018 to March 2019 (inclusive), and is split into three main sections.

The performance report (pages 8 to 31) includes a summary of progress and key activities (the performance overview), followed by our achievements over the year against each of the business priorities, input and impact indicators (the performance analysis).

The accountability report (pages 32 to 73) includes an introductory statement from our Lead Non-executive Board member, and the Directors' report sets out our operating structure and transparency matters such as inclusion and diversity, and whistle-blowing. It also includes:

- a statement of the Accounting Officer's responsibilities
- a Governance statement on how The National Archives manages risk
- a remuneration and staff report setting out an open account of the pay and benefits received by the executive directors and Non-executive Board members
- disclosures on pay and pensions policies, and details of staff numbers and costs
- a parliamentary accountability and audit report, allowing readers to understand the department's expenditure against the money provided to it by Parliament by examining the Statement of Parliamentary Supply
- a copy of the audit certificate and report made to Parliament by the Head of the National Audit Office, setting out their opinion on the financial statements.

The financial statements (pages 74 to 108) outline our income and expenditure for the financial year, the financial position of the department as of 31 March 2019, and additional information designed to enable readers to understand these results.

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Annex A (pages 109 to 118) provides a detailed sustainability report, giving an overview of our activities during the financial year, our progress against Greening Government Commitments targets, and our plans for 2019-20.

Annex B (pages 119 to 136) contains the Advisory Council on National Records and Archives: 16th Annual Report 2018-19, which describes the role, work actioned in year, and details of the Forum on Historical Manuscripts and Academic Research.

Annex C (pages 137 to 141) contains the Annual Report of the Independent Complaints Reviewer, which sets out information on the service and standards, an overview of both the learning from complaints and customer feedback, and of complaint activity and examples.

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1. Performance Report

1.1 Overview

Introduction from Chief Executive and Keeper

To the Right Honourable Jeremy Wright QC MP, Secretary of State for Digital, Culture, Media and Sport

I am pleased to present the Annual Report and Accounts for The National Archives 2018-19. This year's report marks the completion of *Archives Inspire*, our audience-focused strategy. *Archives Inspire* was a deliberate departure from previous business plans – it reiterated our public task in collecting, preserving and making accessible public records, and set out how we would change the way people think about archives, articulating what archives are for, rather than just what they do. Over the last four years, we have worked hard to meet the needs of each of our major audiences – government, the public, academia and the archives sector – while tackling the single biggest strategic challenge of digital technology and what it means for archives. We have learned a great deal more about ourselves as an institution, and of how archives can harness their public value as essential, versatile resources for democracy, for the future. However, harnessing this realisation will take significant investment, time and resource.

Throughout the year, we reshaped our expert offer to the UK Government to better support departments to meet their obligations under the Public Records Act, and to grow their digital records management capability. On your commission, we are leading a complex piece of work to refresh the Code of Practice for Records Management. Our Legislation Services teams have progressed important work to prepare a platform for a new web archive service, and to publish relevant legislation in relation to the UK's exit from the European Union. At this crucial moment, the point at which digital intersects with paper, the public expects greater assurances on how archival information is managed and accessed at the click of a button. The transition to the 20-year rule draws to a close in 2023, meaning that our robust, expert offer must be matched by a commitment from across government if we are to secure the future of the historic public record.

We have worked hard to engage more people with our collections so that they can experience archives in exciting, new ways. Highlights include our commemorative Suffrage 100 season which attracted younger audiences, and hosting a variety of activities pertaining to the end of our First World War 100 centenary programme. Alongside this, we enhanced our facilities and services to improve our visitors' experience, for example, by increasing the number of original records people can order in advance of their journey to Kew. We also loaned an array of documents to institutions

in the UK, Europe, the US and Australia, viewed by more than 800,000 visitors. We are proud of the many transformative steps we have taken; however, we recognise there is more to do to be an institution that represents all who encounter us.

This year marks a significant milestone for the UK archives sector, and an opportune time to shine the spotlight on the evolution of a unique professional practice over the last century. The Historical Manuscripts Commission (HMC) sees its 150th anniversary this year, and is highlighted in *Archives Unlocked*, the UK Government's strategic vision for archives. *Archives Unlocked* acknowledges our leadership role and support for the sector as a key part of the HMC's functions. Under the vision's action plan, we launched a workforce development strategy that aims to develop archives into resilient and forward-thinking services that will better reflect the communities they serve. Alongside this, the nationwide partnership Archive Service Accreditation scheme was refreshed in consultation with peers across the sector. Though more than 140 services are now accredited, archives continue to operate within challenging circumstances, and urgently seek to equip themselves with vital tools and skills to maintain their services and collections.

We are proud to be an Independent Research Organisation. Our collections form a vital part of collaborative archival research that spans the globe. As part of a funded research project, a UK-US network in computational archival science will investigate new archival research approaches for users of archives. Our partnerships go from strength to strength: the sixth annual *Discovering Collections, Discovering Communities* (DCDC) conference, delivered jointly with Research Libraries UK, attracted a broad range of delegates from across the archive, library, museum and academic communities. While we continue to work with leading organisations using our collections for a wide variety of research, we know there is more to do to gain the level of grant funding our collection requires to inform a diverse range of academic and research disciplines and practices in the long term.

The profound impact of digital technologies is felt keenly by archives across the world. Artificial Intelligence (AI), machine learning, and the increasing use of preservation tools and software offers radical new capabilities, most significantly in addressing the challenges of appraisal, selection, sensitivity and presentation of digital archival collections. In partnership with the International Council on Archives and the Forum of National Archivists, we held an international two-day digital symposium which brought together experts from archives, other institutions and members of the public. We also researched and developed new archival practices with a digital preservation risk model; an important first step in better responding to digital preservation risks. The digital challenges and the rapidly increasing heap of born-digital materials are as prevalent as ever.

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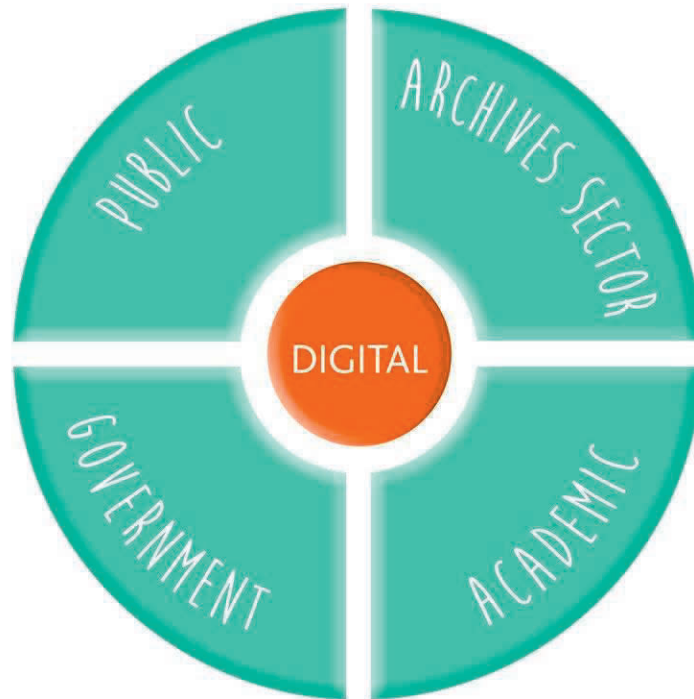
We are about to embark on a new strategy that builds on everything we have learned over the last four years. It reinforces our historic mission – preserving the digital and physical record for future generations – and acknowledges that we need to engage with as broad and diverse an audience as we can, in the most innovative ways possible. In addition, while we continue to generate income via our commercial endeavours, we remain constrained in resources and in our ability to plan financially for the long term. The new strategy will take focus, hard work and the support of our stakeholders, partners and peers to see us become a truly 21st century national archive. I would like to express my deepest thanks to our staff, partners, volunteers and the Friends of The National Archives, for their dedication and professionalism in helping us achieve so much over the course of the last four years.

Jeff James, Chief Executive and Keeper, 16 July 2019

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:



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

Archives Inspire, our ambitious strategic plan, sets out how we must 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.

In 2015, we set a new course. In the four years since we have learned an enormous amount about our audiences, our capabilities and the nature of the challenges we face. Most importantly, we fully recognised our potential. Our new four-year strategy is about that potential and how we will realise it.

Our audiences and the digital challenge

For government, we provide expert advice and scrutiny, ensuring that the record survives and thrives

- Throughout the year, we accessioned more than 69,970 government records transferred from over 40 public records bodies, including:
 - files from the Cabinet Office and the Prime Minister's Office [covering events in 1993 and 1994](#)
 - a series of Second World War 'Escape and Evasion' maps from the Defence Geographic Centre
 - more than 2,000 Foreign and Commonwealth Office cartographers' maps, plans and drawings dating from 1875 up to 2003
 - Historic Royal Palaces records relating to the fire at Hampton Court Palace in 1986.

- This year, we have reflected on how we might best support government departments with their obligations under the Public Records Act (PRA) by taking a closer look at how the working practices of both ourselves and colleagues across government can be better developed. This includes critically assessing the progress and development of our new strategic offer to the UK Government that ensures the Keeper and government departments can successfully meet their legal duties.
- To better support departments in meeting their statutory obligations under the PRA, we are working to update best practice methods for the preservation of the physical and digital record. This involves leading a complex piece of work on a strategic refresh of the Code of Practice on the management of records issued under section 46 of the Freedom of Information Act 2000. This refresh was commissioned by the Secretary of State for Digital, Culture, Media and Sport.
- We continued to drive compliance with the PRA across government and to hold departments to account for their obligations under the transition to the 20-year rule, monitoring compliance through the data submitted via the [Information Management Report](#) by individual public record bodies. We have also contributed to the creation of an alpha version of the Understanding Information Management Risks tool, a collaborative model that will inform a shared understanding of the cross-government holdings of digital information at scale.
- We are undertaking a comprehensive revision of our training and events programme for government, using our collective knowledge and expertise to inform our audience and reach. We also continue to ensure the majority of Whitehall departments are participants in our flagship [Information Management Assessment \(IMA\) programme](#) including the Department for Exiting the European Union (DExEU). In the near future, the departments for Business, Energy and Industrial Strategy and International Trade are scheduled to be assessed.
- Throughout the year, we made preparations to publish relevant European legislation with regards to the UK's exit from the European Union. Schedule 5 of the European Union (Withdrawal) Act 2018 created a new duty on the Queen's Printer at The National Archives to make said arrangements. This included compiling an archive of European law using our web archiving technology, and maintaining the texts of a large selection of EU legislation on legislation.gov.uk, which involved identifying and loading more than 150,000 pieces of European legislation to the legislation.gov.uk database.

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- We updated our tools, training and support offer to departments and the devolved administrations for publishing legislation, working closely with colleagues from DExEU. Managing several peaks in demand for our new legislation service, we published 600 EU Exit Statutory Instruments. We also published the largest Statutory Instrument ever made, *The Product Safety and Metrology etc. (Amendment etc.) (EU Exit) Regulations 2019*.
- We continued our work to bring the primary legislation on legislation.gov.uk fully up to date, increasing the proportion of up to date Acts to 98% by applying 50,000 amendments to the texts during the year. We also started to revise all the secondary legislation from 2018 onwards, as well as going back to revise some selected texts from previous years.
- We finalised and signed a new contract for the provision of legislation publishing services. Working with our partners – the Houses of Parliament, Scottish Parliament, and the drafting offices for UK and Scottish legislation – we procured and started development of a browser based Legislation Drafting, Amending and Publishing tool.
- [The Gazette](#) is the combination of three publications – *The London Gazette*, *The Belfast Gazette* and *The Edinburgh Gazette* – which together are the official journals of record. We awarded a new, five year concession contract for managing and delivering the daily publication of *The Gazette* and the development, maintenance and operation of *The Gazette* digital service. The new contract has been awarded on improved commercial terms and with a commitment to delivering essential enhancements to the service. The new contract comes into operation from 1 January 2020.

For the public, we work to inspire new ways for people to use and experience our diverse collection

- Our commemorative programme [Suffrage 100](#) included the exhibition *Suffragettes versus the State*, which questioned the role the activities of the time played in gaining the vote for some women. The suffrage-inspired exhibition received a 96% satisfaction rating from visitors and attracted younger audiences to the archives. [Suffrage Tales](#), a stop-motion animation film produced by a group of young people inspired by our collection, was recognised at the [Medea Awards](#).

- We hosted a variety of activities to mark the anniversary of the armistice and the end of our [First World War 100](#) centenary programme. *Words of Peace* brought together two iconic documents from our collection for the first time: the armistice agreement and the Treaty of Versailles. We also ran two projects harnessing the creativity of young people inspired by our records. [Writing War, Writing Peace](#), a creative writing anthology; and [Armistice and Legacy](#), a collection of artwork inspired by our collections.
- Domesday, one of the most significant public records in the world, formed part of the *Anglo-Saxon Kingdoms: Art, Word, War* exhibition at the British Library. In addition, an interview about Domesday with one of our records experts featured on the [BAFTA-nominated mockumentary Cunk on Britain](#), broadening our engagement with new audiences.
- Through our education and schools programme, we taught nearly 12,000 schoolchildren. We also worked with students from Anstee Bridge, a learning and support programme for young people aged 16 and above, to explore records related to the creation of the NHS. In November, we let large numbers of schoolchildren loose throughout the archives as part of [Kids in Museums Takeover Day](#).
- In August, [Holding History](#), the third instalment of our young person's film animation project, saw a small group of young people transform our conference suite into a film studio: researching, story-boarding, creating artwork, script writing, recording and filming. *Holding History* is a remarkable film based entirely on the group's interpretation of the documents within our collection. Previous films have been nominated for and won international MEDEA Awards.
- We partnered with the iconic children's programme *Blue Peter* to celebrate their 60th birthday, which included the placement of a 2018 time capsule in our repository to be opened in 2038.
- We continued to develop and enhance our on site and online facilities and services. Visitors can now order up to 12 documents [ahead of their visit](#), and we experimented with our public spaces to [host a variety of events and activities](#) including: theatre, dance, talks, workshops, conferences, jujitsu, live streaming, book launches and book signings.
- Our mailing list now has more than 250,000 subscribers, and our social media channels continue to flourish with a variety of content across multiple channels and feeds, with more than 236,000 followers.

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- Following an assessment by VisitEngland in July, we embarked on a programme of activities which aim to improve visitors' experience of The National Archives. We have also been accredited under the Visit England Visitor Attraction Quality Scheme.
- The work of our volunteers continued to play a vital role in helping us open up greater access and participation with our collections. In March, we revised our *Volunteering at The National Archives* strategy, which explores the benefits of working with volunteers in new and exciting ways. Overall, we want to attract volunteers from different communities of all ages and backgrounds, and in the future, more remote volunteers by developing crowdsourcing cataloguing projects using transcription platforms.
- The Friends of The National Archives continued to support us in numerous ways, from volunteering, events and through funding innovative public programmes. We would like to thank the Friends and our on site and online volunteers for helping us to achieve our *Archives Inspire* goals.
- Sir Anthony Seldon took on the role of chair elect of The National Archives Trust, along with three other founding trustees. The Trust, whose charitable objects are to support education and heritage, will launch later this year⁴.

For the archives sector, we are an effective leader and collaborator, and support archives of all kinds to sustain and develop their services

- [Archives Revealed](#) is the collaborative funding stream dedicated to cataloguing and unlocking archival collections. Last year, with support from The Pilgrim Trust, The Wolfson Foundation and The Foyle Foundation, we awarded £281,258 in cataloguing grants and £54,000 in scoping grants.
- We distributed more than £660,000 of [New Burdens funding](#) to 49 local authority places of deposit. The funding supported a number of projects and other improvements, including additional or upgraded storage, and the acquisition of digital preservation systems.
- As part of delivering [Archives Unlocked](#), the UK Government's strategic vision for archives across England, we launched a workforce development strategy. The strategy aims to develop capacity in the archives workforce to deliver sustainable, resilient and forward-thinking archive services that reflect the communities they serve, meeting their needs and those of wider society.

⁴ Accurate as of 4 July 2019

- The nationwide partnership [Archive Service Accreditation scheme](#) was refreshed following a consultation with peers across the sector, and the scheme reopened for applications in the summer. In particular, specific content on digital records risk management was included, having been developed with the [Digital Preservation Coalition](#). There are now more than 140 accredited services throughout the UK.
- [Bridging the Digital Gap](#), the training programme delivered by The National Archives and funded by National Lottery Heritage Fund (formerly, the Heritage Lottery Fund), will create 24 paid technical trainees in archives around the UK. Bringing new and relevant skills into the sector, the programme began its first year with eight trainees in post. Further traineeships will start in October 2019.
- Over 100 archive services now use our [Manage Your Collections](#) tool to publish and edit information about their collections directly into Discovery, our online catalogue. Manage Your Collections brings the ability to rapidly publish catalogue data to the web within the reach of every archive. So far, 220 collections have been added to Discovery; with the team reaching out in particular to specialist and community archives.
- We launched a strategic review of the Places of Deposit network, to consider its future operation and sustainability in an increasingly digital environment. The review aims to draw a comprehensive picture of current capability across the network, while exploring the ways in which we can drive and support its digital development.
- We published [joint research on citation capture](#) to kick start a discussion on standardising references to Unique and Distinctive Collections (UDC) found in repositories throughout the UK. The research was undertaken through a partnership between The National Archives, Research Libraries UK and Jisc.
- In partnership with Jisc, we began scoping work to establish the current level of digital capacity across the archives sector. The data gathered from this work will be used to create a new digital strategy and programme of delivery.
- The popular conference [Manorial Documents: Past, Present and into the Future](#) was held in collaboration with the Manorial Documents Register (MDR) Advisory Panel. The conference offered an opportunity to celebrate more than two decades of work dedicated to revising and updating the Register, and exploring ways in which it can be unlocked to exploit its uniquely rich content for greater research.

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- The archives sector, particularly local authorities, continue to face a challenging financial context, and this has led to sustained cuts to service levels and staff numbers. We continue to engage with and advocate for services experiencing financial challenges, but the situation is unlikely to improve quickly.
- The lack of diversity in the archives sector is becoming an issue of real urgency, and the barriers to qualification mean that this is unlikely to change materially in the near future. We are working with the Archives and Records Association to introduce an apprenticeship route into the sector, alongside other initiatives, but are aware that progress is likely to be slower than we would like.

For academics and researchers, we are focused on advancing knowledge through exemplary academic liaison and outstanding interdisciplinary research.

- Last year, we launched our [five cross-cutting interdisciplinary research priorities](#) which will shape our research and academic engagement within and outside of The National Archives throughout 2019. We also created a Research Hub, a flexible physical space on site for both colleagues and external collaborators to use for working on research.
- We are proud of our flourishing academic engagement events programme. Last year's summer lecture series, *Mapping Movement: People, Place and Power*, quickly sold out, and our Big Ideas series continued to introduce colleagues and members of the public to fresh research ideas. In June 2018, the annual [Gerald Aylmer conference](#), hosted alongside the Royal Historical Society and the Institute of Historical Research, explored *Diversity amongst the documents? The representation of BAME communities within the UK's archives*. There was a strong demand for further work and leadership from The National Archives in this area.
- The [sixth annual DCDC](#) conference, delivered jointly with Research Libraries UK (RLUK), took place at the Birmingham conference and events centre. The conference theme, *Memory and Transformation*, brought together more than 370 delegates from across the archive, library, museum and academic communities.
- For the first time, we ran a six-month Early Career Research Fellowship generously funded by the Friends of The National Archives. The Fellowship focused on the use of transcription technologies and crowd-sourcing to generate new, reusable data based on our large collection of Prerogative Court of Canterbury wills. We also launched a joint Professional Fellowship scheme with RLUK.

- Three new collaborative PhD students started this year, two of them funded through the AHRC's Collaborative Doctoral Partnership programme. We have also increased our support for staff to prepare and undertake their own innovative research through a newly established Research Sabbatical scheme.
- Working with other leading organisations, our [Heritage science research programme](#) seeks to understand more about the UK's archival heritage by analysing the varied and complex materials within heritage collections. With this in mind, we invested further in Fourier-transform infrared spectroscopy, a method used to scan test samples, observe chemical properties and to analyse ink, wax and paper.
- We continue to lead on the development of storage conditions for cultural heritage collections, creating new guidance for storing archive and library collections to significantly reduce environmental impact. This guidance is now reflected in both national and international standards. In July, together with the National Conservation Service, we hosted an event on the application of the new standards in archives and library buildings.
- This year, we supported 14 exhibitions and broadened our global reach by loaning an array of documents to institutions in the UK, Europe, the US and Australia, all viewed by more than 800,000 visitors. These exhibitions included the display of the official copy of Captain James Cook's journal, kept on board HMS Endeavour, for the *Cook and the Pacific* exhibition at the National Library of Australia.
- We continue to engage in collaborative funded research activities to pioneer new research inspired by our collection:
 - [The Northern Way: The Archbishops Of York And The North Of England, 1304-1405](#) examines records generated by the archbishops of York between the reigns of Edward I and Henry IV. Insights from the project will reveal details about the networks and structures of 14th century public life in the north of England. This is a three-year grant from the Arts and Humanities Research Council (AHRC) in partnership with the University of York.
 - A grant via a scheme for UK-US Collaborations in Digital Scholarships in Cultural Institutions will support an International Research Collaboration Network in Computational Archival Science. This Network brings together academic researchers and archival practitioners to investigate how new approaches to digital archiving and preservation can enable users to understand, interpret and re-purpose born-digital

collections. The Network includes King's College London, the University of Maryland and the Maryland State Archives (USA).

- We are proud to form a part of the international collaboration ArchIVES, a project to analyse historical wax samples, and in particular, wax seals. ArchIVES will also aim to uncover how beeswax, seals and adhesives can be explored as a valuable biomolecular archive, as well as investigating the potential to identify the DNA of individuals from the attached seals.

However, the funding landscape remains highly competitive, and funding success is not at the level we would like. We are introducing researcher development plans in order to expand our capacity to lead and win bids in our own right.

Over the last few years, we have made important changes to the ways we think and work in order to become a digital archive by instinct and design

- We researched and developed new archival practices for digital records. The first version of a Digital Preservation Risk model using a Bayesian Network approach means we can better understand and respond to digital preservation risks.
- With our partners, the University of Surrey and the Open Data Institute, we also researched using blockchain (distributed ledger technology) for trusted digital records. We have also experimented in finding ways to verify and assure complex digital objects such as video through 'deep networks' and format migrations. Our findings were shared through peer reviewed papers and conference presentations, most recently at the International Council on Archives (ICA) conference in Cameroon, iPRES in Boston, and DocEng in Nova Scotia. Our collaborative research on blockchain was noted in the [New York Times](#).
- In September, we held an international [two-day digital symposium](#) in partnership with the ICA-Forum of National Archivists called *Archives and AI* (Artificial Intelligence). The symposium brought together experts from archives, other sister institutions, and members of the public from the UK and beyond. The event was also our first to be live-streamed.
- We continued to grow our capability as a digital archive, and developed and deployed a new management system for our Digital Records Infrastructure (DRI). This enables digital archivists to carry out a greater range of tasks and speeds up ingest of more diverse digital records. We also refreshed some of the hardware for the DRI to ensure we are protecting and preserving the digital records in our care.

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- We maintained our commitment to [PRONOM](#), the registry of file format signatures, used by archives and memory institutions across the globe, with three releases of 99 new signatures, and 91 new formats during the year.
- We are an active and contributing member of the Digital Preservation Coalition, the DLM Forum and the Open Preservation Foundation, as well as participants in the Archives Portal Europe Foundation. We both sponsored and helped to judge the Digital Preservation Award for *Safeguarding the Digital Legacy*, won by the Irish Film Institute.
- We conducted a self-assessment exercise by investigating certification of the digital archive against the standards set out in the Core Trust Seal. The lead assessor was invited to join the Core Trust Seal board to review assessment criteria against our submission. This helps us to prepare for a peer review next year and to provide assurance to our audiences.
- We carefully managed our workload to maximise the impact of limited resources. In addressing this challenge, we refocused our priorities to concentrate on automating and modernising our technical ways of working, improving findability of our content and exploring commercial opportunities, such as the ongoing development of a new consumer subscription offer.
- Challenges around the recruitment of some roles, particularly in the Digital Archiving teams, have contributed towards a lack of progress against some key areas this year. These consist of important parts of our digital strategy, including a digital interface for government departments to use for transferring records, and a 'gradated access' system for providing access to digital records.
- Developing our own people in new technologies such as cloud computing and machine learning is a key priority. We have done this through apprenticeships, training, study time and learning events. In partnership with [Ada, the National College for Digital Skills](#), our digital apprentices moved into the second year of their two-year programme. We have also introduced 5% time for learning and monthly learning days for all staff in our digital teams. In addition, we undertook an extensive programme of training for staff in cloud technologies, with our people attending more than 150 days of training during the year.

1.2 Performance analysis

Financial management commentary

Working efficiently, financial planning and saving

The National Archives' net resource and capital outturn was £37.2m compared to a budget allocation of £38.9m. Total expenditure, excluding depreciation was managed to within 2% of our allocation.

Expenditure

The total costs of delivering our remit as the official archive and publisher for the UK Government, and for England and Wales, was £44.8m, which is below our original budget of £46.2m. This significant variance is primarily due to two separate items: firstly, £2m of Budget Exchange deposit agreed at Supplementary Estimate to be carried into 2019-20; secondly, costs of £2.1m relating to the Arabian Gulf Digital Archive project, which will be recognised upon completion in 2019-20.

Staff costs were £23.2m compared to £24.8m the previous year, reflecting the second phase of voluntary exit in-year. Further information on compensation payments can be found in the staff report on pages 59 and 62.

Business as usual operating expenditure was £15m (2017-18: £13m). This increase reflects the partial reallocation of staff savings mentioned above into contracted services. £1m relates to the programme of work publishing Retained EU legislation, to fulfil our new statutory responsibilities under the European Union (Withdrawal) Act 2018.

Income

Operating income was £10.3m in 2018-19 (2017-18: £9.3m), of which £0.6m of the £1m relates to Commercial Licensing.

Capital

The total capital expenditure of £2.8m is in line with our budgeted allocation, although £1.5m higher than our 2017-18 expenditure. We undertake works as necessary over a multi-year capital programme, which can result in irregular spend from one year to the next.

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Financial position

Assets and liabilities are shown in the Statement of Financial Position on page 75. Assets less liabilities totalled £190m as at 31 March 2019 (2017-18: £184m).

The National Archives held assets of £199m as at 31 March 2019 (2017-18: £190m). Property, plant and equipment and intangible assets represented 97% of the asset value (2017-18: 98%).

Total current assets were £6.1m as at 31 March 2019 (2017-18: £3.5m). Trade receivables increased from £0.3m to £3.4m principally due to an ongoing commercial project crossing over the year-end.

Total liabilities were £8.5m as at 31 March 2019 (2017-18: £6.5m). Deferred income and contract liabilities increased from £1.6m to £2m due to the level of works performed for revenue generating contracts, and revenue received that falls into the next financial year. Trade payables increased from £0.5m to £2m due to significant works performed during the final quarter of 2018-19.

Contingent liabilities

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

Performance against our business priorities

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

Our goal	How we were to achieve this	Status
Hold government departments to account for their record handling, to keep the transition to the 20-year rule on track	Drive compliance with the Public Records Act and associated legislation	Achieved
Explore shared service innovations and good practice in information management, and pilot solutions for the transfer of digital records		
Shape and deliver outstanding legislative platforms and services which underpin the responsibilities of the UK Parliaments and Assemblies	Deliver outstanding legislation services to support the UK leaving the European Union	Achieved

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

Our goal	How we were to achieve this	Status
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	Identify and engage priority audiences through the delivery of inspiring public programmes and imaginative services	Achieved
	Create a fundraising strategy to enable The National Archives to raise funds to deliver its objectives set out in <i>Archives Inspire</i>	Partially achieved*

* A Chair-elect and trustees have been appointed. However, the registration and launch of The National Archives' Trust was delayed in agreement with the Board until 2019-20.

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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
Engage and collaborate with other archives to sustain vibrant collections and services	Implement the vision, <i>Archives Unlocked</i> , and deliver our part of the government's ambitious Culture is Digital project	Achieved

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

Our goal	How we were to achieve this	Status
Enhance our current research reputation to develop funding success	Grow and deliver first-rate research infrastructure, academic programmes and funding	Achieved
Establish a renowned research centre to coordinate and galvanise our long-term research programme		

We will become a digital archive by design

Our goal	How we were to achieve this	Status
Lead a transformation in how digital records are managed at scale, from creation to presentation	Develop our capability as a world leading digital archive	Achieved
Meet changing customer expectations in a digital world	Research and develop radical and innovative new archival practices for the digital archive	Achieved

Performance against our input and impact indicators

Our input and impact indicators demonstrate our overall performance as an organisation, our commitment to quality and illustrate evidence of the effectiveness of the priorities set out in our business plan. They are presented as year-on-year comparisons so that we can track our progress within any given year.

To ensure The National Archives can be held accountable as it moves forward in delivering its strategic priorities, underpinned by the government's Transparency agenda, we also publish a number of discretionary (non-financial) indicators on our website, which include staff engagement and diversity.

Performance against our input indicators

Input indicator	2018-19 Outcome	2017-18 Outcome
Original records delivered to on site users	518,593	540,002
Electronic records delivered to online users	274,332,549	245,752,112
Staff diversity:		
Women	50.5% (average)	50.54% (average)
Top management women	50.0% (average)	49.71% (average)
Black and Minority Ethnic	18.18% (average)	19.78% (average)
Disabled	9.9% (average)	10.35% (average)
Staff engagement (as reported by the Civil Service People Survey)	67%	66%
Time taken to deliver original records to on site users	95% of documents delivered to users within one hour	96% of documents delivered to users within one hour

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Performance against our input indicators (continued)

Input indicator	2018-19 Outcome	2017-18 Outcome
Time taken to respond to Freedom of Information, Data Protection and Environmental Information Regulation requests	95% of enquiries responded to within statutory deadlines	95% of enquiries responded to within statutory deadlines
Total departmental spend	£30.8 million	£29.7 million
Staff sick absence	5.1 days per member of staff (average)	5.3 days per member of staff (average)
Outstanding effects on legislation.gov.uk	62,129 amendments applied to primary legislation on legislation.gov.uk	71,239 amendments applied to primary legislation on legislation.gov.uk
Number of physical records accessioned	69,974 pieces 1,343 metres	74,551 pieces 1,663 metres

Performance against our impact indicators

Impact indicator	2018-19 Outcome	2017-18 Outcome
Web continuity ¹	<p>Visits to the UK Government Web Archive</p> <p>5 million visits in the UK Government Web Archive</p> <p>Visitors to the UK Government Web Archive</p> <p>3.9 million visitors to the UK Government Web Archive</p>	<p>Visits to the UK Government Web Archive</p> <p>April to June 2017: 3.4 million</p> <p>February to March 2018: 0.4 million</p> <p>Visitors to the UK Government Web Archive</p> <p>April to June 2017: 1.8 million</p> <p>February to March 2018: 0.4 million</p>
Customer satisfaction		
On site users	92%	94%
Online users	64%	62%
legislation.gov.uk users ²	N/A	80%
Records and information management services used across government ³	<p>2 Information Management Assessments completed</p> <p>1 Information Management Assessment report published</p> <p>1 action plan published</p> <p>1 annual review report published</p> <p>2 formal review meetings undertaken</p>	<p>4 Information Management Assessments completed</p> <p>6 Information Management Assessments reports published</p> <p>3 action plans published</p> <p>6 annual review reports published</p> <p>10 formal review meetings undertaken</p>

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- 1 The UK Government Web Archive moved to a new supplier during summer 2017. As a result, the technology and approach to these metrics has changed (i.e. what constitutes a visitor and visit). This means that (a) we have incomplete data for the year 2017-18; and (b) April-June 2017 and March 2018 are not directly comparable and should be considered separate metrics.
- 2 A user survey for this year was postponed due to the ongoing work to prepare a platform for a new web archive service, and to adapt legislation.gov.uk for the publication of European legislation in relation to the UK's exit from the European Union. We will conduct a user survey later in the year, in support of extensive work to redesign the legislation.gov.uk website.
- 3 Challenges around recruitment have contributed to the drop in frequency of IMA assessments and reviews this year. We are looking to reshape the IMA programme going forward to take account of the refresh of the *Code of Practice for Records Management*, and to widen its impact further across the public records landscape.

Further details of how we measure our performance can be found on our website under the section Our role (nationalarchives.gov.uk/our-role) which includes our long-term strategic plans and our Transparency reporting.

Environment and sustainability

During 2018-19, we continued to reduce the environmental impact of our operations.

We achieved a 70% reduction in carbon emissions compared with the baseline year of 2009-10, and against the government target of a 32% reduction.

We have worked to meet and exceed our obligations under the Greening Government Commitments⁵, sending no waste to landfill and reducing the overall waste we produced by 45% compared with the baseline year of 2010-11, against a target of a 30% reduction.

We also continued to reduce our use of domestic flights and our paper consumption.

In 2018-19, we used 26% less water compared with the 2009-10 baseline year, which represents a 2% decrease compared with the previous year 2017-18. A review of water management has recently been completed and contains a number of recommendations to further reduce water consumption in the future.

For further information, please see Sustainability accounting and reporting (Annex A) on page 109.

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

- Maintaining our grounds and ornamental ponds on site at Kew (known as the Pocket Park) in accordance with our biodiversity plan, as a local amenity for our staff, visitors and local residents to enjoy. The grounds are open to the public from dawn until dusk, 364 days of the year. This year, we replaced the wooden benches and picnic tables with recycled plastic versions.
- Maintaining our site's surface water drainage arrangements to meet our obligations to the flood defences of the local area, supporting the Port of London Authority's Thames flood defence maintenance work.
- Communicating regularly with our neighbours and local residents regarding planned maintenance and project works, including recent new developments in the area.

⁵ www.gov.uk/government/publications/greening-government-commitments-2016-to-2020

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- Hosting quarterly Police Liaison Group meetings with the Metropolitan Police Service Safer Neighbourhood Team, local neighbourhood watch representatives, residents of the Kew ward, and local councillors.
- Hosting regular meetings, talks and presentations by the Kew Society, including annual general meetings and providing space for other local resident groups' community-focused activities
- Membership and participation with the Richmond Chamber of Commerce and key employers in the borough.
- Liaison with the Swan Sanctuary for monitoring the wellbeing of resident wildfowl on our grounds.
- Supporting the London Borough of Richmond upon Thames' environmental initiatives to reduce the use of single-use plastics and eliminate vehicle engine running when stationary.

Jeff James, Chief Executive and Keeper, 16 July 2019

2. Accountability report

2.1 Corporate governance report

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

As we reach the close of another busy reporting period and the end of *Archives Inspire*, I am looking forward to working with the Board, and the leadership of the organisation to help shape The National Archives' future over the next four years. It has been a pleasure to see the Board fully engaged with the development of the new strategy, which sets out ambitious and exciting plans, while reflecting on how to build on lessons learned.

The Board was also pleased to oversee progress in several significant areas throughout the year, as the organisation has looked to develop new opportunities in making archives relevant and accessible to all. Particular highlights include the first rebrand of the organisation since 2004, and the work towards establishing The National Archives charitable trust. While the latter remains in progress, the creation of the Trust promises the potential for exciting new opportunities – for both the organisation and the archives sector as a whole.

The Board met a total of 11 times throughout the financial year, during which I was pleased to welcome the new Director for Government, Lucy Fletcher, as well as the appointment of two new Non-Executive Board members, Mark Richards and Baroness Ros Scott of Needham Market. I look forward to working with these new Board members in what is shaping up to be a stimulating and forward-thinking time for the organisation. I would also like to extend my deepest thanks to Peter Phippen, who served as one of our Non-executive Board members from November 2012 until January of this year.

Finally, I would like to thank all staff and Board members for their commitment, energy and support during the year. Together, they make The National Archives such a special and unique organisation which is so valued by all.

Lesley Cowley OBE, Lead Non-executive Board member
The National Archives' Board, 16 July 2019

Directors' report

About The National Archives

Our remit is summarised on pages 11 to 21 of this report.

Management and structure

During the year under review, our duties were carried out by the following directorates and functions.

Directorate/Function	Who	Responsible for
Chief Executive and Keeper	Jeff James, Chief Executive and Keeper	Our future direction and current performance, and is accountable to ministers for both. As Keeper of Public Records and Historical Manuscripts Commissioner, they hold the offices of Queen's Printer of Acts of Parliament (responsible for publishing all UK legislation, and the official newspapers of record, the <i>Gazette</i>); Queen's Printer for Scotland and Controller of Her Majesty's Stationery Office; and the office of Government Printer for Northern Ireland
Public Engagement	Caroline Ottaway-Searle, Director, Public Engagement	Our Public Engagement Strategy, and developing on site, online, and remote learning and engagement programmes for the public and wider educational audiences
Operations	Paul Davies, Operations Director	Our business critical functions, including the estates and facilities, security, IT operations, corporate and strategic planning, and human resources
Research and Collections	Valerie Johnson, Director, Research and Collections	Our research, academic engagement and conservation programmes using our collections to enhance access. Our active support for the archives sector to secure the best possible long-term future for their collections and services

Directorate/Function	Who	Responsible for
Digital	John Sheridan, Digital Director	Our digital services, enabling us to fulfil our ambition to become a digital archive by instinct and design. To provide strategic direction, transform our digital offer, and to shape and drive forward our cataloguing and web-based services
Finance and Commercial	Neil Curtis, Finance and Commercial Director	Our financial, procurement and commercial functions, and driving the development of our commercial capacities in new and innovative ways
Government Audience	Lucy Fletcher, Director for Government	Our offer to government, providing expert advice and guidance to government departments and public bodies, driving strategic compliance with statutory obligations including the transition to the 20-year rule; and enabling the growth of digital capability for the future preservation of born-digital government records

Further information about the organisation and directorate functions can be found on our website on the Our Staff web pages at: nationalarchives.gov.uk/about/our-role/transparency/our-staff

The National Archives' Board

Lesley Cowley OBE Lead Non-executive Board member	Dr Claire Feehily Non-executive Board member, Chair of the Audit and Risk Committee
Peter Phippen Non-executive Board member ⁶	Mark Richards Non-executive Board member ⁷
Baroness (Ros) Scott of Needham Market ⁸ , Non-executive Board member	

⁶ Until 13 January 2019

⁷ From 21 May 2018

⁸ From 21 May 2018

Read more about our Executive Team: nationalarchives.gov.uk/about/our-role/executive-team and Board members: nationalarchives.gov.uk/about/our-role/management-board on our website.

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. For further details on related party transactions see page 107.

Audit

The financial statements have been audited by the National Audit Office on behalf of the Comptroller and Auditor General. The audit fee was £70,000 (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 themselves informed of any relevant audit information and to establish that the entity's auditors are notified of that information.

Public sector information

The National Archives has complied with the cost allocation and charging requirements set out by HM Treasury. 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 task⁹.

⁹ nationalarchives.gov.uk/about/our-role/what-we-do

Governance statement

The National Archives' Board is the main governance body of The National Archives. It consists of the Chief Executive, six Executive Directors, a Lead Non-executive Board member and three Non-executive Board members. The Board is attended by the Head of Strategy and Chief Executive's Office¹⁰. Formal Board meetings take place ten times a year; in addition, the Board typically has one or two strategy days.

Supporting and informing the work of the Board are the Audit and Risk Committee and the Nominations and Governance Committee.

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.

¹⁰ The number of Executive Directors on the Board varied between five and six during the year, and the number of Non-executive Board members varied from four to three

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The Board has a rolling agenda. Fixed agenda items include monthly financial reporting, quarterly business and performance reporting and corporate risk register review. The Board also reviews budget and strategic priorities and scrutinise major procurement and policy decisions affecting the future strategic direction of The National Archives.

Summaries of the discussions at Board meetings are available at:

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.

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 Board undertakes an annual review of its effectiveness, using a survey of its members to inform in-depth discussion. This year, the Board concluded that it was working well, but could increase its focus on strategic items and horizon scanning.

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.

The Executive Team

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 a Deputy 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

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- 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 business of the Executive Team is managed in a way that is inclusive, regularly inviting business updates from the staff members responsible for delivery. The Executive Directors are responsible for cascading summaries of Executive Team business to the rest of the organisation.

Informal challenge encourages staff to bring real issues to the Executive Team's attention. In addition, Directors attend 'question and answer' sessions. 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.

The Audit and Risk Committee

The Audit and Risk Committee is a sub-committee of the Board to support the Accounting Officer and Board members in their responsibilities for issues of risk, internal 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 meets quarterly and is the main oversight committee for the organisation. The membership of the Committee comprises of the Chair, another Non-executive Board member and the appointed independent member of the Committee. Additional Non-executive Board members may be co-opted when needed. Other attendees at each meeting are the Chief Executive and Keeper and Accounting Officer, the Finance and Commercial Director, the Operations Director, representatives from our external auditors from The National Audit Office, representatives from the Internal Auditors (BDO UK LLP) and the Corporate Performance and

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Transparency Manager (Secretary). Traditionally, other Non-executives, Executive Directors and senior staff members may be invited to attend particular meetings for discussion of individual agenda items.

The Audit and Risk Committee undertook a review of its effectiveness in December 2017 using a self-assessment checklist enabling qualitative assessment. All members and regular attendees were invited to complete the self-assessment checklist. As a result a new size and composition was implemented in April 2018, and clearer delineation within the agenda between routine internal control updates was introduced, together with more strategic, risk-based discussion, to ensure that enough time is allocated to focusing on new risks and horizon scanning. The Committee members are satisfied that these changes make a positive impact to its effectiveness and a formal self-assessment exercise will be completed in December 2019.

Proposed areas for internal audit focus are informed by discussions with the Audit and Risk Committee and the Executive Team, together with the internal auditors' understanding of The National Archives control environment, the Corporate Risk Register, and results of previous work performed. Reports from the internal auditors are copied to Committee members as soon as they are finalised. 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. 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. The internal auditors also conduct an annual review to follow up their recommendations, which provides further independent assurance to the Committee. For the reporting year, the Internal Audit annual report indicated that the Board can take assurance that the organisation has an adequate and effective system of governance, risk management and internal control to address the risk that management's objectives are not fully achieved. The Board and management will continue to seek out the areas of potential weakness in the control framework and take remedial action where necessary.

Until 30 April 2018 internal audit services were provided by RSM Risk Assurance Services LLP. A new supplier, BDO UK LLP (formerly Moore Stephens LLP), was appointed to provide internal audit services from 1 May 2018.

The Audit and Risk Committee maintains a list of risk assurance processes and items to be reported to each meeting to structure its agenda. The list encompasses a number of regular updates during the year. This year these included:

- Recommendations from internal audits and progress on implementation of recommendations: 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 (including information assurance, cyber security risks, and data handling): the Committee noted that there were no significant breaches of security. It was also given assurance that The National Archives' performance against HMG Minimum Security Standards, as assessed in the Departmental Security Health Check return to the Cabinet Office, was subject to Internal Audit scrutiny
- 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 Greening Government Commitments
- HR Governance: 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
- Safeguarding Report: during 2018-19 a new approach was developed to assure and manage risks on safeguarding vulnerable people. The report gave the Committee assurance that The National Archives is fulfilling its statutory responsibility.

In addition, the Committee received regular updates and progress reports on other issues of particular interest. This year these included assurance regarding plans for the setting up of The National Archives Trust, the Legislation Drafting, Amending and Publishing Service, and changes in the way information management support is provided to other government departments.

The Nominations and Governance Committee

The Nominations and Governance 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.

The Nominations and Governance Committee meets a minimum of twice a year. Pay increases are in line with guidance provided by the Cabinet Office, which hears the outcome of the Review Body on Senior Salaries, and sets 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 Chief Executive and Keeper in an advisory capacity, and the Head of Human Resources and Organisational Development provides secretarial support.

The Corporate Governance code

As a non-ministerial department, The National Archives adopts and adheres to HM Treasury’s *Corporate Governance in Central Government: Code of Good Practice 2017* 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 current structure enables the 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.

Attendance of Board meetings and the Audit and Risk Committee for the Chief Executive, Executive Directors and Non-executive Board Members

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

Name	Role	Board	Audit and Risk Committee	Nominations and Governance Committee
Jeff James	Chief Executive and Keeper	10 of 10	4 of 4	4 of 4
Neil Curtis	Finance and Commercial Director	10 of 10	4 of 4	N/A
Paul Davies	Operations Director	9 of 10	4 of 4	N/A

Name	Role	Board	Audit and Risk Committee	Nominations and Governance Committee
Lucy Fletcher ¹¹	Director for Government	10 of 10	N/A	N/A
Dr Valerie Johnson	Director of Research and Collections	9 of 10	N/A	N/A
Caroline Ottaway-Searle ¹²	Director of Public Engagement	9 of 10	N/A	2 of 4
John Sheridan	Digital Director	10 of 10	N/A	N/A
Lesley Cowley OBE	Lead Non-executive Board member	10 of 10	N/A	4 of 4
Dr Claire Feehily	Non-executive Board member	9 of 10	4 of 4	3 of 4
Robert Milburn	Independent member of the Audit and Risk Committee	N/A	4 of 4	N/A
Peter Phippen	Non-executive Board member	7 of 7	3 of 3	3 of 4
Mark Richards	Non-executive Board member	10 of 10	3 of 4	4 of 4
Baroness (Ros) Scott of Needham Market	Non-executive Board member	8 of 10	N/A	4 of 4

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.

¹¹ Attended Board meetings as Associate Director from 2 October 2017 to 15 October 2018.

¹² Caroline Ottaway-Searle replaced the Head of Human Resources and Organisational Development to provide secretarial support in two Nominations and Governance Committee meetings.

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In 2018-19, The National Archives' risks fell under the following categories:

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

The degree of risk is measured by considering likelihood and impact. To describe our appetite for each category of risk, the Executive Team sets maximum 'residual risk' scores based on the risk categories described above, 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 business priorities and informed by internal developments, external influences and longer-term commitments. These risks, if not managed, would compromise our ability to provide our statutory services or diminish these services to a degree unacceptable to our users. Each strategic risk is owned by a member of the Executive Team and they are regularly reviewed by the Executive Team, 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:

The UK's exit from the European Union: there is a risk that The National Archives fails to prepare sufficiently for EU Exit, for example in relation to its legislation services and the new duty in the EU (Withdrawal) Act 2018, or for a 'no deal' exit.

Overview of controls in place during the year:

- the powers of the Queen's Printer to publish retained legislation were confirmed in Schedule 5 of the European Union (Withdrawal) Bill
- effective operational and financial planning to resource delivery of our responsibilities

- representation on the Department for Exiting the European Union (DEEU) Operational Steering Board
- our policy and operational expertise relating to our legislation services is embedded among government stakeholders and partners
- overview and mitigation of potential 'No-deal' impacts, with particular regard to staffing and data storage.

Failure to meet the challenges of digital: there is a risk that The National Archives fails to address the challenges of being a digital archive, for example, not developing suitably scalable systems, not growing and developing its expertise, not moving quickly enough to respond to technological change.

Overview of controls in place during the year:

- communication and implementation of digital strategy and supporting IT strategy
- active collaboration with national and international archives to address key challenges, for example, through participation in the DLM Forum, Digital Preservation Coalition, and the Archives Portal Europe Foundation
- working closely with the 'Better Information for Better Government' Cabinet Office team to improve current and future digital information management across government departments
- apprenticeship scheme within the Digital directorate
- recruitment of new digital posts.

Other strategic risks considered and mitigated include:

- **Information management, securing the public record:** there is a risk that The National Archives fails to provide sufficient support, resources and/or expertise to government departments regarding the transition to the 20-year rule
- **Economy and funding:** there is a risk that our commercial income and/or funding across all audience groups fails to deliver the anticipated levels of external income

- **Economy and funding – a reduction in government funding:** there is a risk that financial constraints and a reduction in funding from future Spending Reviews could impair our ability to meet statutory and core responsibilities
- **Threat to archive services:** there is a risk that financial constraints lead to pressure on archive services
- **Staff, leadership and culture:** there is a risk that leadership and management do not deliver the required shift in organisational culture that results in an effective and engaged, diverse and inclusive workforce.

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 the Executive 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' corporate 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 the 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 is 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 services.

Health and safety

The National Archives is committed to high standards of health and safety management and the welfare of its employees. The responsibility for establishing and maintaining policies on health, safety and environmental matters lies with the Chief Executive and Keeper who is personally committed to the effective delivery and continual improvement of our health and safety framework.

An embedded health and safety culture is not only good for our staff, but also good for business. However, we all have a personal responsibility for observing safety policies, rules and procedures.

Ensuring safety awareness, positive attitudes and continual improvement in safety performance requires the commitment and active involvement of all partners, managers, employees and contractors at all levels. It is our policy to maintain high standards of health and safety management and to encourage everyone to contribute to their own welfare and that of their colleagues and others affected by our activities.

Effective health and safety management improves safety performance and reduces work related injuries and ill health. Our objectives are to avoid accidents, injuries and ill-health to our staff, our visitors, and to prevent damage to property and to conserve the environment. To achieve this we are committed to the following principles:

- establishing arrangements for effective organisational planning, monitoring reviewing of health and safety policies and procedures
- setting ourselves challenging targets and objectives to ensure continual improvement in standards of health and safety management
- communicating the above to all managers, staff and contractors through regular updates and meetings
- complying with relevant health and safety legislation and other requirements
- encouraging the use of industry best practices.

The National Archives' safety management system and our objectives and targets are regularly reviewed to ensure that they continue to improve safety performance and reduce work related injuries and ill health.

We will continue to raise and maintain awareness of these objectives through guidelines, internal communications and staff training and will ensure they are available to internal and external parties through our intranet and website.

Confidential reporting (whistle-blowing)

Staff and contractors have access to The National Archives Confidential Reporting (Whistle-blowing) policy. This provides access to the Chair of the Audit and Risk Committee, or to the Chief Executive and Keeper, who support the individual in raising their concerns. Staff and contractors are reminded of the policy during the year, including how to raise concerns. During the year, one concern was raised and dealt with under these policy arrangements.

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.

Implementing GDPR

In May 2018, the EU General Data Protection Regulation along with the Data Protection Act 2018 came into force. Building on The National Archives' strong culture of personal data compliance, the implementation programme was as follows:

The National Archives' [Data Protection Policy](#) and [Privacy Policy](#) were rewritten and approved by the Executive Team.

The Executive Team agreed that we would continue to provide personal data to data subjects in open archival material, provided that enough information was given to enable us to locate it, and where the personal data requested was in closed archival material where it is necessary for people to claim their rights and entitlements.

Staff training was reviewed and where necessary updated. A contract variation exercise was also completed to ensure all contracts were compliant.

The role of our existing Data Protection Officer was re-positioned to report to the Board via our Operations Director.

In conjunction with government policy leads and the Archives and Records Association, and following a public consultation, The National Archives published a [Guide to Archiving Personal Data](#) aimed at the wider archives sector.

Reporting of personal data-related incidents

Table 1: Summary of protected personal data related incidents formally reported to the Information Commissioner's Office in 2018-19

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification steps
April 2018	Staff pay and pension changes were posted to the payroll supplier, who did not receive them	Financial and employment details for various payroll deductions	Eight staff. They were informed on discovery of the incident and advised of steps to take to minimise the threat of identity theft	Because the data loss carried the risk of identity theft, the Information Commissioner was formally notified on 27 April 2018. The Information Commissioner's Office (ICO) replied on 22 August 2018 having decided that no further action was required on their part.
Further action on information risk	The team concerned immediately altered their procedures. Revised guidance on How to Send Sensitive Documents Safely and Securely was drawn to the attention of all staff			

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed The National Archives to prepare, for each financial year, resource accounts detailing the resources acquired, held, or disposed of during the year and the use of resources by The National Archives 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 complies with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements 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 they are not aware of any relevant audit information of which the entity's auditors are unaware, and they have taken all steps that ought to have been taken to make themselves 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 are fair, balanced and understandable, and 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.

HM Treasury has appointed Jeff James, Chief Executive and Keeper, as Accounting Officer of The National Archives with responsibility for preparing The National Archives' accounts and for transmitting them to the Comptroller and Auditor General.

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The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the Department's assets, are set out in the Accounting Officers' Memorandum, issued by HM Treasury and published in Managing Public Money.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that The National Archives' auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Jeff James, Accounting Officer, 16 July 2019

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.¹³

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.

¹³ www.gov.uk/government/organisations/office-of-manpower-economics

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Jeff James' appointment as Chief Executive and Keeper was confirmed by the Ministry of Justice on 29 July 2014 until 28 July 2018 and was extended for a further four-year term from 29 July 2018 by the Department for Digital, Culture, Media and Sport.

Peter Phippen was appointed as a Non-executive Director from 6 November 2012 to 31 December 2015. He was then appointed as a Non-executive Board member from 1 January 2016 to 13 January 2019.

Lesley Cowley OBE and Dr Claire Feehily were appointed from 1 January 2016 as Non-executive Board members on a three-year contract. Lesley Cowley's contract was extended until the 31 December 2021 and Claire Feehily's contract was extended until 31 December 2020.

Baroness (Ros) Scott of Needham Market and Mark Richards were appointed as Non-executive Board members from 21 May 2018 on a three-year contract.

Service contracts can also be terminated under the standard procedures of the Civil Service Management Code.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommission.org

The Nominations and Governance Committee

The policy on remuneration of senior civil servants, and the deliberations of the Nominations and Governance Committee, adhere to Cabinet Office policy, which follows the guidance and recommendations of the Review Body on Senior Salaries.

Salary and bonuses

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. This report is based on accrued payments made by the Department and thus recorded in these accounts. 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.

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

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Nominations and Governance Committee to determine pay awards, according to the Review Body on Senior Salaries' annual recommendations.

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 2018-19 relate to performance in 2017-18 and the comparative bonuses reported for 2017-18 relate to performance in 2016-17.

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

The salary, pension entitlements and the value of any taxable benefits in kind of the Chief Executive and Keeper, Executive Directors, Associate Director, Non-executive Directors and Non-executive Board members of The National Archives, were as follows (audited) ¹⁴ ¹⁵ :

	2018-19					2017-18				
	Salary and FYE (full- year, full- time equivalent) £'000	Bonus £'000	Benefit in kind £	Pension benefits £'000	Total £'000	Salary and FYE (full- year, full- time equivalent) £'000	Bonus £'000	Benefit in kind £	Pension benefits £'000	Total £'000
Jeff James Chief Executive and Keeper	120-125	-	-	47	165-170	120-125	-	-	46	165-170
Neil Curtis Finance and Commercial Director	95-100	-	-	38	135-140	95-100	-	-	37	130-135
Paul Davies Operations Director	85-90	-	-	21	105-110	85-90	-	-	14	100-105
Lucy Fletcher Director for Government ¹⁶	65-70	-	-	15	80-85	25-30 (55-60)	-	-	11	35-40

¹⁴ Salary and full year equivalent (FYE) are presented to the nearest £1,000. FYE is shown in brackets. Benefits in kind are presented to the nearest £100, pension benefits and total remuneration to the nearest £1,000.

¹⁵ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

¹⁶ Associate Director from 2 October 2017, Director for Government from 15 October 2018

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	2018-19					2017-18				
	Salary and FYE (full- year, full- time equivalent) £'000	Bonus £'000	Benefit in kind £	Pension benefits £'000	Total £'000	Salary and FYE (full- year, full- time equivalent) £'000	Bonus £'000	Benefit in kind £	Pension benefits £'000	Total £'000
Dr Valerie Johnson Director of Research and Collections	80-85	-	-	40	120-125	80-85	-	-	40	120-125
Caroline Ottaway- Searle Director, Public Engagement	90-95	-	-	35	125-130	85-90	5-10	-	34	130-135
John Sheridan Digital Director	80-85	-	-	31	110-115	80-85	-	-	26	105-110
Carol Tullo (until 30 June 2017) Director, Information Policy and Services	N/A	N/A	N/A	N/A	N/A	20-25 (95-100)	-	-	3	25-30
Lesley Cowley OBE Lead Non-executive Board member	15-20	N/A	2,300	N/A	15-20	15-20	N/A	2,300	N/A	15-20
Dr Claire Feehily Non-executive Board member	15-20	N/A	2,600	N/A	20-25	10-15	N/A	3,600	N/A	15-20
Brian Gambles MBE Non-executive Board member (until 31 December 2017)	N/A	N/A	-	N/A	N/A	5-10 (10-15)	N/A	500	N/A	5-10
Robert Milburn Independent member of the Audit and Risk Committee	0-5	N/A	-	N/A	0-5	0-5	N/A	-	N/A	0-5

Pay multiples (audited)

	2018-19	2017-18
Band of highest paid Director's remuneration (£)	120-125	120-125
Median total remuneration (£)	30,216	30,126
Ratio	4.1	4.1

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

The banded remuneration of the highest-paid Executive Director in The National Archives in the financial year 2018-19 was £120k-£125k (2017-18: £120k-£125k). This was 4.0 times the median remuneration of the workforce, which was £30,216. The small increase in the median from the previous year is due to a decrease in staff numbers combined with an increase in lower graded

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staff undertaking apprenticeships, offset by new posts in the digital directorate commanding higher salaries than the average.

In both 2018-19 and 2017-18, no employees received remuneration in excess of the highest-paid director. Remuneration ranged from £16,000-£125,000 (2017-18: £18,000-£125,000).

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

Pension benefits (audited)

Name	Accrued pension at pension age as at 31/03/19 and related lump sum	Real increase / (decrease) in pension and related lump sum at pension age	CETV at 31/03/19	CETV at 31/03/18	Real increase in CETV
	£000 in bands of £5,000	£000 in bands of £2,500	£000 to nearest £000	£000 to nearest £000	£000 to nearest £000
Jeff James Chief Executive and Keeper	10-15	2.5-5	163	113	25
Neil Curtis Finance and Commercial Director	5-10	0-2.5	58	29	17
Paul Davies Operations	25-30	0-2.5	507	435	21
Lucy Fletcher Director for Government ¹⁷	5-10	0-2.5	65	51	5
Valerie Johnson, Director of Research and Collections	20-25	2.5-5	330	262	21
Caroline Ottaway-Searle Director, Public Engagement	20-25	0-2.5	370	310	26
John Sheridan Digital Director	20-25	0-2.5	302	244	14
Carol Tullo (until 30 June 2017) Director, Information Policy and Services	N/A	N/A	N/A	530	N/A

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

¹⁷ Associate Director from 2 October 2017, Director for Government from 15 October 2018

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 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 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 PCS or alpha – as appropriate. Where the official has benefits in both the PCS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about the civil service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

This is the element of the increase in accrued pension that is funded by the Exchequer. It excludes increases due to inflation and contributions paid by the employee. It is worked out using common market valuation factors for the start and end of the period.

Staff report

For the ninth year, we participated in the civil service staff engagement survey, achieving an overall engagement score of 67% (2017-18: 66%) and retaining our status as a civil service 'high performer'.

We are committed to training and developing our staff. We continue to run a comprehensive programme of learning and development, including our Corporate Management Development Programme, which aims to equip line managers with the skills needed to lead and develop staff, our Career Management Programme available to all staff, and our Stepping Up – Exploring Your Potential programme for aspiring managers.

The National Archives, through its senior managers, meets regularly with staff and trade union representatives in a number of ways, including the Whitley Council, Health and Safety Committee, and the Equality and Diversity and Staff forums.

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.

We continued with our efforts to realign our workforce as part of *Archives Inspire*. A further voluntary exit scheme resulted in an additional 20 staff members leaving the organisation. See 'Reporting of civil service and other compensation schemes – exit packages (audited)' on page 62, for further details of compensation payments.

Equality and diversity

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

The National Archives is a Disability Confident Level 2 employer, and aims to make sure that there is no discrimination on the grounds of disability.

We continue to encourage and support our staff, and invest in their wellbeing.

Workforce breakdown

		31 March 2019	31 March 2018
Staff numbers	Headcount	507	519
	Full time equivalents (FTE)	481	539
Workforce diversity	Black and Minority Ethnic ¹⁸	16.8%	19.1%
	Women – Director level	3 of 7	2 of 6
	Women	50.9%	50.5%
	Disabled ¹⁹	9.1%	9.7%
	Temporary appointments ²⁰	8	10
Sickness	Days per FTE	5.1	5.3
Civil service staff engagement survey	Engagement score %	67	66
Consultancy expenditure	£'000s	23	16

Average full-time equivalent number of persons employed (audited)

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

	2018-19			2017-18
	Permanently employed staff	Other staff²¹	Total	Total
Government information management	95	-	95	106
Preservation and protection	66	-	66	74
Public access	318	2	320	359
Total	479	2	481	539

¹⁸ Percentage of employees declaring an ethnicity

¹⁹ Percentage of employees declaring a disability

²⁰ Temporary appointments are employees appointed under Exception 1 of the [Civil Service Recruitment Principles](#)

²¹ 'Other staff' includes staff on fixed term contracts as well as agency staff and any specialist contractor

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Senior civil service (SCS) by band as at 31 March:

Salary band	2018-19 Number	2017-18 Number
£60,000 - £70,000	1	-
£70,000 - £80,000	-	-
£80,000 - £90,000	3	4
£90,000 - £100,000	2	1
£100,000 - £110,000	-	-
£110,000 - £120,000	-	-
£120,000 - £130,000	1	1
	7	6

Staff costs

The following section is subject to an audit

	2018-19 £000			2017-18 £000
	Permanently employed staff	Other staff	Total	Total
Wages and salaries	17,871	195	18,066	19,272
Social security costs	1,822	-	1,822	1,957
Other pension costs	3,428	-	3,428	3,686
Sub total	23,121	195	23,316	24,915
Less recoveries in respect of outward secondments	(129)	-	(129)	(99)
Total net costs	22,992	195	23,187	24,816

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme in which The National Archives is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation at www.civilservicepensionscheme.org.uk/about-us/resource-accounts

For 2018-19, employers' contributions of £3,362k were payable to the PCSPS (2017-18: £3,605k) 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.

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Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £64k (2017-18: £78k) 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 £2k (2017-18: £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 £6k (2017-18: £6k). Contributions prepaid at that date were nil (2017-18: nil).

Reporting of civil service and other compensation schemes – exit packages (audited)

The National Archives ran a voluntary exit scheme programme in both 2017-18 and 2018-19, as described in the financial management commentary on page 22 and the staff report on page 59 of these accounts.

Details of the compensation scheme payments, and the number of departures during the year, and the previous year, are shown in the table below. Compensation agreed for departures did not exceed the Cabinet Office's recommended cap of £95,000.

Exit package cost band	2018-19			2017-18		
	Compulsory redundancies	Other departures	Total	Compulsory redundancies	Other departures	Total
< £10,000	-	7	7	-	2	2
£10,000 - £25,000	-	5	5	-	11	11
£25,000 - £50,000	-	6	6	-	13	13
£50,000 - £100,000	-	9	9	-	5	5
Total number of exit packages	-	27	27	-	31	31
Total resource cost	£-	£935,437	£935,437	£-	£991,467	£991,467

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

The Trade Union (Facility Time Publication Requirements) Regulations 2017 (Statutory Instrument 328) report

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
15	14.20

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1-50%	15
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£21,698
Total pay bill	£23,187,442
Percentage of the total pay bill spend on facility time	0.09%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time	0%
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Review of tax arrangements of public sector appointees

Table 1: For off-payroll engagements as of 31 March 2019, for more than £245 per day and that last longer than six months

Number of existing engagements as of 31 March 2019	0
Of which:	
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 2018 and 31 March 2019, for more than £245 per day and that last longer than six months

Number of new engagements, or those that reached six months in duration between 1 April 2018 and 31 March 2019	0
Of which:	
Number assessed as caught by IR35	0
Number assessed as not caught by IR35	0
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Table 3: For any off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, between 1 April 2018 and 31 March 2019

Number of off-payroll engagements of Board members, and/or senior officials with significant financial responsibility, during the financial year.	0
Total number of individuals both on payroll and off-payroll that have been deemed 'board members, and/or senior officials with significant financial responsibility', during the financial year	13

2.3 Parliamentary accountability and audit report

Statement of Parliamentary Supply (SoPS) (audited)

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.

				2018-19 £000				2017-18 £000	
				Estimate	Outturn			Outturn	
SoPS note	Voted	Non- voted	Total	Voted	Non- voted	Total	Voted outturn compared with Estimate: saving / (excess)	Total	
Departmental Expenditure Limit									
- Resource	1.1	36,104	-	36,104	34,497	-	34,497	1,607	34,463
- Capital	1.2	2,821	-	2,821	2,765	-	2,765	56	1,329
Annually Managed Expenditure									
- Resource	1.1	(14)	-	(14)	(16)	-	(16)	2	(124)
- Capital	1.2	-	-	-	-	-	-	-	-
Total		38,911	-	38,911	37,246	-	37,246	1,665	35,668
Total Resource	1.1	36,090	-	36,090	34,481	-	34,481	1,609	34,339
Total Capital	1.2	2,821	-	2,821	2,765	-	2,765	56	1,329
Total		38,911	-	38,911	37,246	-	37,246	1,665	35,668

Net Cash Requirement

		2018-19 £000	2018-19 £000	2018-19 £000	2017-18 £000
	SoPS note	Estimate	Outturn	Outturn compared with Estimate: saving/ (excess)	Outturn
Net Cash Requirement	3	31,277	31,267	10	30,097

Administration costs

		2018-19 £000	2018-19 £000	2017-18 £000
	SoPS note	Estimate	Outturn	Outturn
Administration costs	1.1	10,020	8,859	8,968

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote. Explanations of variances between Estimate and outturn are given in SoPS note 2 (analysis of net outturn by section) and in the management commentary.

The notes on pages 78 to 108 form part of these accounts.

Notes to the Statement of Parliamentary Supply

SOPS1. Net outturn

SOPS1.1 Analysis of net resource outturn by section

							2018-19 £000	2017-18 £000		
						Outturn	Estimate	Outturn		
Administration			Programme			Total	Net Total	Net Total compared to Estimate	Total	
Gross	Income	Net	Gross	Income	Net					
Spending in Departmental Expenditure Limit										
- Voted	8,946	(87)	8,859	35,832	(10,194)	25,638	34,497	36,104	1,607	34,463
Annually Managed Expenditure										
- Voted	-	-	-	(16)	-	(16)	(16)	(14)	2	(124)
Total	8,946	(87)	8,859	35,816	(10,194)	25,622	34,481	36,090	1,609	34,339

The primary reason for the underspend during 2018-19 is the actual depreciation charge compared to Estimate. The Spending Review allocation of depreciation was a flat amount, and each year The National Archives is required to adjust this in its Supplementary Estimate.

The National Archives' estate is the largest component of fixed assets and is revalued on an annual basis using published indices around year-end. Indices can shift significantly between the timing of Supplementary Estimate and the year end, therefore the allocated depreciation has an inherent level of risk.

At Supplementary Estimate additional depreciation funding was allocated to the sum of £2.4m; the total depreciation increasing to £7.6m. The total depreciation charge in year was £6.4m, therefore an underspend of £1.2m in the year.

SOPS1.2 Analysis of net capital outturn by section

				2018-19 £000	2017-18 £000
			Outturn	Estimate	Outturn
	Gross	Income	Net	Net	Net
Spending in Departmental Expenditure Limit					
- Voted	2,765	-	2,765	2,821	1,329
Annually Managed Expenditure					
- Voted	-	-	-	-	-
Total	2,765	-	2,765	2,821	1,329

Refer to SOPS1.1 for commentary.

SOPS2. Reconciliation of outturn to net operating expenditure

SOPS2.1 Reconciliation of net resource outturn to net operating expenditure

	SoPS note	2018-19 £000	2017-18 £000
Total resource outturn in Statement of Parliamentary Supply	1.1	34,481	34,339
Add income and expenditure recognition changes under IFRS 15		-	710
Add depreciation charged to Other Comprehensive Net Expenditure		(2)	-
Net Operating Expenditure in Statement of Comprehensive Net Expenditure		34,479	35,049

2018-19 reconciling figure

Depreciation on donated assets is charged directly to Other Comprehensive Net Expenditure.

2017-18 reconciling figure

IFRS 15 Revenue from Contracts with Customers requires income and associated expenditure previously deferred/recognised under IAS 18 Revenue to be reviewed and adjusted as necessary. The net impact of these adjustments at 31 March 2018 was £710k. Further detail on accounting treatment of The National Archives' revenue streams impacted by IFRS 15 can be found in note 1.7.

SOPS3. Reconciliation of Net Resource Outturn to Net Cash requirement

	SoPS note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/(excess) £000
Resource Outturn	1.1	36,090	34,481	1,609
Capital Outturn	1.2	2,821	2,765	56
Accruals to cash adjustments:				
<i>Adjustments to remove non-cash items</i>				
- Depreciation, amortisation and impairment		(7,600)	(6,447)	(1,153)
- Loss on disposal		-	(7)	7
- New provisions and adjustments to previous provisions		-	14	(14)
- Other non-cash items		(48)	(70)	22
<i>Adjustments to reflect movements in working balances:</i>				
- Increase/(decrease) in inventories		-	1	(1)
- Increase/(decrease) in receivables		-	2,486	(2,486)
- (Increase)/decrease in payables		-	(1,960)	1,960
- Use of provisions		14	4	10
Net cash requirement		31,277	31,267	10

Parliamentary Accountability Disclosures (audited)**Losses and special payments**

There were no losses or special payments on an individual or cumulative basis that require disclosure because of their size or nature during 2018-19 (2017-18: 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 2018-19 there are no remote contingent liabilities to report (2017-18: nil).

Fees and charges

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

Jeff James, Accounting Officer, 16 July 2019

Audit certificate and report

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on financial statements

I certify that I have audited the financial statements of the National Archive for the year ended 31 March 2019 under the Government Resources and Accounts Act 2000. The financial statements comprise: The National Archives Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. 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 Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2019 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 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 2019 and shows that those totals have not been exceeded; and
- the income and expenditure 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the National Archive in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

We are required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the National Archive's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Accounting Officer for the financial statements

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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The National Archives' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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.

Other information

The Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of The National Archive and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance and Accountability Reports 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 Accountability Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or

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- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date: 17 July 2019

National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Financial statements

Accounts summary

Statement of Comprehensive Net Expenditure for the year ended 31 March 2019

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.

		2018-19	2017-18
	Note	£000	£000
Revenue from contracts with customers		(6,560)	(6,056)
Other operating income		(3,721)	(3,239)
Total operating income	5	(10,281)	(9,295)
Staff costs	3	23,187	24,816
Depreciation and impairment charges	4	6,445	6,548
Other operating expenditure	4	15,128	12,980
Total operating expenditure		44,760	44,344
Net operating expenditure		34,479	35,049
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs:			
- Net gain on revaluation of property, plant and equipment	6	(4,748)	(4,273)
- Net (gain)/loss on revaluation of intangible assets	7	(5,149)	479
- Depreciation of donated asset		2	2
Comprehensive net operating expenditure for the year		24,584	31,257

The notes on pages 78 to 108 form part of these accounts.

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Statement of Financial Position as at 31 March 2019

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.

	Note	31 March 2019		31 March 2018	
		£000	£000	£000	£000
Non-current assets:					
Property, plant and equipment	6	166,273		165,677	
Intangible assets	7	26,453		20,841	
Prepayments and accrued income	12	110		237	
Total non-current assets			192,836		186,755
Current assets:					
Inventories		107		106	
Trade and other receivables	12	3,360		311	
Contract assets	12	-		5	
Other current assets	12	2,652		3,083	
Cash and cash equivalents	11	10		13	
Total current assets			6,129		3,518
Total assets			198,965		190,273
Current liabilities					
Trade and other payables	13	(2,013)		(468)	
Contract liabilities	13	(1,341)		(271)	
Provisions	15	(14)		(13)	
Other liabilities	13	(4,310)		(4,797)	
Total current liabilities			(7,678)		(5,549)
Total assets less current liabilities			191,287		184,724
Non-current liabilities:					
Provisions	15	(179)		(198)	
Other liabilities	13	(629)		(800)	
Total non-current liabilities			(808)		(998)
Total assets less liabilities			190,479		183,726
Taxpayers' equity and other reserves:					
General fund			58,994		60,123
Donated asset reserve			3		5
Revaluation reserve			131,482		123,598
Total equity			190,479		183,726

The notes on pages 78 to 108 form part of these accounts.

Jeff James, Accounting Officer, 16 July 2019

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Statement of Cash Flows for the year ended 31 March 2019

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.

	Note	2018-19 £000	2017-18 £000
Cash flows from operating activities			
Net operating expenditure		(34,479)	(35,049)
Adjustments for non-cash transactions		6,505	6,527
(Increase)/decrease in trade and other receivables	12	(2,486)	(662)
(Increase)/decrease in inventories		(1)	(24)
Increase/(decrease) in trade and other payables	13	1,957	(279)
<i>Less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		3	(8)
<i>Less movements in opening balance relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		-	710
<i>Less movements in fixed assets relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		3	19
Use of provisions	15	(4)	(6)
Net cash outflow from operating activities		(28,502)	(28,772)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(2,197)	(1,329)
Purchase of intangible assets	7	(568)	-
Proceeds of disposal of property, plant and equipment		-	4
Net cash outflow from investing activities		(2,765)	(1,325)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		31,264	30,105
Payment of Consolidated Fund Extra Receipts		-	-
Net financing		31,264	30,105
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(3)	8
Payments of amounts due to the Consolidated Fund		-	-
Cash and cash equivalents at the beginning of the period	11	13	5
Cash and cash equivalents at the end of the period	11	10	13

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Statement of Changes in Taxpayers' Equity for the year ended 31 March 2019

This statement shows the movement in the year on the different reserves held by The National Archives, 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.

	General Fund	Revaluation Reserve	Donated Asset Reserve	Taxpayers' equity
Note	£000	£000	£000	£000
Balance at 31 March 2017	62,032	122,089	7	184,128
Balance at 1 April 2017	62,032	122,089	7	184,128
Impact of change in accounting policy	710	-	-	710
Adjusted balance at 1 April 2017	62,742	122,089	7	184,838
Net Parliamentary funding	30,097	-	-	30,097
Comprehensive net expenditure for the year	(35,049)	-	(2)	(31,051)
Revaluation gains	-	3,794	-	3,794
Auditor's remuneration	4	48	-	48
Transfers between reserves	2,285	(2,285)	-	-
Balance at 31 March 2018	60,123	123,598	5	183,726
Net Parliamentary funding	31,267	-	-	31,267
Comprehensive net expenditure for the year	(34,479)	-	(2)	(34,481)
Revaluation gains	-	9,897	-	9,897
Auditor's remuneration	4	70	-	70
Transfers between reserves	2,013	(2,013)	-	-
Balance at 31 March 2019	58,994	131,482	3	190,479

The notes on pages 78 to 108 form part of these accounts.

Notes to the Departmental Resource Accounts

1. Statement of accounting policies, key accounting estimates and judgements

1.1 Statement of accounting policies

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adapted or interpreted by the Government Financial Reporting Manual (FReM) 2018-19 issued by HM Treasury.

The accounting policies adopted by The National Archives are described below. 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. 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.

1.2 Basis of preparation

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. Transactions denominated in foreign currency are accounted for at the Stirling 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.

Going concern

In common with other government departments, The National Archives liabilities are expected to be met by future grants of supply and the application of future income, both to be approved annually by Parliament. There is no reason to believe that future Parliamentary approval will not be forthcoming, and therefore, in accordance with FReM 2.2.3, it has been concluded as appropriate to adopt the going concern basis of preparation for these accounts.

1.3 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 2019 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 16 Leases

IFRS 16 Leases has been adopted by the FReM for inclusion with effect from 1 April 2020. The IFRS became effective in the private sector for accounting periods commencing on or after 1 January 2019. Adoption of IFRS 16 will result in the group recognising right-of-use assets and lease liabilities for all contracts that are, or contain, a lease. For leases currently classified as operating leases, under current accounting requirements The National Archives does not recognise related assets or liabilities, and instead spreads the lease payments on a straight-line basis over the lease term.

IFRS 16 application

IFRS 16 is to be applied retrospectively with no restatement. The cumulative effects of initially applying the Standard recognised at 1 April 2020 is an adjustment to the opening balance of Taxpayers' Equity.

HM Treasury mandates the practical expedient detailed in IFRS 16 (C3) to apply this Standard to contracts that were previously identified as leases applying IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease, and not apply the standard to contracts that were not previously identified as a lease applying IAS 17 and IFRIC 4.

HM Treasury mandates the election detailed in IFRS 16 5(b) that all short-term assets should not be assessed under IFRS 16 (22-49). A short-term lease is defined from commencement, as having a lease term of 12 months or less, after the assessment of any options.

The National Archives elects that all the low-value leases are not assessed under IFRS 16 (22-49) detailed in IFRS 16 5(b).

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The National Archives as a lessee

The National Archives has completed an impact assessment of its lease exposure and is assessing live contracts. This has identified that exposure falls primarily into two areas, estates and IT. Key stakeholders from these business areas have been identified to assist with this work.

Leases of property

At 31 March 2019, The National Archives recognised an onerous lease provision according to IAS 37 Provision, Contingent Liabilities and Contingent Assets on a property vacated in Norwich. The lease runs until December 2023.

The National Archives elects to:

- measure the right-of-use asset as if it had applied IFRS 16 since the commencement date using its incremental borrowing rate at the date of initial application;
- apply the practical expedient to rely on its assessment that the lease was onerous under IAS 37 and therefore adjust the right-of-use at the date of initial application by the onerous lease provision rather than conduct an impairment test (C10 (b)); and
- apply the practical expedient to exclude initial direct costs from the right-of-use asset.

The right-of-use asset valuation as at 31 March 2019 is £193k.

Leases of equipment

The National Archives leases estates and IT equipment such as multifunctional printers and franking machines for the use of staff. At 31 March 2019 operating lease commitments amounted to £24k (see note 4), which is not expected to be materially different to the anticipated position on 31 March 2020 or the amount which is expected to be disclosed at 31 March 2019. The National Archives elects to apply the low-value assets practical expedient to these leases.

The National Archives as a lessor

The National Archives currently recognises income from licences of intellectual property as an operating lease under IAS 17. Revenue generated from such contracts is recognised on a straight-line basis for fixed income and variable income is recognised as publishing rights are granted.

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On adoption of IFRS 16, licences of intellectual property granted by a lessor will fall into the scope of IFRS 15 Revenue from Contracts with Customers (IFRS 16 3(d)). The current contract will expire during 2019-20 and the transition to IFRS 15 will have no impact on the 1 April 2020 opening financial position. The new contract will be negotiated during the 2019-20 period to commence on 1 January 2020.

The National Archives does not act as a finance lessor.

The Conceptual Framework for Financial Reporting

Effective for annual periods beginning on or after 1 January 2020. The revised Conceptual Framework for Financial Reporting (the Conceptual Framework) is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist the Board in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards. The Conceptual Framework is not expected to have a material impact on The National Archives' future accounts.

Definition of Material – Amendments to IAS 1 and IAS 8

Effective for annual periods beginning on or after 1 January 2020. Amendments to align the definition of 'material' across the standards and to clarify that materiality will depend on the nature or magnitude of information, or both. The new definition is not expected to have a material impact on The National Archives' future accounts.

1.4 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. Land and building have been indexed using the Office for National Statistics: 'Construction output price indices: public (other than housing) new work'.

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.

Property, plant and equipment valuation

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.

Asset lives are in the following ranges:

Buildings	up to 40 years
Information technology	up to five years
Plant and machinery	up to 25 years
Furniture, fixtures and fittings	up to 50 years
Transport equipment	up to ten years

1.5 Heritage assets

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

Records 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

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.

1.6 Intangible assets

Intangible assets comprise software licences purchased from third parties, amortised over the life of the licence, or the cost of developing internal software assets, amortised on a straight-line basis over their useful economic life.

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 supporting public records.

Asset lives are in the following ranges:

Licences	up to five years
Software	up to ten years
Licences issued	indefinite
Revenue-generating databases	indefinite

The valuation adopted for licences issued to third parties and internal revenue generating databases is based on current forecasts of reasonably foreseeable future revenue generating capacity, discounted as appropriate.

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 note 7 of the accounts.

1.7 Revenue recognition

The National Archives elected to early adopt IFRS 15 with effect from 1 April 2017, therefore comparative information is reported under IFRS 15.

Revenue principally comprises charges for services provided for the sale of copies of documents, sale of publications and other items and services, reproduction fees and 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.

The following is a description of principal contracted activities and its associated performance obligation and significant payment terms under IFRS 15.

Revenue stream	Nature, timing of performance obligations and significant payment terms
Licensing royalties Commercial partners use accessioned content on their websites and pay royalties for image usage.	The National Archives recognises revenue from image usage by commercial partners at an agreed royalty usage rate. Royalty billing ranges from a monthly to annual basis.
Licensing resales Digital copies of accessioned records sold to third parties.	Once the primacy period in the licence to the original commercial partner to publish images has expired, The National Archives can sell the images to another commercial partner for a lump sum. The lump sum is received in advance and recognised at the time of granting the licence and images unless The National Archives require the images to be updated over the period which the commercial partner has access to the licenced material. In such cases the lump sum is recognised over the period of the licence.
Reprographics A copying service for bulk orders from third parties.	The National Archives provides a copying service for bulk orders from third parties. The records can belong to The National Archives or external parties. Revenue is recognised once the copies are provided to the third party and typically billed in advance.
Record copying Paper or digital copies of accessioned records.	Public or government departments request paper or digital copies of our records. Orders are distributed to customers in hard copy or digital format. Revenue is recognised on delivery.
Document downloads Offsite downloads of documents.	Public request downloads of our available digitised records. Revenue is recognised on delivery.

Revenue stream	Nature, timing of performance obligations and significant payment terms
<p>Software development Preparation of records and development of website for use by commercial partner.</p>	<p>Revenue is recognised once the control of the software has passed to the commercial partner. Billing is in line with costs incurred. Project revenue and costs are deferred until ownership has passed.</p>

1.8 Short-term staff benefits

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

1.9 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.

For employees who retire early the Civil Service Compensation Scheme requires the department to pay over a lump sum to PCSPS to cover these costs in full following agreement of the departure and therefore these transactions are expensed when they occur.

1.10 Operating leases

The National Archives as lessor

The National Archives acts as lessor on a concessionary contract whereby in return for letting the concession The National Archives receives a financial contribution.

The contract is classified as an operating lease under IAS 17. Revenue generated from such contracts is recognised on a straight-line basis for fixed income and variable income is recognised as publishing rights are granted.

The National Archives does not act as a finance lessor.

The National Archives as lessee

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

1.11 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.

1.12 Provisions and 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.

1.13 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 Chief Executive and Keeper, Jeff James, is the Controller of Her Majesty's Stationery Office (HMSO) and has responsibility for the management and licensing of copyrights owned by the Crown in his capacity as Queen's Printer and Queen's Printer for Scotland. At 31 March 2019, the value of those cash assets was £82,371. 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.

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1.14 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The financial statements of The National Archives include estimates and assumptions that could influence the financial statements of subsequent financial years.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Non-current assets: Land and buildings are stated at fair value using professional valuations every five years minimum. Appropriate indices are used in intervening years. The selection of the indices used represents an accounting judgement and uncertainty in the valuation of non-current assets. The National Archives considers the Office for National Statistics: 'Construction output price indices: public (other than housing) new work' as the most appropriate index.

Intangible Assets: Intangible asset valuations of revenue databases and licenses are based on forecasts of future revenue generating capacity. Further details in note 7.

Heritage assets: Reliable information on cost or valuation is not available for the department's collection of heritage assets. Further details in note 1.5.

Revenue recognition: As set out in note 5.2, IFRS 15 – Revenue from Contracts with Customers requires judgements and estimates. Judgement relates to the determination of performance obligations in each of the major revenue streams, having the potential to impact the revenue recognition pattern under the contract. Assumptions are required to determine an appropriate measure of progress when determining how control over promised goods or services transfers to the customer. All of the above have the potential to result in a different revenue recognition pattern.

1.15 Prior period adjustments

There are no prior period adjustments.

2. Statement of Operating Expenditure by Operating Segment

IFRS 8 Operating Segments 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 33 to 34. In order to aid readers' understanding, the segments below have been presented in line with our public task, which can be summarised as: leading on policy and best practice in knowledge and information management for the public sector; preserving and protecting the record; and providing public access.

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

	2018-19			
	Government information management	Preservation and protection	Public access	Total
	£000	£000	£000	£000
Income	(2,107)	(318)	(7,856)	(10,281)
Operating expenditure	8,065	14,905	15,345	38,315
Depreciation, amortisation and impairment	1,357	2,507	2,581	6,445
Net operating cost	7,315	17,094	10,070	34,479

	2017-18			
	Government information management	Preservation and protection	Public access	Total
	£000	£000	£000	£000
Income	(2,086)	(197)	(7,012)	(9,295)
Operating expenditure	7,532	13,558	16,706	37,796
Depreciation, amortisation and impairment	1,295	2,353	2,900	6,548
Net operating cost	6,741	15,714	12,594	35,049

3. Staff costs

Staff costs comprise:

	2018-19			2017-18
	Permanently employed staff	Other staff	Total	Total
	£000	£000	£000	£000
Wages and salaries	17,871	195	18,066	19,272
Social Security costs	1,822	-	1,822	1,957
Other pension costs	3,428	-	3,428	3,686
Sub total	23,121	195	23,316	24,915
Less recoveries in respect of outward secondments	(129)	-	(129)	(99)
Total net costs	22,992	195	23,187	24,816

Further analysis on staff numbers, compensation scheme packages and pension disclosure can be found on pages 60 to 62, within the accountability report.

4. Operating costs

	2018-19		2017-18	
	£000	£000	£000	£000
Rentals under operating leases:				
Hire of plant and machinery		24		37
Non-cash items:				
Depreciation and amortisation				
- Civil estate	3,850		4,089	
- Other non-current assets	2,595		2,427	
Impairment	-		32	
Auditor's remuneration - audit work	70		48	
Loss on disposal of non-current assets	4		57	
Provisions:				
Released in year	(14)		(120)	
		6,505		6,533
Other expenditure				
Accommodation and building maintenance	7,287		6,771	
Other contracted services	3,184		1,065	
IT maintenance	1,563		1,293	
Recruitment and training	355		309	
Minor software and hardware	269		133	
Telecommunications	174		190	
Internal audit	45		44	
Travel, subsistence and hospitality	325		285	
Legal expenses	37		86	
Advertising	77		66	
Consultancy	23		16	
Postage, stationery and store supplies	195		150	
Grants paid	302		341	
Film and internet archiving	796		768	
Subscriptions	191		168	
Public access	389		448	
Digitisation and scanning	144		-	
Shop stores	155		148	
Conferences	49		51	
Website hosting	153		399	
Conservation and preserving materials	93		22	
Minor furniture, equipment and related maintenance	264		131	
Contract expenditure (IFRS 15)	(1,616)		(635)	
Other expenditure	590		709	
		15,044		12,958
		21,573		19,528

No fees have been paid to auditors for non-audit work.

5. Income

5.1 Classification of income

	2018-19	2017-18
	£000	£000
Operating income analysed by classification and activity is as follows:		
Income:		
Fees and charges to external customers	10,035	9,194
Fees and charges to other government departments	246	101
	10,281	9,295

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

	Income	Full cost	(Deficit)/Surplus
	£000	£000	£000
2018-19			
Digitisation services	360	791	(431)
Information and publishing	7,708	3,142	4,566
Externally funded projects	305	216	89
Other	1,908	1,908	-
	10,281	6,057	4,224
2017-18			
	Income	Full cost	(Deficit)/Surplus
	£000	£000	£000
Digitisation services	399	365	34
Information and publishing	6,741	3,260	3,481
Externally funded projects	480	470	10
Other	1,675	1,675	-
	9,295	5,770	3,525

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. For prices charged refer to: nationalarchives.gov.uk/legal/our-fees/

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 IFRS 8 Operating Segments.

5.2 Revenue from contracts with customers

	2018-19	2017-18
	£000	£000
Licensing royalties	3,082	2,463
Licensing resales	715	389
Reprographics	297	399
Record copying	606	592
Document downloads	356	379
Other	1,504	1,834
	6,560	6,056

Licensing royalties: Commercial partners use our accessioned content on their websites and pay us royalties when their subscribers use this content. Revenue is recognised in line with usage and billing arrangements vary from a monthly to annual basis.

Licensing resales: The initial commercial partner is required to provide The National Archives with a digitised copy of the images from which The National Archives can sell to an additional partner for a lump sum and benefit from the further royalties. The lump sum is received in advance and recognised at the time of granting the license unless The National Archives require the images to be updated over the period which the commercial partner has access to the licensed material. In such cases the lump sum is recognised over the period of the license.

Reprographics: The National Archives provides a copying service for bulk orders from third parties. The records can belong to The National Archives or external parties. Revenue is recognised once the copies are provided to the third party and typically billed in advance.

Record copying (Statutory provision): The National Archives provides paper or digital copies of accessioned records. Copies are prepared on site and revenue is recognised as the copies are distributed to customers. Billing takes place prior to distribution of the copies.

Document downloads: The National Archives holds several databases of large series, pre-digitised records available for anyone going on line to download individually directly from our website. These include wills, state papers and military records. If downloaded on site these are free, but when used offsite there is a charge (some series remain free off site).

6. Property, plant and equipment

	Land	Buildings	Plant and machinery	Furniture fixtures and fittings	Transport equipment	Computers and equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 31 March 2018	41,575	119,028	13,096	7,948	61	8,073	-	189,781
Reclassification	-	-	(3,778)	1,870	-	1,908	-	-
At 1 April 2018	41,575	119,028	9,318	9,818	61	9,981	-	189,781
Additions	-	-	965	431	-	801	-	2,197
Disposals	-	-	-	-	-	(89)	-	(89)
Revaluation	1,289	3,690	-	-	-	-	-	4,979
At 31 March 2019	42,864	122,718	10,283	10,249	61	10,693	-	196,868
Depreciation								
At 31 March 2018	-	7,470	6,746	3,659	61	6,168	-	24,104
Reclassification	-	-	(1,657)	632	-	1,025	-	-
At 1 April 2018	-	7,470	5,089	4,291	61	7,193	-	24,104
Charged in year	-	3,850	838	482	-	1,175	-	6,345
Disposals	-	-	-	-	-	(85)	-	(85)
Revaluation	-	231	-	-	-	-	-	231
At 31 March 2019	-	11,551	5,927	4,773	61	8,283	-	30,595
Net Book Value at 31 March 2019	42,864	111,167	4,356	5,476	-	2,410	-	166,273
Net Book Value at 31 March 2018	41,575	111,558	6,350	4,289	-	1,905	-	165,677

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	Land	Buildings	Plant and machinery	Furniture fixtures and fittings	Transport equipment	Computers and equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2017	40,442	115,786	12,070	7,752	61	7,835	752	184,698
Additions	-	-	286	205	-	838	-	1,329
Reclassification	-	-	740	-	-	12	(752)	-
Disposals	-	-	-	(9)	-	(612)	-	(621)
Revaluation	1,133	3,242	-	-	-	-	-	4,375
At 31 March 2018	41,575	119,028	13,096	7,948	61	8,073	-	189,781
Depreciation								
At 1 April 2017	-	3,279	5,637	3,449	61	5,691	-	18,117
Charged in year	-	4,089	1,109	219	-	1,013	-	6,430
Reclassification	-	-	-	-	-	-	-	-
Disposals	-	-	-	(9)	-	(536)	-	(545)
Revaluation	-	102	-	-	-	-	-	102
At 31 March 2018	-	7,470	6,746	3,659	61	6,168	-	24,104
Net Book Value at 31 March 2018	41,575	111,558	6,350	4,289	-	1,905	-	165,677
Net Book Value at 31 March 2017	40,442	112,507	6,433	4,303	-	2,144	752	166,581

Notes

- a) A review of asset categories was undertaken in year, resulting in reclassification of the brought forward balance of plant and machinery, furniture, fixtures and fitting and computers and equipment.
- b) Freehold land and buildings were valued on 31 March 2016 at £141m 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.
- c) Revaluation in year is accounted for within other comprehensive net expenditure (page 74) and accumulated in taxpayers' equity under the revaluation reserve.

7. Intangible assets

	Software licences	Revenue generating databases	Licences issued	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2018	431	1,540	19,125	-	21,096
Additions	226	-	-	342	568
Impairment	(3)	-	-	-	(3)
Revaluation	-	15	5,134	-	5,149
At 31 March 2019	654	1,555	24,259	342	26,810
Amortisation					
At 1 April 2018	255	-	-	-	255
Charged in year	102	-	-	-	102
Impairment	-	-	-	-	-
At 31 March 2019	357	-	-	-	357
Net Book Value at 31 March 2019	297	1,555	24,259	342	26,453
Net Book Value at 31 March 2018	176	1,540	19,125	-	20,841

	Software licences	Revenue generating databases	Licences issued	Assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2017	511	1,509	19,635	-	21,655
Additions	-	-	-	-	-
Impairment	(80)	-	-	-	(80)
Revaluation	-	31	(510)	-	(479)
At 31 March 2018	431	1,540	19,125	-	21,096
Amortisation					
At 1 April 2017	217	-	-	-	217
Charged in year	86	-	-	-	86
Impairment	(48)	-	-	-	(48)
At 31 March 2018	255	-	-	-	255
Net Book Value at 31 March 2018	176	1,540	19,125	-	20,841
Net Book Value at 31 March 2017	294	1,509	19,635	-	21,438

Revaluation in year is accounted for within other comprehensive net expenditure 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.

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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 2018-19 valuation £000
2018-19 income 10% less than forecast for revenue generating databases	(136)
2018-19 income 10% higher than forecast for revenue generating databases	136
2018-19 income 10% less than forecast for licences issued	(2,667)
2018-19 income 10% higher than forecast for licences issued	2,667

IAS 16 requires an intangible assets with an indefinite useful economic life to be tested for impairment annually by comparing its carrying amount with its recoverable amount irrespective of whether there is any indication it may be impaired. As a result of undertaking this exercise there is no impairment to the value of the assets.

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 ten-year transition, during which the age at which records would usually be transferred to The National Archives and released to the public is being reduced from 30 years to 20 years (however, many are transferred early).

The National Archives is the guardian of the nation's public records. 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 2018-19 £1.78m was recognised (2017-18: £1.80m).

Our approach to preservation risk

We have agreed a new preservation policy this year which covers both digital and physical records for the first time.

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 2019, we received records covering 1,343 metres of shelving (1,663 metres in 2017-18).

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 Department of Digital, Culture, Media and Sport 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 2,234 snapshots of websites and social media accounts for the UK Government web archive (1,410 in 2017-18).

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.

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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. Lease and other commitments

9.1 Operating Leases – The National Archives as lessor

The Gazette is managed by The National Archives under a concessionary contract whereby in return for letting the concession The National Archives receives a financial contribution. The amounts recoverable under the contract are as follows:

	2018-19	2017-18
	£000	£000
Concessionary contract		
Not later than one year	1,875	2,500
Later than one year and not later than five years	-	1,875
Beyond five years	-	-

9.2 Capital commitments

Contracted capital commitments at 31 March 2019 not otherwise included in these financial statements are as follows:

	2018-19	2017-18
	£000	£000
Property, plant and equipment	117	158

9.3 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:

	2018-19	2017-18
	£000	£000
Not later than one year	1,648	1,823
Later than one year and not later than five years	2,919	4,980
Beyond five years	-	-
	4,567	6,803

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.

IFRS 9 has been considered and has no material impact on the 2018-19 accounts.

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

	2018-19	2017-18
	£000	£000
Balance at 1 April	13	5
Net change in cash and cash equivalent balances	(3)	8
Balance at 31 March	10	13

The following balances at 31 March are held at:

Government Banking Service	8	11
Cash in hand	2	2
Balance at 31 March	10	13

12. Trade receivables, financial and other assets

	2018-19	2017-18
	£000	£000
Amounts falling due within one year:		
Trade receivables	3,360	311
Deposits and advances	44	50
Value Added Tax	232	33
Prepayments	487	1,015
Accrued income	1,889	1,985
Contract assets	-	5
	6,012	3,399
Amounts falling due after one year:		
Prepayments	110	237
Total receivables	6,122	3,636

13. Trade payables and other current liabilities

	2018-19	2017-18
	£000	£000
Amounts falling due within one year		
Other Taxation, Social Security and Pension	812	958
Trade payables	2,013	468
Accruals	2,689	2,608
Deferred income	48	29
Contract liabilities	1,341	723
Short-term staff benefits (earned leave liability)	751	737
Amounts issued from the Consolidated Fund for supply but not spent at year end	10	13
	7,664	5,536
Amounts falling due after one year:		
Contract liabilities and deferred income	629	800
Total payables	8,293	6,336

The 2017-18 figures in the accounts have been amended to show a comparable classification. In last year's accounts the figures for deferred income and contract liabilities were shown as £481k and £271k respectively.

14. Contract balances – Revenue from contracts with customers

14.1 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

	31 March 2019	31 March 2018
	£000	£000
Receivables, which are included in trade receivables	1,534	216
Contract assets	-	5
Contract liabilities	1,970	271

The contract liabilities primarily relate to the advance consideration received for:

- a) a contract to provide software development for which revenue is recognised on completion of the software; and
- b) a lump sum received for the sale of digitised copies of images that are required to be updated over the period of the contract.

Significant changes in the contract assets and the contract liabilities balances during the period are as follows:

	Contract assets	Contract liabilities
	£000	£000
Contract assets/liabilities at the beginning of the period	5	271
Reclassification of liability – refer to note 13	-	1,252
Increase/(decreases) due to cash received/paid	-	-
Transfers from contract liabilities to receivables	-	-
Change in measure of progress	(5)	447
Contract assets/liabilities at the end of the period	-	1,970

14.2 Transaction price to remaining performance obligations

Significant revenue streams from contracts are as follows:

Developing software

As at 31 March 2019, the transaction price allocated to software development is £3,111k. This will be recognised once the software package has been delivered to the customer. This will take place in the next financial year.

Reprographics

As at 31 March 2019, the transaction price allocated to reprographics is £366k. This will be recognised once the digital images have been delivered to the customer. This will take place in the next financial year.

Sale of digitised images

The transaction price allocated to the sale of digitised images is £597k. This will be recognised over the remaining eight years of the contract based on expected usage level of the third party.

Practical expedient

The National Archives applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less.

14.3 Contract assets

Revenue expected to be recognised in the future related to performance obligations that are unsatisfied at the reporting date:

	31 March 2019	31 March 2018
	£000	£000
Assets recognised from costs to obtain a contract	-	-
Assets recognised from costs to fulfil	2,341	635

Significant contract assets from contracts are as follows:

Developing software

Management expects the costs of staff time and third party development work incurred in developing software are recoverable. The National Archives has therefore capitalised £2,246k as contract costs at 31 March 2019 (2017-18: £630k). The software development transaction price to remaining performance obligations of £3,111k and contract asset of £2,246k form a contract liability of £865k.

Capitalised software development costs are amortised when the related revenues are recognised. There is no amortisation or impairment loss.

Reprographics

Management expects the costs of producing bulk digitised images for third parties are recoverable. The National Archives has therefore capitalised £95k as contract costs at 31 March 2019 (2017-18: £5k). The transaction price to remaining performance obligations of £366k and contract asset of £95k form a contract liability of £271k.

Sales of digitised images

There are no associated costs for providing a new, updated set of images to the partner that are recoverable.

Practical expedient

Applying the practical expedient in paragraph 94 of IFRS 15, The National Archives recognises the incremental costs of obtaining contracts as an expense when incurred if the amortisation period of the assets that The National Archives otherwise would have recognised is one year or less.

15. Provisions for liabilities and charges

The following table provides information on liabilities and charges on an onerous lease.

	2018-19	2017-18
	£000	£000
Balance at 1 April	211	337
Provided in year	-	-
Provision not required written back	(14)	(120)
Provisions utilised in year	(4)	(6)
Balance as at 31 March	193	211

	2018-19	2017-18
	£000	£000
Not later than one year	14	13
Later than one year	179	198
Balance as at 31 March	193	211

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 costs that will be incurred under the contract discounted by the HM Treasury discount rate of -0.76% and the HMT inflation rate of 2.00%.

16. Contingent liabilities

There were no material contingent liabilities at the reporting date (2017-18: nil).

17. 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, primarily UK Parliament, Office for Parliamentary Counsel, Scottish Parliament, Parliamentary Counsel Office Scotland and the Ministry of Justice.

Jeff James was appointed the President of the Forum of National Archivists, a sub-forum of the International Council on Archives (ICA) during 2017-18, and is a member of the ICA Executive Board. Subscription to the ICA was paid to the sum of £17,895 (2017-18: £18,146). The National Archives reimbursed ICA for £98,210 (2017-18: £77,526) for a seconded member of staff and charged £1,520 (2017-18: £nil) for a video streaming service.

Valerie Johnson is a Trustee and member of the Executive Committee of the Business Archives Council. Valerie Johnson pays her own individual subscription for Business Archives Council membership. During 2018-19, The National Archives paid an annual £55 institutional membership subscription fee (2017-18: £55).

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 £9,360 (2017-18: £9,360) and £787 (2017-18: £754) respectively.

A further sponsorship award was made to the DPC to the sum of £5,000 during 2018-19 (2017-18: nil). £nil (2017-18: £500) was received from DPC for a contribution to an award.

A DLM Forum payment for attendance at a conference was made for the sum of £3,028 in 2017-18.

Claire Feehily is a Trustee of the Heritage Lottery Fund from 1 March 2018. Three grants were received in year to the sum of £153,202 and grant income is accrued to the sum of £83,750 (2017-18: three grants to the sum of £391,188 prior to her appointment).

There are no further outstanding balances owed to or owed from any of the above related party organisations.

18. Third party assets

The National Archives held short-term monetary assets valued at £82,371 on behalf of other government departments at the end of the reporting period (£49,751 at 31 March 2018).

	31 March 2018	Gross inflows	Gross outflows	31 March 2019
Assets held	50	82	50	82

19. Events after the reporting period date

There have been no significant events after 31 March 2019 that require adjustment to, or disclosure in, the financial statements.

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

2018-19 is the third and penultimate year of the 'Greening Government Commitments 2016 to 2020'.²² This report presents an overview of The National Archives' activities during the 2018-19 financial year, our progress against the revised Greening Government Commitments targets, and our plans for the next financial year, which will be the final year for the current Commitments.

This report was prepared in accordance with HM Treasury's 'Public sector annual reports: sustainability reporting guidance 2018-19'. Further information is available on our website.²³

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 quarterly. 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 sharing best practice and benefiting from lessons learnt from other government departments and 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. 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.

²² www.gov.uk/government/publications/greening-government-commitments-2016-to-2020

²³ nationalarchives.gov.uk/about/our-role/transparency/

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In 2018-19 the data accounting dashboards implemented in the previous year have been fully utilised, helping to improve data quality. This has identified a number of additional opportunities to further enhance data accuracy:

- Review of water consumption and validation of the metred data with the supplier invoicing and the sub-metering to confirm usage and understand where water is consumed across the site.
- Following the travel dashboard being updated, a series of travel data collection forms have been developed and training provided. This allows for the necessary information to be provided without disclosure issues.
- The relevant dashboards have been updated with the current emissions and conversions factors.
- Awareness training has been provided to promote consistency in the reporting of IT waste disposal and the final materials and equipment disposition.
- Procurement have been working to reduce the use of Government Procurement Cards for business travel, which has helped improve the identification of the travel activities and the accuracy of the emissions factors used.

In 2019-20, additional confidence in the data accuracy and the quality of the data will enable improved decision making on the forecasting of environmental performance. This will be particularly important for the next set of Greening Government Commitment targets.

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.

In some cases, these targets have already been achieved, and we have set more challenging internal targets to continue striving to reduce our environmental impacts.

In 2018-19, we reviewed our operations in line with the 17 Sustainable Development Goals (SDGs), to highlight how we contribute to these Goals and to help inform the forward strategy. However, not all SDGs apply to all organisations. As such, we are looking to focus our attention on those that align closely to our strategic goals and where we would have most impact:

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- SDG 3. Good Health and Wellbeing in relation to working with Charitable Partners and a focus on 'take home messages' for the Sustainability Champions Network
- SDG 8. Decent Work & Economic Growth particularly through the Digitisation programme
- SDG 11. Sustainable Cities & Communities and the protection of local heritage
- SDG 12. Responsible Consumption and Production through a circular economy approach applied to products
- SDG 13. Climate Action through a continued focus on emissions reduction
- SDG 15. Life on Land to promote the biodiversity interests and the ponds on site.

Progress against each of these areas is captured within the sections below and will form a key part of our Sustainability Champions Network to engage employees and highlight areas of opportunities both in the workplace and at home.

Meeting the Greening Government Commitments

Progress has been strong in the second year of reporting against the revised Greening Government Commitments (GGC) targets, building on the progress made last year.

Indicator	GGC target (2019-20)	The National Archives' target (2019-20)	The National Archives' target baseline year	Change against the baseline 2018-19 (+/-%)	Change compared with 2017-18 (+/-%)
Greenhouse gas emissions	-32%	-65%	2009-10	-70%	-13%
Operational waste	Less than 10% waste to landfill	Zero waste to landfill	2010-11	0%	0%
	Reduce waste generation	-30%*	2010-11	-45%	-15%
	Increase recycling rate	Increase recycling rate	2010-11	-14%	+10%

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Paper	-50%	- 50%	2010-11	-56%	-42%
Water	Reduce water consumption	-25%	2009-10	-26%	-2%
Domestic flights taken	-30%	-30%	2009-10	-79%	-47%

*The National Archives has set its own target for waste reduction beyond the previous 25% Greening Government Commitment (GGC) target against the 2009-10 baseline, to aspire towards 30% reduction in waste generated.

2018-19 performance

Performance in 2018-19 has continued the previous trend for carbon, energy and waste. For any indicators that have increased, we continue to strive for improvement.

Indicator	2018-19	2018-19 per FTE employee	2017-18	2017-18 per FTE employee
Greenhouse gas emissions – scopes 1-3 tCO ₂ e	2,400	4.9	2,760	5.1
Energy used: MWh	8,993	18.6	8,702	16.1
Waste produced* (tonnes)	96	0.2	113**	0.2
Water used m ³	18,514	38.3	18,915	35.1
Domestic flights taken	19	0.04	36	0.1

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

**Restated following receipt of IT waste disposal information.

Greenhouse gas emissions

The Department for Digital, Culture, Media and Sport (DCMS) has set an emissions reduction target for 2020 of 63% against the 2009-10 baseline. We have gone further by setting an internal target of 65%.

Our greenhouse gas emissions associated with building energy use and domestic business travel in the 2018-19 financial year was 2,400 tonnes. This represents a 70% reduction in greenhouse gas emissions against the baseline 2009-10 financial year figures and a 13% reduction on the previous year's emissions.

Indicator		2018-19	2017-18
Greenhouse gas emissions: tonnes CO ₂ e	Gross emissions for scope 1 and 2	2,225	2,529
	Gross emissions for scope 3	175	230
Building energy consumption: MWh	Electricity: non-renewable	5,758	5,537
	Electricity: renewable	0	0
	Electricity: good quality combined heat and power	155	87
	Natural gas	3,233	3,165
	Diesel oil	0.2	0
Financial indicators: £	Energy	£936,703	£753,023
	Carbon Reduction Commitment allowances	£41,851	£43,922
	Business travel	£107,675	£129,624

An important factor driving this change has been the 'greening' of the national electric grid. The quantity of emissions associated with each unit of electricity consumed has reduced by 42% since the 2009-10 baseline year. Overall, total energy consumption has increased by 4% in comparison to the same period last year.

Use of the combined heat and power unit has again been low due to the limited potential for the use of the resulting heat generated. A focus for this year has been the review of how energy is consumed throughout the day to reduce consumption during periods of high charges – while this does not reduce emissions, it does provide a financial saving. Several additional energy projects have been implemented this year including the continued LED lighting roll out into Building 1 repositories, together with motion sensors.

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In 2019-20, further energy efficiency projects are planned. Improvements in the air quality of the occupied space will be reviewed through the use of CO₂ monitoring and the direct measurement of air quality, with a view to both improving the quality and aligning the requirements with the air handling systems and how they operate. A capital programme to replace the Q2 boilers is also planned which will look at the wider heat demand of the space and how this can be achieved using a combination of existing systems and new technologies.

Although business travel remains a relatively small contributor to our overall emissions, it has also reduced by 12% when compared to the same period last year. Procurement are working to reduce Government Procurement Card usage for general business travel, which will improve the granularity of data available, allowing for an improvement in the ability to determine emissions factors and the accuracy of the data.

We avoid unnecessary business travel and have a general approach of promoting travel by public transport rather than car, and train rather than plane. The promotion of software and technology as a means of engagement has allowed for a dramatic reduction in domestic flights. This change in approach of engagement and the commercial need has helped in the significant reduction in emissions this year.

The behaviour change programme has continued in 2018-19 with the launch of a Sustainability Champions Network to bring together departments to recognise new environmental challenges and opportunities. The objectives of this network are to reinforce and embed environmental initiatives, improve internal knowledge sharing, and promote employee engagement for environmental and sustainability projects.

The aim of this programme is to promote the ethos within the environmental management system to all staff. Positive environmental outcomes that result from successfully implementing sustainable behaviours will be promoted, aiming to encourage staff to embed these behaviours further. It will also aim to give positive feedback to staff and show that their efforts to improve sustainability performance are valued. An example has been the promotion of rice husk cups as a replacement for coffee cups promoted through the network.

In 2019-20, the network will be regularly held with a series of key areas promoted to engage employees. This will include explaining site energy saving features to staff so they can use them better, and the provision of biodiversity 'way finding' to improve the knowledge of the on-site habitat benefits. Further programmes will be developed in alignment with the Sustainable Development Goals.

Waste minimisation and management

Our waste targets, baselined to 2010-11, are to reduce the total quantity of waste we produce, to increase our recycling rate, and to send less than 10% of our waste to landfill. We also have a target to reduce paper consumption by 50%.

We have produced a total of 96 tonnes of general and recycling waste this year, in comparison to the 2010-11 baseline of 174.9 tonnes. No operational waste has been sent to landfill in 2018-19. Overall, average monthly waste production has reduced by 45% since 2009-10 and 15% since last year.

Indicator		2018-19	2017-18
Operational waste: tonnes	Total	96	113**
	Recycled and reused	54	58**
	Energy from waste incineration	36	49**
	Food and catering: anaerobic digestion	6	6
	Composted	0	0
	Landfill	0	0
Construction and refurbishment projects waste: tonnes	Total	7.36	12
	Recycled and reused	2.6	6
	Landfill	4.76	6
Operational waste expenditure: £*	Total	£28,081	£24,520
	Recycled and reused	£2,302	£4,553**
	Energy from waste incineration	£11,934	£9,324
	Food and catering: anaerobic digestion	£1,742	£1,830
	Landfill	£0	£0

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

**Includes a rebate of £1,513 from reused IT equipment.

***Updated IT waste figures minimising estimations.

This overall reduction in waste reflects changes that have taken place across departments. This has been facilitated by a focus on employee behaviour change measures, such as guidance to staff on waste over the Christmas period, targeting the waste generated from Christmas activities and suggestions on how to improve reuse and recycling.

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The proportion of waste being recycled so far this financial year is 56%; whilst this is higher than last year, it is less than the proportion achieved throughout 2010-11 (65%). This is partially an impact of reducing waste overall. In 2019-20 opportunities to further reduce non-recyclable waste are being targeted, such as rolling out reusable cups to teams, and getting a better understanding of how catering waste could lead to initiatives to divert more to recycling waste streams. The use of rice husk cups targets the issue of coffee cups contaminating waste streams.

Following recent cases about the incorrect disposal of waste items, a waste assurance review was performed to understand where our waste goes and the potential risk of incorrect disposal taking place overseas. It was confirmed the main waste contractors manage the majority of their disposal operations within the UK.

In 2019-20, through the Sustainability Champions Network, we are preparing initiatives to promote behaviour change to further reduce waste generation. We will produce advice and training programmes for our staff, supporting them to adapt their activities where practicable. In addition, we will also look specifically at waste materials that are not recycled and work with our supply chain and waste management contractors to look at how this can be improved.

Use of finite resources

Indicator	2018-19	2017-18
Water consumption: m3	18,514	18,915
Water supply costs: £	£33,261	£36,915
Paper use: reams A4 eq.	2,006	3,471

We have a target to reduce overall water consumption from 2009-10 levels.

The quantity of water consumed on our estate this financial year is 18,514m³. This is a decrease of 2% on the quantity consumed in the same period last year (18,915m³), and the consumption is 26% less than that recorded in 2009-10. A review of water management has recently been delivered to the estates department. This contains a number of recommendations to improve water management processes in the future.

Our paper consumption so far this year stands at the equivalent of 2,006 standard reams of A4 paper – 42% less than last year, and 56% less than 2010-11. Venue management has changed the transparent bags used in reading rooms to biodegradable items.

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.

Following the guidance on sustainable procurement and the circular economy delivered last financial year; the procurement policy is being reviewed, strategic projects on waste reduction are being considered, and Government Procurement Card usage is being addressed. The contract for catering services was awarded to a new supplier, Graysons Restaurants this year and their approach to the procurement and disposal of products will be followed up and investigated.

A review of the facilities management supply chain to identify any contractors that may pose an environmental or social risk has taken place as an initial study. Those organisations identified will be reviewed in 2019-20 with a view to working with the contractors to reduce any risks they pose to us.

With the new remit that has been placed on public sector bodies, we have implemented the initial stages of a social value review to understand where we can best support and provide benefits within the local communities. This study has sought to review our existing community engagement activities together with engagement with the communities to understand their requirements, drivers and what is important to them. In 2019-20, we will take forward the programme with a view to implementing activities to improve the social value in the communities that we operate within.

Biodiversity

Our site is an important ecosystem for birds, bees, small mammals, and other invertebrates. It has significant biodiversity value, which positively affects and has an impact on its attractiveness as a destination, the wellbeing of employees, and its relationships with local stakeholders.

Understanding the current state of biodiversity on site enables good decision-making for planning new approaches to protect and enhance it, as well as communicating up-to-date information to interested parties. Simple surveys to observe and record the presence of species at various points on the site provide a first level of this understanding. The results of a series of such surveys undertaken semi-regularly builds a picture of the biodiversity trends during the period. This is the second full year of regular biodiversity surveys. That means meaningful year-on-year comparisons can be made to create recommendations for improvement. The option of engaging 'green champions' in biodiversity activities will be explored.

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In 2019-20, we intend to develop our existing relationship with the Royal Botanic Gardens, Kew to design new planting on the site to encourage a greater range of biodiversity. External signage across the site will also be provided to highlight biodiversity features to employees, visitors and visiting schoolchildren.

Climate change adaptation

The greatest risks climate change poses for our operations are from flooding and temperature extremes. During this year, the River Thames located next to our site has had some remedial activities performed to strengthen and improve the flood defences. We have hosted the Port of London on our site during these operations and will provide support in their ongoing flood defence maintenance work.

The flood risk assessment will be updated following these works, together with the recent revision to the UK climate modelling, to bring the risks of future flooding events up to date.

Sustainable construction

The Events space and learning room were handed over fully in 2018-19. Several sustainability improvements have been included within this project, including waste segregation, with a view to maximising recycling and re-use of materials.

Annex B

Advisory Council on National Records and Archives 16th Annual Report 2018-19

To the Right Honourable Jeremy Wright, QC, Secretary of State for Digital, Culture, Media and Sport ('DCMS').

Part One – Executive Summary

Background

The Advisory Council on National Records and Archives (the '**Council**') is an independent advisory body, created under the Public Records Act 1958 and exercising statutory functions under that Act. It advises the Secretary of State for Digital, Culture, Media and Sport (the '**Secretary of State**') on issues relating to access to public records. It also carries out duties under the Freedom of Information Act 2000.

Through its sub-committee, the Forum on Historical Manuscripts and Academic Research (the '**Forum**'), the Council also advises the Chief Executive of The National Archives and Keeper of Public Records on matters relating to private (non-governmental) archives outside the public records system.

The Council's and the Forum's respective remits are described in more detail in **Annex A** and membership details are included in **Annex B**.

Highlights for 2018-19

It has been another busy year for the Council, not least because there has been a fall in the number of members at a time when the Council's workload is still at a historically high level. One member, Ms Angela Kelly, resigned in September 2018 and two others, Sir John Ramsden and Dr Elizabeth Lomas, retired during the period. This meant that the membership at 31 March 2019 stood at ten, compared with 13 at 31 March 2018, and a maximum permitted membership of 18. However, a new recruitment process commenced on 11 March 2019, with a final closing date for applications of 29 April 2019. The response to this was encouraging even though the final outcome was not known at the date of this report.

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The Council:

- held four meetings, plus one training session in 2018-19; and
- dealt with **5,843** closure and **970** retention requests.

In total, this represents a **decrease** in the volume of requests **of 8%** compared with 2017-18, but an **increase of 35%** compared with 2014-15.

The Council also dealt with **440** cases under the Freedom of Information Act ('**FOIA**') in the financial year 2018-19, with **26** FOIA panels taking place.

The Council also dealt with one FOIA request which was made directly to it and handled the subsequent internal review process.

The Working Group, led by Mr Trevor Woolley, the Deputy Chair, continued to look at ways to improve the Council's efficiency and effectiveness. Building on the excellent work which was started in 2017, it has implemented various improvements to the Council's processes and procedures, including, most recently, a new mechanism for dealing with unresolved disagreements with departments and a quality assurance review process. It has also prepared an initial submission from the Council to DCMS in relation to the proposed revision of the Code of Practice (under s.46 of the Freedom of Information Act).

Part Two – The Advisory Council's work in 2018-19

Meetings

The Council has held four meetings in the period since the last annual report: in May, July and November 2018 and in February 2019, together with a successful training event for members in September 2018.

Council meetings were attended by members, as well as by Jeff James, The National Archives' Chief Executive and Keeper of Public Records. Other representatives from The National Archives who possess particular expertise relating to the issues considered by the Council also participated, as necessary.

Departmental representatives may also attend meetings to present their submissions, by invitation. The Animal Plant and Health Agency and Cabinet Office both attended meetings during the year and the Foreign and Commonwealth Office gave an illuminating presentation to the September training session on their processes and procedures for records selection.

The Advisory Council's procedures and processes

During the course of the year, the Council has continued to implement changes designed to enhance its efficiency and effectiveness, following up on the recommendations made by its Working Group. The most significant of these has been to introduce a sample review of files which the Council had agreed, on the basis of departmental submissions, to transfer as closed to The National Archives. This process is designed to provide assurance to the Council that departmental summaries of the records they recommend to the Council for closure are fair and accurate. The first such review took place in April 2019 and the findings were presented to the May 2019 meeting of the Advisory Council. This and subsequent reviews will inform feedback to departments on best practice in preparing submissions to the Council.

It is also hoped that a number of the recommendations made by the Working Group will be reflected in a revised Code of Practice under s.46 of FOIA, which, at the date of publication of this report, was still the subject of a consultation exercise. As part of its recommendations, the Council is seeking to codify that its responsibilities are limited to advising on the balance of the public interest in the release or closure of records and do not encompass the provision of advice on the use of FOIA exemptions which are not subject to a public interest test (**'absolute exemptions'**).

Engagement with DCMS

The Chair and the Secretary of State met in January 2019 to discuss the Council's key priorities and the challenges it faces over the next 12 months. Items on the agenda for the meeting included recruitment, remuneration and the Code of Practice review. I am pleased to note that progress has since been made in all these areas. Lord Ashton from the Department for Digital, Culture, Media and Sport also attended this meeting, as well as the July Council meeting, as an observer.

A tailored review of the Council's functions was planned by DCMS for 2019 but I understand that the date for this is likely to be postponed while preparations for the UK's exit from the European Union are still underway.

Engagement with departments

Staff from the Animal Plant and Health Agency (**'APHA'**) attended the November meeting to present further information to members on a substantial retention submission that it had made. Cabinet Office staff also appeared at that meeting, to discuss procedural issues under FOIA which the Working Group had identified.

Following agreement during the previous period that some records being reviewed for transfer would need to take into account the negotiations for exiting the European Union, a memorandum on the UK's exit-related considerations was delivered by the Department for Exiting the European Union to the May 2018 meeting and was approved, with a minor revision. Other memoranda, which provide advice on handling of common issues, were updated during the period, notably from the Foreign and Commonwealth Office.

The Council received retention applications during the period from the Foreign and Commonwealth Office; Ministry of Defence; Cabinet Office and the Prime Minister's Office (the bulk of the applications), as well as from the Home Office; the Department for Transport; the Department for Health and Social Care; the Crown Prosecution Service; Her Majesty's Revenue and Customs; the Ministry of Justice; the Attorney General's Office; Highways England; Natural Resources Wales; the Government Actuary's Department; the Department for Education; the Defence Geographic Centre; the Department for Environment, Food and Rural Affairs; the Department for Digital, Culture, Media and Sport; the Department for Business, Energy and Industrial Strategy and some from the Northern Ireland Office and Welsh Government.

A large proportion of retention requests are made for security reasons, with smaller numbers of technical records retained for business reasons, or because they are relevant to ongoing public inquiries. Applications which are not queried go forward for approval by the Secretary of State, by means of a Retention Instrument.

The Council also considers at its meetings submissions from departments relating to the management of review backlogs or where retention is sought for administrative purposes, in relation to documents which are not selected for permanent preservation. A smaller number of cases relate to records which have been selected for permanent preservation. The Council received such retention applications from the Animal and Plant Health Agency; the Attorney General's Office; the Cabinet Office; the Charity Commission; Companies House; Defence Geographic Centre; the Department for Education; the Department for Health and Social Care; the Department for Transport; the Department for Work and Pensions; the Department for Environment, Food and Rural Affairs; the Foreign and Commonwealth Office; HM Treasury; the Home Office; the Ministry of

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Housing, Communities, and Local Government; the Ministry of Justice; Northern Ireland Office; Natural Resources Wales and The National Archives. Some departments made more than one such application during the period. Generally, a period of one or two years was sought. In a small number of cases, three or even four years was requested.

The outcome of these applications was as follows:

- For 12 of these requests, the Council was content to recommend to the Secretary of State that permission be given to the relevant organisation to retain its legacy records for the period requested.
- In four cases, the relevant organisation was asked to provide further information regarding key project dates and resources before a recommendation to the Secretary of State could be made. One organisation was also asked to attend the relevant Council meeting in person to provide further detail.
- In three cases, the recommendation was that the department be granted a lesser retention period, but that it be invited to reapply for a longer period in due course, if necessary.
- In the remaining cases, the Council was content to recommend the retention but asked for further updates to be provided, to ensure that departmental records management projects remained on track. One of these organisations was requested to attend the relevant meeting in person to give further detail.

The Council also considered updated papers from HM Land Registry; the Foreign and Commonwealth Office; the Charity Commission; Cabinet Office; the Department for Education; the Ministry of Justice; the Attorney General's Office; HMRC and the Ministry of Defence.

In February 2019, an update was also provided by the Ministry of Defence on its plans for the transfer of military service personnel records from the early part of the last century. Further detail was requested by the Council. At the same meeting, the Ministry of Defence, in conjunction with another organisation asked for a number of files held at The National Archives to be given the status of 'access under review'. The Council asked for further information on the review process involved and a plan for reviewing the records. The matter was still ongoing at the date of this report, so further detail on it will be provided in the next financial year.

Access to public records

Closure of records under the Freedom of Information Act

Metrics

Key metrics for the period are set out in **Appendix C**.

Process

Given the very large volume of applications placed before it, the Council works on the basis of summaries prepared by departments and vetted by The National Archives. The Council will ask for more details and question apparent weaknesses in the arguments for closure until it is satisfied; or until the department withdraws or modifies the request. Occasionally, the Council may request that one of its members sees the full record. Further information on how the Council scrutinises and challenges the applications it receives is available on the Council's website:

nationalarchives.gov.uk/about/our-role/advisory-council

The Council queried **13.5%** of applications for the transfer of records closed under qualified (i.e. not absolute) exemptions. This figure compares with 17% in 2017-18. This change can be explained, at least in part, by the fact that departments are now providing fuller explanations in their applications. In addition, the explanatory memoranda and guidance are constantly evolving and are now well understood by all parties.

In the majority of cases where the Council has raised queries, it has asked departments to make the arguments for closure clearer, rather than to alter the duration of the closure period or to amend the FOI exemption to be applied to the records. Overall, there is still further scope for departments to improve the quality of their submissions and working with them to do this is one of the Council's key priorities for next year.

In one case, the Council nominated a member to view a record because it was unpersuaded by the department's justification for closure. However, the review process did not take place, as the department subsequently withdrew the application.

In another case, the Council recommended in favour of transferring the record open. The Foreign and Commonwealth Office (the department concerned) disagreed and the difference of opinion continued. The Council's new process for dealing with cases of unresolved disagreements (which requires the relevant department to seek a decision from its ministers where such disagreement

arises) was then applied and the department's recommendation was upheld by its Minister. As the new procedure requires, the disagreement is duly noted in this report.

Generally, the quality of the applications made by departments for closure has been satisfactory and those from departments with a large volume of business with the Council are improving. The Council has, however, had occasion to press departments to produce bespoke explanations for the record concerned, rather than offer a generic explanation which fails to address the specifics. In addition, there have been instances when departments have been slow to respond to queries raised by the Council, or have withdrawn applications only after repeated challenge from the Council.

Retention of records under the Public Records Act

Metrics

Key metrics for the period are set out in **Appendix C**.

Process

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.

Summary information

While the number of applications fell slightly this year, there is still a historic increase as a result of 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.

The table in **Appendix C** shows the total number of applications for closure and retention considered by the Advisory Council and the number queried by it. There are four possible outcomes in the case of queried applications:

- a) clarification or additional information provided by a department is accepted by the Council and the application is agreed unchanged;

- b) the department amends its application so that the closure period is reduced, the reasons for closure are more accurately explained, or the amount of information to be closed is reduced;
- c) the department withdraws its application; or
- d) the Council and the department disagree on whether the balance of public interest requires the record to be closed, and the department seeks a decision from its Minister (this happened only once in 2018-19 – see the above-named section, Closure of records under the Freedom of Information Act.

FOI panels

Metrics

During the financial year 2018-19, 26 panels were convened, with **440** cases being considered. Panels substantively challenged **32** of these, or **7%** of the total. Having been provided with more detail, the panels in most cases were able to accept departments' arguments for continuing to apply public-interest based exemptions. However, in one case, the panel's challenges resulted in the closed records being opened in full.

Overall, sections 27 and 38 of FOIA (international relations and health and safety) were the most challenged exemptions.

Process

The FOI panel process is explained in more detail **in Appendix D**. As in previous years, the majority of FOI requests for closed records sought access to criminal case files, usually relating to historic murder cases. In these instances, the Council is typically called upon to balance the public interest in release against the potential distress which might be caused to victims or their relatives, or (in the case of unsolved crimes) to the risk to the successful prosecution of perpetrators in the future.

Additional business

Other business which was conducted at meetings during the period included the ongoing review of Council processes and procedures, consideration of the latest Fees Order for The National Archives and an update on The National Archives' new strategic vision, *Archives for Everyone*.

Part Three – The Forum on Historical Manuscripts and Academic Research

Background

The Forum, in its capacity as a sub-committee of the Council, provides a means through which the Chief Executive of The National Archives, in his capacity as Historical Manuscripts Commissioner, can seek advice on historical manuscripts in independent (i.e. non-governmental) archives. It is also a place for discussion about academic research issues.

Membership

The Forum is chaired by the Master of the Rolls. Dr Elizabeth Lomas acted as Deputy Chair until the end of 2018, when she came to the end of her term. Her successor is Ms Hillary Bauer, OBE.

Three other members of the Council, all of whom have expertise in academic research and/or knowledge and experience of private archives, currently serve as members of the Forum.

Two new independent members – Ms Jennifer Shaw and Ms Adele Redhead – were welcomed to the Forum in September 2018, following a successful recruitment process.

A further recruitment process was commenced on 5 April 2019, to appoint an additional independent member. The application process closed on 26 April and interviews were held at the end of May. The final outcome was still to be confirmed at the date of publication of this report.

Meetings

Meetings of the Forum are attended by members and by the Chief Executive and other staff from The National Archives.

The Forum met three times during the period covered by this report, in May and December 2018 and in March 2019. It expects to hold at least three further meetings during 2019-20, at which it will focus on its agreed strategic priorities which include:

- acting as a forum for communication between The National Archives and the wider sector for discussion of pressing current issues, such as the effect of changes to data protection legislation on archives, digital challenges and investment in ways of doing things differently;
- encouraging academic research;

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- discussion of planned events to commemorate the 150th anniversary of the Historical Manuscripts Commission ('**HMC 150**'); and
- raising the wider profile of the Forum.

During the period, the Forum continued to:

- discuss and advise on the work of the Research and Academic Engagement and the Archive Sector Development teams at The National Archives;
- discuss and advise on *Archives Inspire* and *Archives Unlocked*, the strategic visions for The National Archives, and their successors; and
- note the development of plans for the HMC 150 celebrations.

Other business

In addition, the Forum has considered seven 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; and initiated discussions on the effect of digital developments on archives.

Part Four – Conclusion

The Council has had a busy year and is looking forward to the next year, during which its priorities will be the Code of Practice review and working with departments to continue to improve the quality of the record. It considers that it is well-placed to deal with the forthcoming tailored review process and, subject to recruitment, it looks forward to dealing with the challenges of the next year.

The Right Honourable Sir Terence Etherton
The Master of the Rolls
June 2019

Annex A – The Remit of the Council and the Forum

Part One – the Council

Background

The Advisory Council on National Records and Archives was established by the Public Records Act 1958 ('PRA') and is a non-departmental public body. It is chaired by the Master of the Rolls, The Right Honourable Sir Terence Etherton, who was appointed with effect from 3 October 2016.

The role of the Council

The Council is to consider and advise on matters including:

- applications from departments for the retention within those departments of public records beyond the age of 20 years, when those selected for permanent preservation are normally transferred to The National Archives;
- the balance of the public interest in relation to applications from departments for the extended closure of historical public records and other 'matters relating to the application of the Freedom of Information Act 2000 ('FOI Act') to information contained in public records that are historical records within the meaning of Part VI of that Act';
- the balance of the public interest in the release or non-disclosure of historical records, an application for the disclosure of which has been made under the FOIA; and
- preservation of public records in places of deposit and facilities for public access to them.

Requests under FOIA in accordance with the third bullet point are dealt with through the FOI panel process, which is described in **Annex D** below.

In addition, the Council may be required to advise on:

- major objectives, programmes and policy changes for The National Archives;
- proposed legislation affecting The National Archives;
- the implications for records and public services of any proposed change to the status of The National Archives; and/or

- any subject brought to its attention by the Secretary of State.

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

- make the final decision as to whether:
 - when they become historical, records are transferred to The National Archives closed; nor
 - when a closed record is reviewed after transfer, it should remain closed

as these decisions lie with the department whose records they are;

- make the final decision on whether a record can be retained by a department. This 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; nor
- 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 Forum

The Council's responsibility relating to historical manuscripts (private archives) is discharged through the work of its sub-committee, the Forum on Historical Manuscripts and Academic Research. The Forum advises the Keeper of Public Records in his capacity as Historical Manuscripts Commissioner. The Forum considers and provides advice to the Secretary of State through the Council on matters relating to manuscripts, records and archives, other than public records, and particularly:

- the location, collection, care, custody, preservation, acquisition, sale, and use in all formats of such documents;
- the compilation and dissemination of information about them;

- any questions affecting such documents as may be referred for its consideration, including issues relating to the statutory duties of the Master of the Rolls in respect of manorial and tithe documents, and the making of recommendations to Arts Council England on the allocation of archives and manuscripts accepted for the nation in lieu of tax; and
- other issues that would formerly have come within the terms of reference of the Royal Commission on Historical Manuscripts.

In addition, on behalf of the Council, the Forum is to:

- act as a vehicle for the development of constructive and collaborative engagement between The National Archives and its academic stakeholders, sharing knowledge and developing trust and understanding; and
- provide an open, independent and authoritative advisory voice to The National Archives, to support its research and academic liaison.

Annex B – Membership

Part One – The Council

The Master of the Rolls chairs the Advisory Council. The Master of the Rolls was originally responsible for the safe-keeping of charters, patents and records of important court judgments. Today he is President of the Court of Appeal (Civil Division) and Head of Civil Justice. The current Master of the Rolls is the **Right Honourable Sir Terence Etherton**.

The Deputy Chair is **Mr Trevor Woolley CB**.

During the period covered by this report, one member – Ms Angela Kelly – resigned and two members – Sir John Ramsden and Dr Elizabeth Lomas – came to the end of their terms.

The current members of the Council are:

Lady Moira Andrews, Director, Praetor Legal Ltd and ADS Group Ltd; Visiting Research Fellow, King's College London; former Government Legal Adviser.

Ms Hillary Bauer, OBE, adviser on culture and heritage issues; Board Member of Towner Gallery Eastbourne and of Ben Uri Museum and Gallery; Trustee of the Worshipful Company of Arts Scholars.

Ms Liz Copper, BBC Senior Broadcast Journalist.

Ms Lesley Ferguson, Head of Archives and Engagement, Historic Environment Scotland.

Dr Helen Forde, historian and archivist; formerly board member of the Museums and Libraries Association; Chair of the Board of Trustees of the Postal Museum; Vice-President of the Society of Antiquaries.

Dr Peter Gooderham, CMG, former Ambassador to the UN and WTO in Geneva.

Mr Michael Smyth CBE QC (Hon), Member Legal Services Board and Fundraising Regulator; 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 John Wood, solicitor; Advisory Committee on Business Appointments (ACOBA) Independent Member; formerly Charity Commission for England and Wales Legal Board Member and Board Consultant; formerly Herbert Smith Freehills, Partner, then Consultant.

Mr Trevor Woolley CB, non-executive director, Oil and Pipelines Agency; formerly Director General, Ministry of Defence, who also acts as Deputy Chair of the Council.

The Secretary to the Council is currently **Anne Hardy** of The National Archives.

Part Two – The Forum

The Master of the Rolls chairs the Forum.

Council members Ms Hillary Bauer, OBE (the current Deputy Chair), Ms Lesley Ferguson, Dr Helen Forde and Ms Jeannette Strickland sit on the Forum, together with the following independent members:

Ms Adele Redhead, a lecturer at the University of Glasgow, where she leads the MSc in Information Management and Preservation. She is a qualified archivist and has extensive experience in archives and records information management in a variety of sectors. She is a member of the Scottish Catholic Heritage Commission.

Ms Jenny Shaw, the Collections Development Manager for the Wellcome Collection, where she is responsible for setting the collecting direction across formats, including archives. She previously worked as an archivist at the British Red Cross and BT Heritage

The Chief Executive of The National Archives is also a member of the Forum, on an ex officio basis, as the Historical Manuscripts Commissioner.

The Secretary to the Forum is **Anne Hardy** of The National Archives.

Annex C – Metrics

Key statistics relating to applications considered by the Council are set out below.

Closure of Records

- In 2018-19, **69,974** government records were accessioned at The National Archives.
- **61,145**, or **87.4%** of these records were transferred open in full or partially closed and can be viewed at The National Archives by any member of the public who has a reader's ticket.
- **4,658**, or **6.7%** of these records were transferred closed, after departmental applications to do so had been scrutinised by the Council.
- **4,084**, or **5.9%** of these records were retained in full by the relevant department.
- The remaining **87** were transferred as 'number not used'. (NB: This tag is used where a gap is identified in The National Archives' sequential catalogue numbering system. This might occur if, for example, a duplicate record is discovered. To avoid a laborious renumbering process, the relevant record number is shown in the catalogue as 'unused'.)
- The number of closure applications submitted to the Council decreased this year to **5,843**, compared with 5,974 in 2017-18. Around **54%** of these applications engaged only absolute exemptions and so were not subject to a public interest test. Of these, the vast majority involved personal information about private individuals; personal information may be protected from release by data protection legislation. In considering applications to close records to the public, the Council focuses on those that invoke exemptions subject to a public interest test. The most common exemptions claimed concern of damage to international relations and risks to the health or safety of individuals.

Retention

This year, the Council considered **970** retention applications, compared with 1,432 in 2017-18.

Applications considered

Overall, there was a decrease of **8%** in the number of applications compared with 2017-18, but this still represents an increase of 35% on 2015-16.

The table below sets out key metrics for 2018-19, as compared with previous years:

		2014-15	2015-16	2016-17	2017-18	2018-19*
Closure applications	Applications considered	4,250	4,435	4,290	5,974	5,843
	Applications queried	181	480	506**	410**	387
	Applications where clarification was received and accepted	105	340	232	122	157
	Applications which were amended by departments and accepted	67	126	218	209 ½***	183
	Applications withdrawn by departments following challenge by the Council	9	14	34	31 ½***	13
Outstanding closure applications at March 2019*					1	34
Retention applications	Applications considered	793	952	986	1,432	970
	Applications queried	28	44	116	125	52
	Applications where clarification	21	28	41	32	20

	was received and accepted					
	Applications which were amended by departments and accepted	4	12	39	79	19
	Applications withdrawn by departments following challenge by the Council	3	4	26	14	4
Outstanding retention applications at March 2019*						9

*A number of queried cases remained unresolved at the end of the period covered by this report and will be carried forward. At the same time, the unresolved queries from the previous period have been included in this report.

**One application for 2016/17 was never resolved, see the section in this report called Access to Public Records. 46 closure applications queried in 2017/18 were not resolved through the query process but resubmitted on a new schedule.

***The figure of ½ referred to reflects the fact that the relevant application covered two records and the application in respect of one of these was withdrawn.

Annex D – the FOI panel process

The Council’s FOI panel process

The Council is responsible for advising the Secretary of State on the application of the Freedom of Information Act 2000 (**FOIA**) to historical public records.

Records retained by departments and those closed at transfer to The National Archives remain subject to the FOIA and individuals can make a request under FOIA (an **FOI request**) to have access to them.

When The National Archives receives a FOI request for access to closed information held by it, it follows the procedure set out in Part VI of FOIA. Under these provisions, before a request can be refused on the grounds of a qualified exemption, the Secretary of State must be consulted. The Council will assess the public interest test, which is necessary before such an exemption can be applied. This test is applied to determine, whether, in all the circumstances of the case, the public interest in disclosure is outweighed by the public interest in refusing access to the information in the record.

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 advisory role when a request is to be refused citing only absolute exemptions).

In most cases, the FOI request concerns information closed at transfer on the grounds that it was information:

- that, if released, would endanger the safety or physical or mental health of an individual;
- that, if released, would damage international relations; or
- 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, panel members will request further detail or clarification from the relevant department or The National Archives. Even where they are in agreement that the public interest in closure outweighs the public interest in applying the exemption, members of the panel may also raise concerns about departmental practices and draw attention to inconsistencies between departments in their handling of FOI requests.

Annex C

Annual Report of the Independent Complaints Reviewer 2018-19

In April 2018, The National Archives appointed ch&i associates to act as its Independent Complaints Reviewer (ICR). The ICR service is free to complainants and offers an independent review of complaints that The National Archives has been unable to resolve itself. Our role is:

- To provide judgements as to whether The National Archives has provided good or reasonable service consistent with their policies and procedures and in line with their stated standards and practices and other widely accepted principles of good practice.
- To determine whether there have been any deficiencies in the service provided to the customer (whether constituting, or falling short of, maladministration) that call for attention.
- To recommend proportionate and fitting remedies where service standards have fallen below an acceptable standard.

ch&i associates is run by Jon Wigmore and Alex Oram, both of whom have extensive experience of complaint handling and investigations. They currently also act as the ICR (or equivalent) for other bodies, including the Department for Transport, the General Medical Council and the Public Services Ombudsman for Wales.

Introduction

We are delighted to present our first annual report as ICR for The National Archives. This service was established in 2000 by Jodi Berg OBE who has played an important role in not only resolving individual grievances, but in ensuring that The National Archives remained committed to being held accountable in a very direct way. We aim to build on the highly effective independent review function Jodi created.

The National Archives set themselves high service delivery standards, exemplified by external accreditation including Customer Service Excellence. This year also saw The National Archives join the VisitEngland Visitor Attraction Quality Scheme. The scheme offers prospective visitors the assurance that The National Archives Kew site has respected accreditation. It complements The National Archives' aim of ensuring that the site continues to be known and used as a 'vibrant and welcoming learning environment'. The intelligence gained from the assessment, along with a

proactive and agile approach to feedback and complaint handling, has informed ongoing projects to improve visitors' experience.

Inevitably, on occasion, The National Archives gets it wrong. Their duty to handle resources with probity and in the public interest also means that they are, at times, unable to meet customer expectations. A theme of complaints, for example, has been decisions to discontinue subsidised services that have been superseded from most customers' perspectives by more readily available technology. In such cases we found very detailed explanations and helpful, educational suggestions, in the organisation's dialogues with affected customers. The message is clear: 'We want you to keep using our services, and, if we can, we will make it easier and more enjoyable for you to do so'.

The National Archives has an ambitious complaints process that aims to ensure that customer feedback, however defined and expressed, improves service delivery and puts things right for people. The National Archives' commitments and principles here are spelled out in their 'Policy for handling comments and complaints'. This emphasises simplicity of access, clarity, timeliness and fairness.

Overview of complaint activity and The National Archives' learning from complaints and customer feedback

In the year, the number of compliments formally logged has slightly risen to 79, while complaints have dropped from 61 to 56. This must be seen in the context of The National Archives' high levels of transactions. This year, The National Archives produced over 518,500 documents and dealt with over 32,500 telephone enquiries and 28,500 written enquiries. The latter figure was considerably lower than before, perhaps because the online 'live chat' function has proved popular (approaching 14,000).

In our experience, the ratio of complaints / customer transactions places The National Archives in a very low volume complaint-handling category. Furthermore, most of these complaints were resolved without the complainant needing to escalate their concerns to Internal Review, which is handled at arm's length from operations by the Chief Executive's Office. As we approach the end of our first year in the role of ICR, no The National Archives complainant has asked for an ICR review or taken a complaint to the Parliamentary Ombudsman. Our confidence in The National Archives' approach to complaints is therefore based on this impressive 'clean sheet' as well as on our review of the function this year, which we summarise below.

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The National Archives continues to implement changes and tries to improve the customer experience based on the feedback it receives through suggestions and complaints. In the last year these have included changes to advance and bulk ordering, which is proving very popular and now accounts for 52% of document productions. The National Archives has also started working in partnership with a new caterer, Graysons Restaurants. The quality and range of the catering on offer to visitors to their Kew site has always been important to them. As the archives develops its public programme and attracts new audiences, they want the food and beverage offer to change, to better meet the needs of both new and regular visitors.

Independent review

In September 2018, The National Archives commissioned us to review the performance of their complaint handling function against both their own internal policies and targets, and best practice. In order to do this, we:

- reviewed the full suite of The National Archives' complaints policies and guidance;
- considered the ease for customers to suggest improvements, raise concerns and complaints and how well staff are prepared to deal with feedback in all of its manifestations;
- reviewed a random 24% sample of complaints received between October 2016 and August 2018;
- analysed The National Archives' adherence to their own policies and relevant benchmarks;
- reviewed their internal quality control and audit arrangements;
- considered the rigour of complaint investigations and the resulting redress looking at remedy for individuals and service improvements;
- considered the resilience of the complaint handling function;
- analysed relevant statistical data, and;
- interviewed key staff involved in every stage of complaint handling.

In our experience, the defining features of an effective complaints system reside in the culture of the organisation and include strong leadership from the top. A mature complaints process comes

down to giving clear, balanced responses to the issues raised, while building a healthy and reflective culture.

We found that The National Archives delivers a 'gold standard' complaints service, in particular in:

- the variety of ways in which a complaint can be made;
- the orientation of staff to assist and put things right;
- the role and influence of the complaints function within governance;
- the existence of a manifestly arm's-length Chief Executive stage;
- the pro-customer, pro-complaint orientation of the Executive Team, and;
- the publication of up-to-date high-level and granular complaints information on The National Archives' website.

During the review, we observed that The National Archives commits a substantial amount of energy into getting it right first time, with all the staff we met demonstrating commitment to solving problems even where customer attitude was felt to be a factor. We found that people were proud to work for The National Archives and were committed to meeting its ambitious goals. People wanted to develop the full potential of the Kew site as an enjoyable cultural destination. The positive orientation to feedback we found reminded us of model private sector scenarios rather than that of a 'monopoly' public body.

We found much evidence that The National Archives' complaints policy works well. Customers were routinely contacted by managers in an effort to understand their concerns. Responses at every tier, from informal to Chief Executive, were timely and of a high quality. If customers remained dissatisfied, they were given the opportunity to have their case reviewed by someone not involved in the earlier response. In the majority of cases we reviewed, we saw active quality management working well and rich evidence of changes being made to systems as a result of customer feedback. We concluded that The National Archives are genuinely committed to the use of complaints as a source of corporate intelligence and to drive business improvement.

While we were able to offer a few recommendations that we hope will further improve the service offered to customers, our overall conclusion is that The National Archives has an impressive, high functioning approach to complaint handling with a well-motivated and highly skilled workforce.

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Contact the ICR

Details of the ICR service can be found at

nationalarchives.gov.uk/contact-us/complaints-procedure

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