

# Annual Report & Accounts

2015-16

Preserving the past | Recording the present | Informing the future



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October 2016

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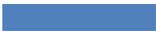
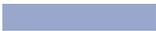
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## Foreword from the Chief Executive

The past year has seen continued steady progress here at National Records of Scotland, working towards our vision, improving our governance and aiming to deliver excellent services within limited budgets.

Our work spans every area of Scottish life, and every era – from the oldest item in our archives, a charter granted by King David I around 900 years ago, to the work being done to deliver a digital census in 2021.



**Tim Ellis**  
Chief Executive, National Records of Scotland

We contribute towards the success of the Scottish Government's purpose, and to the outcome that 'Our public services are high quality, continually improving, efficient and responsive to local people's needs.' We are a non-ministerial department, with our own identity, strategy and vision, and we continue to make progress towards our vision statement that 'by 2018, we will have increased our reach and impact, and be recognised as an influential leader across our sectors. We will be a trusted and innovative organisation, with a focus on continuously improving our customer services, and especially our digital services.' This year our work has particularly focused on the themes of increasing our reach and impact, our customer services, our digital services, and our professionalism.

Once again, the work we do has helped paint a portrait of a modern Scotland – from the work of our statisticians analysing demographic trends, to the release of Government papers from the year 2000, and exhibitions which highlighted the role of the Italian community in Scotland amongst others. We have worked together with partners to deliver events and exhibitions, recognising that through collaborations we can deliver more, even within

**“By 2018, we will have increased our reach and impact, and be recognised as an influential leader across our sectors. We will be a trusted and innovative organisation, with a focus on continuously improving our customer services, and especially our digital services.”**

challenging budgets. One successful example of partnership working has been the smooth introduction of the new system of medical scrutiny and death certification in Scotland, which balances the needs for accuracy of information and clinical governance with the importance of minimising delays for families.

“Our Digital Preservation Programme will continue to address one of the major challenges for records in the modern world, looking at how we can accept and preserve archives in the formats they have been created in, and ensuring they remain accessible in future as the speed of technological change continues to astound.”

This year we will continue our drive to ensure that as many people as possible are able to find out more about the wealth of information we hold, particularly through our online offerings. Autumn 2016 will see the launch of a refreshed ScotlandsPeople service, offering an improved and joined-up experience for those who wish to research their family histories, online or in person. The year will also see preparations for Census 2021 step up, as the team works to ensure we build on the success of the last census to meet the needs of users and respondents.

Our Digital Preservation Programme will continue to address one of the major challenges for records in the modern world, looking at how we can accept and preserve digital archives in the formats they have been created in, and ensuring they remain accessible in future as the speed of technological change continues to astound.

I am delighted that we have been able to strengthen our board by appointing additional non-executive directors who will help us deliver our vision. Once again, it has been a year of challenges and of opportunities but as an organisation we continue to deliver our purpose; collecting, preserving and producing information about Scotland’s people and history, and making it available to inform present and future generations. This report sets out much of what we have done in 2015/16 towards achieving this, and the work we are planning to do in future, and I hope you enjoy finding out more about the far-reaching work of this organisation over the following pages.



Tim Ellis,  
Chief Executive  
September 2016

## Overview



### Our Purpose

We collect, preserve and produce information about Scotland's people and history, and make it available to inform current and future generations.

National Records of Scotland (NRS) is a non-ministerial department (NMD) within the Scottish Administration. It is headed by a Chief Executive who fulfils the role of two non-ministerial office-holders, the Registrar General for Scotland and the Keeper of the Records of Scotland. It was established on 1 April 2011, following the amalgamation of the General Register Office for Scotland and the National Archives of Scotland.



### Our Business

National Records of Scotland performs the registration and statistical functions of the Registrar General for Scotland and the archival functions of the Keeper of the Records of Scotland, including maintaining the archives as one of Scotland's five National Collections.

We hold records spanning the 12<sup>th</sup> to the 21<sup>st</sup> centuries, touching on virtually every aspect of Scottish life. We are the repository for the public and legal records of Scotland but we also have many local and private archives.

We hold and make available one of the most varied collections of records in Britain. We provide a leadership role for archive and record professionals, and require 250 named public authorities to submit records management plans for agreement by the Keeper.

We oversee the registration of life events such as births, deaths, marriages, civil partnerships, divorces and adoptions. We are also responsible for the statutes relating to the formalities of marriage and civil partnership and the conduct of civil marriage, and for overall leadership of the registration service in Scotland.

We take the census of Scotland's population every 10 years and prepare and publish regular demographic statistics. These statistics play a vital part in underpinning decision-making from national to local level, and are a building block in the development of a large number of economic and social statistics.

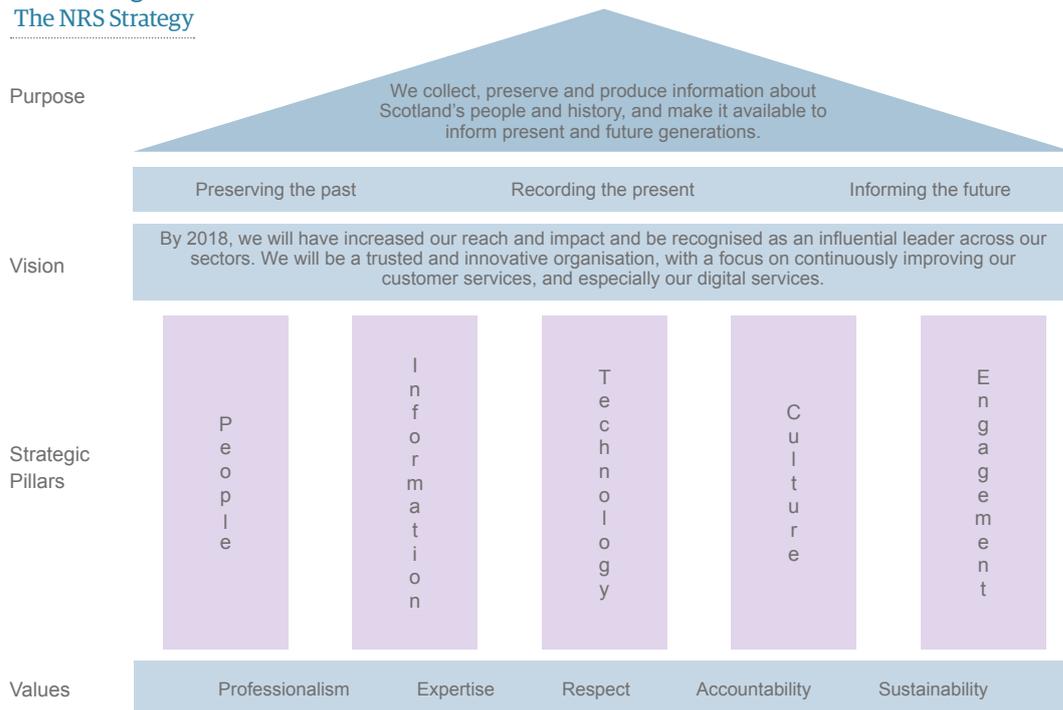
We have a global audience for our work, for example genealogists researching their Scots ancestry can access our records online or as part of a visit to Scotland, and the Scottish Register of Tartans attracts worldwide interest.



## Our Objectives

The NRS strategy (see Figure 1) sets out our purpose and vision and the values that underpin what we do. The strategy focuses on what kind of organisation we want to be by 2018 and beyond, consolidating our profile as an influential leader across the sectors in which we operate.

**Figure 1**  
The NRS Strategy



There are four key themes within our Strategy. These are:

1. increasing our reach and impact;
2. delivering in a professional way;
3. improving customer service; and
4. developing our digital services.

All our business activities should contribute to the key themes. Over the course of the year, we have provided support to team leaders to help all our staff understand how their work contributes to the key themes and therefore the success of the organisation.

## Performance Analysis



### Our Performance

As part of Scottish Government we contribute to its [Purpose](#) and key [National Outcomes](#) but as a non-ministerial department we also have our own identity and have developed our own Strategy as shown above. Our governance structure supports the Chief Executive and our senior team to focus on successful business delivery. During the year, we have strengthened our Management Board by recruiting five additional Non-Executive Directors who bring their knowledge and experience to advise on the strategic direction we are taking and identify opportunities and emerging issues.

“During the year, we have strengthened our Management Board by recruiting five additional Non-Executive Directors who bring their knowledge and experience to advise on the strategic direction we are taking and identify opportunities and emerging issues.”

We adopt a Management of Portfolios approach to help ensure we invest in the activities that ensure we meet our remit and purpose, and which will also deliver our strategy in the longer term. Using this approach we are able to manage and control how we use our resources, identify the key risks to achieving our strategy and provide assurance around the benefits each activity will deliver. This ensures that our investment decisions are based on a clear understanding of the risks and benefits associated with our portfolio activities and that these are actively managed throughout the activity lifecycle.

A summary of our current change programmes can be found in the Governance Statement. A key element is to ensure we adopt a joined up and cohesive approach wherever possible, maximising opportunities for shared development/resources across our portfolio activities to make best use of our resources and avoid unnecessary duplication. The Business Leadership Group reviews the portfolio on a quarterly basis.



## Basis of Accounts

The Accounts Direction is provided in the Accounts section, under Directors' Report.



## Risks and Uncertainties

We continue to face growing demands, within a context of more limited resources. The Management of Portfolios approach described above is helping us to make strategic decisions on the best use of resources, taking into account risks and priorities, and ensuring we fulfil our statutory responsibilities.



## Financial Performance

The results for the year record a Net Resource Outturn of £19,636K compared to the Resource Budget of £21,150K. The resulting underspend of £1,514K arose mainly from an underspend within depreciation of £833K, with an underlying underspend of £681K.

Direct capital expenditure balanced against our budget of £1,500K.

Further information on our performance can be found in the Accountability Report and the Annual Report, and where appropriate includes any trends and other factors likely to affect future development, performance and position of our business.

<b>Year record</b>
2015/16
<b>Net Resource Outturn</b>
<b>£19,636k</b>
<b>Resource Budget</b>
<b>£21,150</b>
<b>Underlying Underspend</b>
<b>£681k</b>



## Social, Community and Human Rights

National Records of Scotland has a wide and diverse community of stakeholders and plays a central role in the cultural, social and economic life of Scotland, supporting several of the Scottish Government's key National Outcomes and measuring its Population Purpose Target.

Scotland's Census and demographic statistics published by us filter through to all sectors of local and central government through areas such as service planning, transport, housing, equalities monitoring, Single Outcome Agreements and when complying with the specific duties within the Public Sector Equality Duty.

By law, we keep personal census information confidential for 100 years. An exemption set out in the Freedom of Information (Scotland) Act 2002 enforces this by stating that census information is exempt from disclosure for that period of time. The 1920 Census Act makes it a criminal offence unlawfully to disclose confidential census information. The Census (Confidentiality) Act 1991 extended this to people and businesses working as part of the census.

The government records we hold are important as they record the origins of individual rights and obligations and provide accountability and transparency to the citizen. Collection of these records is expected to reflect changes in Scottish economic, political and cultural life, wider Scottish society, and the changing nature and structure of the Scottish Government itself.



## Our Future

In addition to information provided in this section about our structure, objectives and performance, our approach to managing other risks is set out in the governance statement. Our main challenges in 2016-17 will be:

- continuing to support Scottish Ministers to deliver competent government;
- continuing to deliver high quality services for our customers, within a constrained financial environment;
- delivering a new, high quality family history service;
- progressing the Digital Preservation Programme to:
  - ensure information of historical importance produced in digital format can be preserved for posterity by designing a new Digital Preservation service; and
  - ensure transparency for the citizen as delivered by Scottish Government websites is sustained in perpetuity through a new Web Continuity Service for the whole of Scottish Government;
- developing our plans to hold Scotland's Census in 2021, which will be primarily delivered online; and
- strengthening our IT infrastructure, IT services and capabilities to support all that we do.



## Sustainability Statement

Over the past five years NRS has been implementing a Carbon Management Plan to reduce carbon emissions in line with an agreed target set at 20% reduction of the carbon emissions recorded in 2010-11.

At the end of this period, NRS has reduced carbon emissions by a total of 32.7%, considerably exceeding the five-year target. To achieve this we have concentrated our efforts this year in the following areas:

- [Reducing consumption of energy, water, paper and other resources](#)

We have monitored energy and water consumption and set reduction targets to measure our performance. We have implemented a programme of upgrading some of our older plant, equipment and lighting with more energy efficient ones and introduced voltage optimisation in some of our buildings. We have an Energy Committee to manage our energy usage reduction Programme. This has proved successful as we produced 146 tonnes (6.2%) less CO<sub>2</sub> than we did last year. During this year we used 2,273,435 kilowatt hours less of energy to run our buildings than we did in 2010-11, at the start of the Carbon Management Plan. For purposes of comparison, an average family uses 11 kilowatt hours of electricity per day so saving 2,273,435 kilowatt hours of energy would provide enough electricity for 206,676 families for one day.

- [Waste management](#)

We have continued to focus on our recycling initiatives to reduce the amount of waste we produce by re-using and recycling products and materials and a total of 125.70 tonnes of waste was saved from landfill. All redundant IT equipment was recycled using a WEEE (waste electronic and electrical equipment) approved company. A total of 57.29 tonnes of paper and card were recycled which has saved approximately 859 trees, 229,160 kilowatt hours of energy and 1,718,671 litres of water. 3.04 tonnes of aluminium cans, and the same amount of plastic plus 10.83 tonnes of food waste were also recycled.

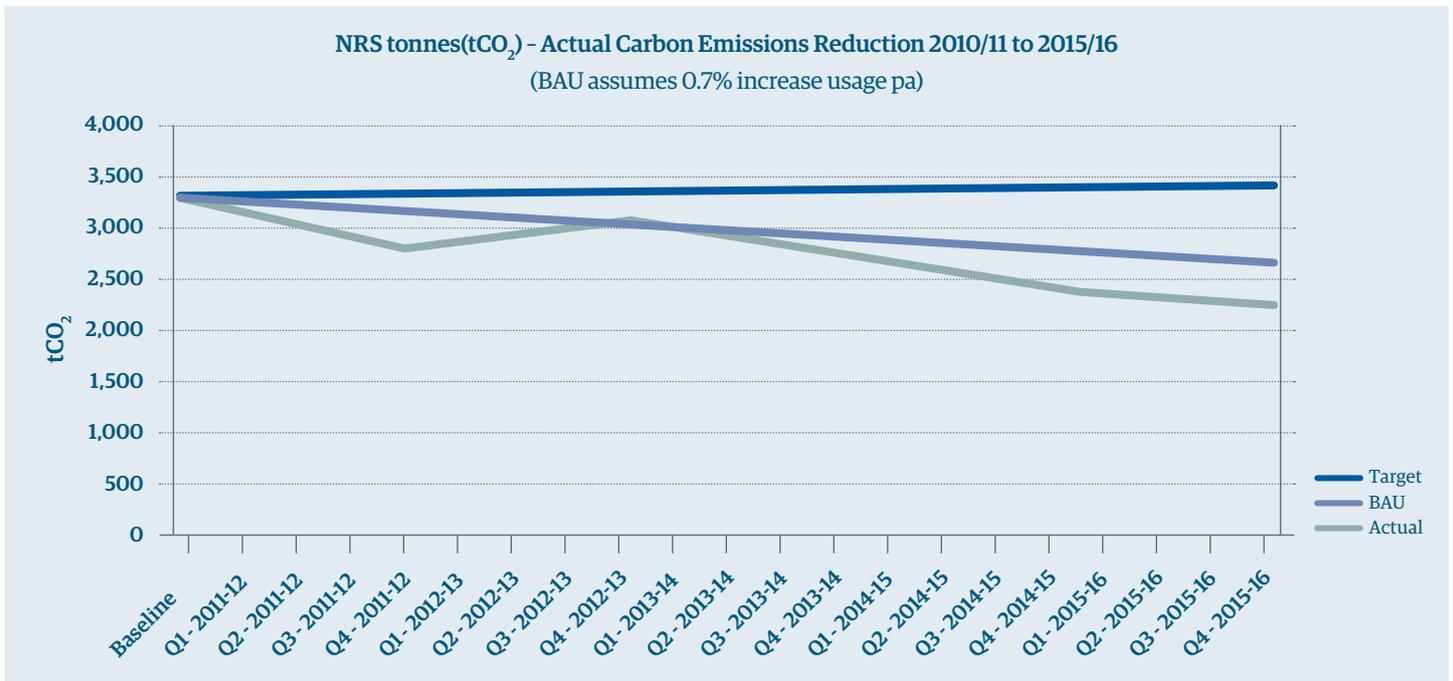
- [Business Travel](#)

We travelled 94,003 fewer kilometres in 2015-16 than we did in 2014-15, giving a saving of 21 tonnes of CO<sub>2</sub>. We continue to promote our Business Travel Policy guidelines to continue to encourage alternatives to travel (telephone, Skype and video conferencing) and for staff to use local bus and rail tickets.

- Sustainable Procurement

NRS seeks to maximise social, economic and environmental considerations which can be delivered through the performance of its contracted services. We continue, where feasible, to buy goods and services which are derived from natural and sustainable sources and which can be manufactured, delivered and disposed of in an environmentally responsible way.

**Figure 2**  
Carbon Emissions  
Reduction



*Penni Rocks*

Penni Rocks,  
Accountable Officer  
September 2016

## Review of the Year

As ever the work of National Records of Scotland has been incredibly varied this year. One theme which has emerged, however, is working in partnership with others to increase our reach and our impact.



### Exhibitions

Partnerships were prominent as we collaborated in four on-site exhibitions. Having conserved a fragile census of Scots Italians in the 1930s on behalf of the Italian Consulate, we created an exhibition based around these unique documents, and others generously made available by private lenders. 'Family Portrait: The Scots Italians 1890-1940' was enjoyed by 2,500 visitors from 3 December 2015 to 29 January 2016. To mark the exhibition, we held a reception with the Italian Consulate, tied in with a musical event and book launch, which was attended by the Cabinet Secretary for Culture, Tourism and External Affairs, Fiona Hyslop.

To mark the 150th anniversary of the Association of Registrars of Scotland, formed 10 years after statutory registration was introduced in Scotland and in continuous operation ever since (the oldest such body in the world), we drew on the Association's records and our own for the



Family portrait exhibition

exhibition, 'Recording Angels'. We also partnered with the Royal College of Midwives Scotland to commemorate the centenary of the Midwives (Scotland) Act, 1915: 'Safe Delivery: a History of Scottish Midwives' which was timed to coincide with their conference celebrating the centenary of the Act. We hosted 'Germans in Britain', a travelling panel exhibition by the Migration Museum Project, which we complemented with selected documents from our archives. Together these attracted 1,500 visitors.

*"Partnerships were prominent as we collaborated in four on-site exhibitions."*

As part of our role, we regularly loan items from our archives to others – for example, we loaned documents to two popular exhibitions: drawings by the Earl of Mar for 'Rise and Fall: The Earl of Mar and the 1715 Jacobite Uprising', at the Scottish National Portrait Gallery, 26 October 2015 to 27 March 2016, and letters and papers to 'Plague!' at the National Library of Scotland, 11 December 2015 to 29 May 2016.



## Education

We engaged more than 3,350 people through learning and outreach activities delivering 34 learning sessions to more than 900 school pupils in support of Curriculum for Excellence and National Qualifications. These included sessions on Mary Queen of Scots, World War II, the Scottish Home Front, the 'Case of the Climbing Boy' (a tale of a child chimney sweep) and the Scottish Wars of Independence.

Our expanded programme of public talks by staff and outside experts, and visits by adult and university groups, including archivists from South Korea, attracted 1,132 people interested in our archives and services. Almost 1,300 people enjoyed special access to General Register House and the Archivists' Garden on Doors Open Day on 26 September.



## Search Rooms

We welcomed over 23,400 visitors to the ScotlandsPeople Centre and our Historical Search Room. The five local family history centres located across Scotland in Alloa, Glasgow, Hawick, Inverness and Kilmarnock also offered access to ScotlandsPeople.

Visitors	<b>23,400</b>
Extracts provided	<b>47,656</b>
Phone calls handled	<b>19,534</b>

We provided 47,656 official extracts from our Statutory, Census and Old Parish Records, and handled 19,534 telephone calls.



Historical Search Room



## ScotlandsPeople

Our biggest audience is online, and more than 1.1 million people used our ScotlandsPeople genealogy website ([www.scotlandspeople.gov.uk](http://www.scotlandspeople.gov.uk)). Most users (60%) are based in the United Kingdom, and those in North America and Australia are the next biggest groups.

We made available about 3.5 million new index entries and related images of our records, bringing our online offering to more than 108 million indexed entries. Among the additions were Valuation Rolls for 1855 and 1930, enabling anyone worldwide to find property owners, tenants and occupiers across Scotland; registers of deaths at sea and of seamen, which list merchant crew and others during the years 1909-1974. Also added was the unique resource of about 6,000 case records from the Military Service Appeal Tribunal for Edinburgh, Lothian and Peebles, 1916-1918.



## The Scottish Register of Tartans

We registered 242 tartans on the Scottish Register of Tartans. Notable registrations included Boxing Scotland, the Mull Rugby Club, Etihad Airways and Qatar Airways. Tartans were also registered by Mensa Scotland to celebrate its 70th anniversary, Macmillan Cancer Support and the Dundee Carers' Centre.

The ongoing popularity of social media has seen the number of followers on the Scottish Register of Tartans Facebook page continue to rise steadily to over 6,000.



Samples from the Scottish Register of Tartans

## Conservation

Underpinning access to our collections is our conservation and preservation work. Preservation of the collections includes all the logistics around making the archives available, including keeping track of locations, delivery of records to the search rooms, and ensuring that the archives are stored and handled appropriately.

Conservation involves highly specialised techniques to stabilise fragile documents. All this work combines to ensure that the national archives will be available to future generations, and also supports opening them up through digitisation and through the exhibitions and displays mentioned elsewhere in this report. A total of 82,152 pieces were treated during the year, including Old Parish Registers, Registers of Baptisms, Marriages and Burials, Church of Scotland records and the Upper Clyde Shipbuilding photographic collection.

Much of our work is undertaken in partnership with others. Last year, we reported that we supplied collection knowledge, expertise and images from our British Rail collection to support Historic Scotland (now Historic Environment Scotland) in its nomination of the Forth Bridge for UNESCO World Heritage Site status. We were delighted to see the bid succeed this year. In January, NRS came to the rescue of a partner organisation, fielding an incident recovery team following winter flooding. A total 15,750 items were recovered from flooded premises and stabilised, with no vital records lost to water damage as a result.

Our Conservation Department also has a vital role at the heart of Scotland's democracy. During the year 30 letters patent and commissions were sealed using the Great Seal of Scotland on behalf of the Registers of Scotland.



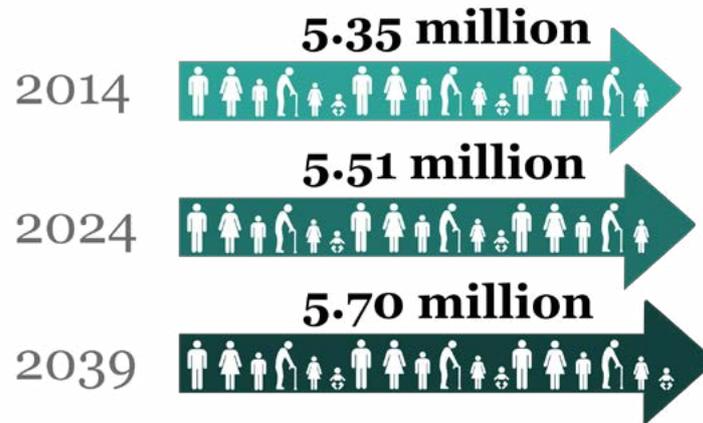
## Demographic Statistics

There has been lots of media interest in our statistical publications through the year, including our regular infographics and Tweets.

Highlights in 2015-16 included Mid-2014 Population Estimates, showing that the number of people in Scotland reached its highest ever total in 2014. This was backed up by the Estimates of Households and Dwellings in Scotland, 2014, which showed the number of households in Scotland has continued to increase. The National Population Projections for Scotland showed that if current trends continue the population of Scotland is projected to rise from 5.35 million in 2014 to 5.51 million over the next 10 years, and then to continue to rise to 5.7 million by 2039.

Population of  
Scotland in 2014  
5.35M

## Scotland's population is projected to increase



Over the next 10 years Scotland's population is projected to rise by 3% (170,000 people). Over the next 25 years it is projected to rise by 7% (350,000 people).

*The Registrar General's Annual Review of Demographic Trends 2015* was published in August, concluding that Scotland's population is increasing and ageing, and reports on the numbers of centenarians in Scotland and life expectancy confirmed this.

Electoral Statistics published in February showed that the Scottish electorate has decreased in size for the first time since 2009.

Babies' Names, published in December, showed more parents than ever before are choosing unique or unusual names for their children in Scotland, and the Most Common Surnames, published in March 2016, showed that while Smith, Brown and Wilson remain Scotland's most popular surnames, the country's greater ethnic diversity is reflected in the ones for which there have been the largest rises (e.g. Ahmed, Ali, Chen, Khan and Lin).

We published 11 detailed analytical reports based on 2011 Census data throughout 2015, including reports on the Gaelic Language, Health Inequality and Ethnicity in Scotland and Inhabited Islands.

Detailed analytics  
reports published  
**11**

Our population and migration statistics were assessed by the UK Statistics Authority to check they meet the highest standards of trustworthiness, quality and value set out in the Code of Practice for Official Statistics. The report was positive about our engagement with users and about the useful commentary accompanying the statistics.

“Our population and migration statistics were assessed by the UK Statistics Authority to check they meet the highest standards of trustworthiness, quality and value set out in the Code of Practice for Official Statistics.”

We worked with councils to develop population and household projections at their chosen sub-council level area. A launch event was held on 23 March 2016 which received very positive feedback.

In advance of the 2015 UK Parliamentary Elections, we prepared Scotland's Census 2011: UK Parliamentary Constituency Profiles, and then later in the year we published Scottish Parliamentary Constituency and Region Profiles.



## Scotland's Census 2021

Planning has begun for Scotland's Census 2021 which will build on the success of the census in 2011. It will be designed and managed in Scotland to meet the needs of everyone filling out the questionnaire across the country and those who are dependent on the data that will be produced.

A programme of consultation and engagement is being taken forward to help us understand user requirements and shape the design of the 2021 Census. As part of this, a consultation on the topics to be included on the 2021 Census questionnaire was conducted. Our efforts to maximise the reach of this consultation resulted in more than 100 responses from a variety of stakeholders; many more than were received following the equivalent consultation in advance of the 2011 Census.

“The report reviews the entire 2011 Census operation from the early planning and consultation through to the production and dissemination of outputs and its evaluation.”

We published *Scotland's Census 2011 General Report* and laid it before the Scottish Parliament in October 2015. The report reviews the entire 2011 Census operation from the early planning and consultation through to the production and dissemination of outputs and its evaluation. It provides a wealth of detail about how Scotland's Census 2011 was conducted and what we will take forward in our planning for the next census. As part of this, it was important to seek and recognise the views of stakeholders. We conducted a

satisfaction survey in the summer of 2015 seeking feedback on the whole process from consultation to the sharing of the final outputs. The responses received have offered valuable information which will help us make improvements for 2021. In addition, we contributed to the *UK Statistics Authority Special Assessment of the 2011 Censuses in the UK*.



## Digital Preservation Programme

Alongside Census 2021 and ScotlandsPeople, the Digital Preservation Programme is one of our key programmes that are transforming our ways of working to reflect the increasing numbers of records that are created digitally and have never existed in paper format ('born digital' records). The records in our care have been created in a variety of formats over the centuries and NRS must be able to preserve them all. Our Digital Preservation Strategy identifies the issues we need to tackle in order to ensure that we are able to select, accept, interpret and make available records in digital formats, and last year, we initiated a Digital Preservation Programme to deliver this change. During 2015-16 we have been gathering evidence, looking at existing best practice, identifying how our work can integrate with, and benefit NRS more widely, and refining our plans accordingly. We now have a clearly defined series of projects and initiatives under the umbrella of the six-year Digital Preservation Programme.

“During 2015-16 we have been gathering evidence, looking at existing best practice, identifying how our work can integrate with, and benefit NRS more widely, and refining our plans accordingly.”

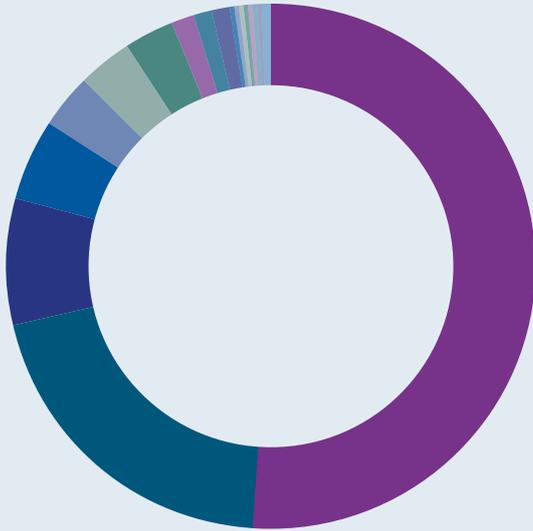
The first two major projects will be undertaken during 2016-17 to procure a web archiving service and a minimum bit preservation capability – protecting data from the deterioration of the devices it is stored on. We have also engaged with local authorities over the development of resources to help them take their own first steps towards digital preservation. As a result we are partnering with the Scottish Council on Archives (SCA) to resource initiatives in 2016-17 to create 'foundation guidance' on digital preservation for Scottish local authorities.



## Cataloguing and Accessions

**Figure 3**

Chart showing breakdown of public records from government departments catalogued during 2015-16

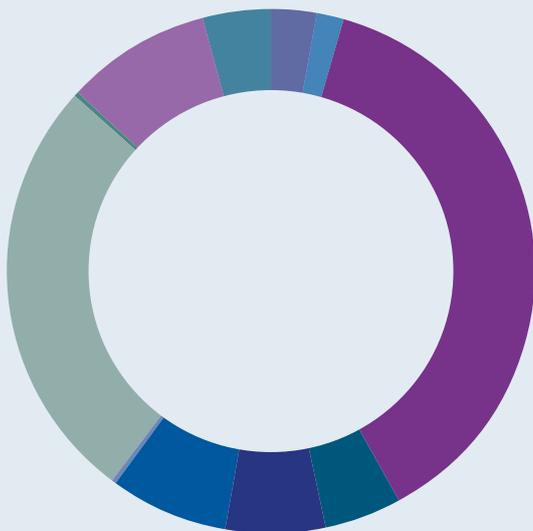


**Key**

Companies House dissolved company files (BT2)	8,547
Met Office (MET)	3,440
Scottish Parliament (SCP)	1,323
Signed Statutory Instruments (SOE26)	818
Mental Welfare Commission (MC)	590
Scottish Government records (various series)	554
Exchequer records (E)	509
Local Government Boundary Commission for Scotland (DD22)	206
Scottish Cabinet Papers (SCR)	199
Scottish Prison Service (HH12, HH21)	173
Scottish Law Commission (SLC)	68
Valuation Rolls (VR)	45
Council Tax (CTA)	44
Association of Chief Police Officers in Scotland (ACP)	40
Scottish Examination Board (ED48)	31
Highlands & Islands Development Board (HDB)	29
Former Scottish Record Office/National Archives of Scotland (SRO)	26
Others (incl. B, CE, CEN, CO, CR, FC, GRO, MW, NG, REG)	80

**Figure 4**

Chart showing breakdown of court, legal and private records catalogued during 2015-16



**Key**

Admiralty Court (AC)	2,709
Church Records (CH)	1,384
Court of Session (CS)	34,533
Crown Office (AD)	4,252
High Court (JC)	5,793
Private collections held in NRS (GD)	6,637
Registers of Scotland (RS)	105
Sheriff Court (SC)	24,298
Signatures Office (SIG)	190
Maps and plans (RHP)	8,208
Privately held, privately owned records (NRAS)	3,665



## Private Records

In April, we purchased at auction the original manuscript of a speech by King Charles II, made at Perth on 6 October 1650. He had been planning a coup and the speech sets out his apology to the Committee of Estates after they had thwarted his attempt to escape. The document appears to be the actual paper he held as he spoke.

“In April, we purchased at auction the original manuscript of a speech by King Charles II, made at Perth on 6 October 1650. He had been planning a coup and the speech sets out his apology to the Committee of Estates after they had thwarted his attempt to escape.”

We have been doing a great deal of editing work to make the catalogues of Church of Scotland presbytery and kirk session records more user-friendly and simplify searching. We continue to maintain and develop a record of papers of historical significance in private hands in Scotland. The National Register of Archives for Scotland (NRAS), which is part of NRS, has now loaded the list of the archives of the Dukes of Argyll onto its electronic catalogue (NRAS1209). This is the first time the list has been readily available to the public. Ranging from the 15<sup>th</sup> to the 20<sup>th</sup> century, the Argyll papers are one of the major resources for the history of Scotland in general and the West Highlands in particular. NRAS is working with the Duke and with the Friends of the Argyll Papers to promote usage and care of the collection.



## Court Records

Major advances were made during the year in the cataloguing of court records. In particular, three major projects that had been underway for several years have now concluded. The record catalogues of the Admiralty Court (1557-1830) covering Scotland's jurisdiction in maritime affairs, including naval affairs, commerce and piracy are all now on the electronic catalogue. Similarly the old catalogues of the first arrangement of unextracted processes of the Court of Session (1619-1868) have been converted and added to the electronic catalogue. This replaces a complex system of Victorian manuscript and later card catalogues and allows easier and more sophisticated searches of the single most important legal source for that period. The several hundred boxes of civil processes for Haddington sheriff court have been fully sorted and we are grateful to our volunteers who have made this and other pieces of

“Intriguingly, the ongoing cataloguing project for 19th century High Court trials has uncovered the earliest known example of forensic ballistic analysis and its use as evidence in a conviction for murder, demonstrating how items and details previously hidden can come to light through our modern day work.”

work possible. Covering the years from 1657, these records are now arranged in date order, which will make searching, once impossible, very much easier. There is an especially detailed catalogue for the years 1825-1860 which will prove a goldmine for the social, economic and family history of south east Scotland.

Intriguingly, the ongoing cataloguing project for 19<sup>th</sup> century High Court trials has uncovered the earliest known example of forensic ballistic analysis and its use as evidence in a conviction for murder, demonstrating how items and details previously hidden can come to light through our modern day work.

Major advances were made in our work with the Crown Office and Procurator Fiscals' Service. The cataloguing of Crown Office Fatal Accident Inquiries of national importance was concluded. Notable among these were the Ibrox Disaster, 1971, and the Piper Alpha Disaster, 1988. We also catalogued the fiscal core papers relating to High Court prosecutions for Edinburgh and the Western Federation from the 1960s to 2004 (AD38).



## Proper Arrangements for Archiving Public Records

During the year, NRS drafted Guidance on Proper Arrangements for Archiving Public Records. This is designed to help public authorities named in the Public Records (Scotland) Act 2011 to understand their responsibilities for those of their records intended for permanent preservation. Guidance is given on matters such as staffing, security, storage, collection care and public access. A public consultation on the guidance closed in March 2016 and a report on the responses will be produced.

NRS staff have continued to work with the Scottish Council on Archives to support the UK Archives Accreditation scheme. Colleagues participated in the successful assessment of the National Library of Wales, Edinburgh University Library Special Collections Department, the Royal Bank of Scotland Archive and the Ballet Rambert Archive, London.



## Government Records

On 1 January 2016, Scottish Cabinet papers and other government records from the year 2000 were opened for the first time, revealing important decisions taken by the Scottish Government that year. A central event was the death of Donald Dewar, Scotland's first First Minister. The Cabinet minutes show the impact his death had on Government and Parliamentary business and include details of the meeting Mr Dewar chaired the day before he died (10 October 2000).

We catalogued over 16,700 new government records this year. Important additions included the transfer of The Vale of Leven Hospital Inquiry records, the largest born digital record transferred to NRS to date. We also completed cataloguing of petitions submitted to the Scottish Parliament's Public Petitions Committee, 1999-2003 and over 6,000 dissolved company files for the year 1995, and we catalogued two further series of historical Exchequer records – Lord Treasurer's Remembrancer's Office: Register of Commissions, 1725-1837 and Treasury reports, 1833-37.

New government records catalogued  
**> 16,700**

Dissolved company files catalogued ('95)  
**> 6,000**



## Registration

2015 saw the 150th anniversary of the Association of Registrars of Scotland (ARoS), the oldest such continuously-operating representative body in the world. NRS worked with ARoS to celebrate this significant milestone, supporting a number of events and activities culminating in May's Annual General Meeting, which was preceded by an evening event and commemorative publication.

This year we have progressed work to introduce the first electronic sitting for the examination in the Certificate of Proficiency in the Law and Practice of Registration in Scotland (the national registrar's qualification).

Working with a range of stakeholders including Healthcare Improvement Scotland and the Association of Registrars of Scotland, we have successfully introduced the new system of medical scrutiny of death certification to Scotland. The system implements the registration and clinical aspects of the Certification of Death (Scotland) Act 2011 through the creation of a new Death Certification Review System, and comprehensive revision of registration processes around the certifying and registration of all deaths in Scotland.



Members of the Association of Registrars of Scotland in 1932

It allows for greater accuracy of information, better clinical governance and reassurance on the robustness of certification procedures, while minimising delays to families and taking into account the needs of faith and cultural communities to swiftly bury their loved ones.

We have worked with a small group of registrars to promote better understanding of civil marriage, and the many freedoms registrars enjoy in solemnising weddings, following such legislation as the Marriage and Civil Partnership (Scotland) Act 2014.

This year we also worked with the Home Office to successfully introduce a data-sharing scheme designed to tackle sham marriage in Scotland.



## Data Resources

We worked with the Local Government Boundary Commission on their review of electoral wards producing mappings to support their work and helping them to resolve issues. We have established new data sharing with them and have started working with them in preparation for the next Parliamentary Constituency review.

Fifteen new projects using the Scottish Longitudinal Study (SLS) for research purposes have been approved in the last year. Over this same period there have been just over 40 sets of results which have included analysis of SLS, providing important insights into health and education in Scotland.

New projects using the  
Scottish Longitudinal  
Study for research  
15

SLS data was used to represent Scotland in Europe wide study of health inequalities resulting in a number of academic journal articles.

“We’re working with colleagues in Conservation branch to create mappings to show where local archives are at high risk of flooding using information from SEPA.”

We are working with colleagues in Conservation branch to create mappings to show where local archives are at high risk of flooding using information from the Scottish Environment Protection Agency. We are now planning to do the same for the National Trust for Scotland to help them identify the flood risks around their properties.

Alongside the invaluable service the NHS Central Register (NHSCR) provides to health boards to allow them to manage the records of their patients, the NHSCR also supports charities to help trace people who are missing or have become disconnected from their families. In 2015/16 we again supported the activity of the International Red Cross who try to trace families who have been lost and dispersed by war.

The Scottish Informatics and Linkage Collaboration continues to grow. By the end of 2015/16 the NRS linking team had 10 live projects under way. These data linkage projects involve using a range of data from health, education and the census to homelessness and energy efficiency, and are being carried out in partnership with colleagues in the public sector and academia.

“The Scottish Informatics and Linkage Collaboration continues to grow. By the end of 2015/16 the NRS linking team had 10 live projects under way.”

The new national Public Benefits and Privacy Panel was established in 2015 as a centre of excellence for privacy, confidentiality, and information governance expertise primarily around health data but also providing NRS with scrutiny around requests to use our data in academic research. We have created further capacity in this area working with our colleagues in Scottish Government to establish a scrutiny panel for public sector statistical and research data linkage projects, as well as creating an internal peer review process to support colleagues considering privacy in their work.



## Public Records (Scotland) Act 2011

The 2011 Act is central to improving the standard of public record keeping in named Scottish public authorities. The Schedule of Authorities bound by the act was updated in September 2015, ensuring it remains fit for purpose, and the Keeper's third annual report under the Act was published in September 2015. During the year we agreed 42 records management plans and invited 52 authorities to submit their plans. A total of 106 plans have been agreed and 160 invitations issued since the Act came into force on 1 January 2013.

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Record management  
plans agreed  
42

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Invited authorities to  
submit their plans  
52

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Total plans agreed  
106

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Invitations issued  
160

We continued our outreach activities to inform people about the aims and obligations under the Act. We ran a series of external surgeries across Scotland in Balloch, Edinburgh and Perth, and a round table event in Montrose this year. These focused on what authorities need to do to achieve compliance when developing their records management plans. Two further seminars were run in May and December 2015 focused on the issue of born digital records. We presented papers at a number of national and international conferences, including two Information and Records Management Society Scotland conferences held in Edinburgh (15 June) and Perth (9 November) and spoke about the moral imperative and driving force for the Act at the international archives and records conference in Dublin in August.

“We presented papers at a number of national and international conferences, including two Information and Records Management Society Scotland conferences held in Edinburgh (15 June) and Perth (9 November) and spoke about the moral imperative and driving force for the Act at the international archives and records conference in Dublin in August.”

We also held a one-day national conference about the Act on 24 February 2016, 'Changing a Record Landscape: Public Records (Scotland) Act 2011'. The conference was opened by Fiona Hyslop MSP, Cabinet Secretary for Culture, Europe and External Affairs and run in partnership with the Scottish Council on Archives, the Archives and Records Association, the Information and Records Management Society and the Archivists of Scottish Local Authorities Working Group. Almost 100 delegates attended and learned how the Act is changing record keeping in Scotland and the excellent progress being made under it.

## Accounts for the Year Ended 31 March 2016

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## Accountability Report for the Year Ended 31 March 2016

### Corporate Governance Report Directors' Report

### Basis of Accounts

1. In accordance with the Accounts Direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these accounts have been prepared in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual, which follows generally accepted accounting practice as defined in International Financial Reporting Standards (IFRS) as adopted by the European Union and the Companies Act 2006 to the extent that it is meaningful and appropriate in the public sector context. The Accounts Direction is reproduced at page 89 of these accounts.

### Departmental Accounting Boundary

2. There are no associated bodies that require to be included within the departmental boundary.

### Ministers and Senior Officers

3. National Records of Scotland (NRS) is a non-ministerial department (NMD) within the Scottish Administration. It is headed by a Chief Executive, who fulfils the role of two non-ministerial office-holders, the Registrar General for Scotland and the Keeper of the Records of Scotland. The Chief Executive reports to Scottish Government's Director of Culture, Europe and External Affairs and Scottish Ministers. NRS sits within the portfolio of the Cabinet Secretary for Culture, Europe and External Affairs and for the year ending 31 March 2016 this post was held by Fiona Hyslop MSP.

## Composition of Boards

4. The governance arrangements for NRS are shown in the diagram at Figure 1.



## The Management Board

5. The Management Board (MB) advises the Chief Executive on the operations of NRS, with a particular focus on the strategic direction of the organisation, checking it is on track to deliver the purpose and vision. It considers the balance between business as usual and transformation activities in the Portfolio and uses experience of Non-Executive Directors (NXDs) to identify opportunities and emerging issues that NRS should consider. The Board meets quarterly and comprises the Chief Executive (Chair), three Business Leads and seven NXDs.

The Management Board comprises:

- Ian Doig (NXD)
- Tim Ellis (Chair)
- Audrey Finch-Robertson (Business Lead and Accountable Officer - resigned 8th April 2015)
- Mandy Gallacher (NXD from 1 February 2016)
- Colin Ledlie (NXD from 1 February 2016)
- Bill Matthews (NXD from 1 February 2016)

- Catherine McFie (NXD from 1 February 2016)
- Laura Mitchell (Business Lead)
- Michael Moss (NXD)
- Penni Rocks (Business Lead and Accountable Officer)
- Gordon Shipley (NXD from 1 February 2016)
- Amy Wilson (Business Lead)

## The Audit and Risk Committee

6. The Audit and Risk Committee supports the Accountable Officer with regard to the efficient and effective use of income and expenditure and the associated responsibilities around risk, control, governance and assurance. The Committee meets quarterly and is chaired by an NXD with the rest of the membership made up of other NXDs alongside Scottish Government (SG) internal audit, external audit and representatives from SG Finance Directorate who are in attendance by invitation.

The Audit and Risk Committee comprises:

- John Aldridge (Independent External Member)
- Ian Doig (Chair)
- Mandy Gallacher (NXD)
- Colin Ledlie (NXD) (from 1 February 2016)
- Bill Matthews (NXD) (from 1 February 2016)
- Michael Moss (NXD)
- Gordon Shipley (NXD)

## The Business Leadership Group

7. The Business Leadership Group (BLG) is responsible for delivering the day-to-day management of NRS to ensure that it achieves its purpose and vision. BLG has responsibility for overseeing the business as usual, Portfolio of programmes and projects, and also identifying future priorities. The Group meets quarterly, is chaired by the Chief Executive and comprises all of the business leads of NRS.



Membership during the year was as follows:

Rod Burns	Head of Registration, Deputy Registrar General
Anne Courtney	Head of ICT
Gerry Donnelly	Head of Data Resources
Tim Ellis	Chief Executive, Registrar General, Keeper of the Records of Scotland
Audrey Finch-Robertson	Accountable Officer, Head of Corporate Services (resigned 8th April 2015)
Kirsty MacLachlan	Head of Demographic Statistics
Laura Mitchell	Head of Records and Archives, Deputy Keeper of the Records
Penni Rocks	Accountable Officer (from 8th April 2015), Head of Business Portfolio & Corporate Services
Anne Slater	Head of Public Services
Amy Wilson	Head of Statistical Futures

## The Corporate Leadership Group

- The Corporate Leadership Group (CLG) is responsible for the strategic direction towards delivery of the vision, ensures implementation of Management Board decisions and oversees transformation of the organisation. The Group meets monthly, is chaired by the Chief Executive and comprises some of the business leads of NRS.

Membership during the year was as follows:

Tim Ellis	Chief Executive, Registrar General, Keeper of the Records of Scotland
Laura Mitchell	Head of Records and Archives, Deputy Keeper of the Records
Penni Rocks	Accountable Officer and Head of Business Portfolio & Corporate Services
Amy Wilson	Head of Statistical Futures

## Executive Summary – Review of Financial Results

9. The results for the year are reported in the attached financial statements. They record a Net Resource Outturn of £19,636K, compared to the Resource Budget of £21,150K. The resulting underspend of £1,514K arose mainly from an underspend within depreciation of £833K, with an underlying underspend of £681K.
10. Direct capital expenditure balanced against our budget of £1,500K.
11. As a non-ministerial department NRS's funding is identified within the Scottish Block Grant and approved by Scottish Ministers. This funding originates from the Spending Review Settlement and is subsequently approved in the Budget Bill. During the year, revisions are approved in the autumn and spring budget review exercises.
12. NRS has complied with the cost allocation and charging requirements set out by HM Treasury and managed within its budget limit for year to 31 March 2016.
13. To maximise NRS's budget capacity, particularly during the current financial climate, NRS began a review of its income generation during 2015-16 and further work on this will continue in 2016-17.

## Payments of Suppliers

14. As part of its plan for supporting economic recovery in Scotland, the First Minister announced on 9 October 2008 that the Scottish Government would aspire to a 10-day target for paying bills to businesses in Scotland. This aspiration is above and beyond our contractual commitment to pay suppliers within 30 days. Paying supplier bills within 10 working days is seen as a key objective, and an important expression of the Scottish Government's commitment to supporting business through the current economic downturn. NRS has implemented improvements in methodology and continue to do so to improve payment performance.
15. In line with this Scottish Government objective, NRS aims to pay 98% of invoices, including disputed invoices once the dispute has been settled, within this 10-day target. During the year ended 31 March 2016, NRS paid 99% of all invoices within 10 days (2014-15: 99%).

## Other Financial Information

16. Losses during the year were reported at £6K (2014-15: £2K). This includes loss of digital camera equipment during the year with a net book value of £5K (2014-15: nil).
17. The efficiency savings target (£310K) was achieved during the year with £606K of efficiencies reported (2014-15: £521K).
18. Further information on frauds, losses and efficiencies can be found within the financial statements.

## Sustainability and the Environment

19. A detailed report on the achievement of NRS's policies and achievements in respect of sustainability and the environment can be found within the Performance Report.

## Other Information

20. Information on sickness absence data is set out within the Remuneration and Staff Report, while performance against objectives is set out within the Annual Report.

## Handling of Personal Data

21. We handle a very large amount of personal and sensitive data each year. We recognise the risks associated with this and treat maintaining the privacy of the data entrusted to us with the highest importance. There were no security breaches regarding the handling of personal data during the financial year 2015-16.



## Independent Auditors

22. Responsibility for auditing the financial statements of NRS lies with the Auditor General for Scotland. PricewaterhouseCoopers LLP were appointed as NRS external auditors on behalf of the Auditor General for Scotland for the period 1 April 2015 to 31 March 2016.

The external auditors were remunerated in the sum of £60,000 in respect of statutory audit services for the financial year 2015-16. The fees payable to the external auditors are shown in the Statement of Comprehensive Expenditure and in note 3 to the financial statements.

## Disclosure of Information to Auditors

23. As Accountable Officer, I have taken all necessary steps to ensure that I am aware of any relevant audit information and to establish that the auditors are also made aware of this information.

Penni Rocks,  
Accountable Officer  
September 2016



## Statement of Responsibilities for National Records of Scotland's Registrar General/Keeper and Accountable Officer

In accordance with an Accounts Direction issued under article 19(4) of The Public Finance and Accountability (Scotland) Act 2000 National Records of Scotland (NRS) is required to prepare resource accounts for each financial year in the form and on the basis set out in the Government Financial Reporting Manual (FReM), detailing the resources acquired, held, or disposed of during the year and the use of resources by the Department during the year.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of NRS, the Net Resource Outturn, resources applied to objectives and cash flows for the financial year.

In preparing the accounts the Accountable Officer was required to comply with the FReM and in particular to:

- observe the Accounts Direction including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements; and
- prepare the financial statements on the going concern basis.

Following best practice described in the FReM, NRS publishes an annual report alongside these accounts which provides further background to the Department and describes what the Department has achieved in the year with its resources.



Section 70 of the Scotland Act 1998 requires Scottish legislation to provide for members of staff of the Scottish Administration to be designated as answerable to the Scottish Parliament in respect of expenditure and receipts. Such members of staff are called Accountable Officers. The Registrar General for Scotland/ Keeper of the Records of Scotland is a statutory office-holder who is a member of the Scottish Administration and not part of the staff of the Scottish Administration. A consequence of Section 70 is that the Registrar General/Keeper cannot be designated as Accountable Officer. The Head of Corporate Services Division has been appointed by the Principal Accountable Officer as Accountable Officer for NRS.

The Registrar General/Keeper, as statutory office-holder, remains accountable to the Parliament for the performance of his duties, including that of preparing accounts. The Accountable Officer has a separate, and independent, duty to ensure certain standards and to take action if these are not met.

The responsibilities of the Accountable Officer are described in the Memorandum to Accountable Officers from the Principal Accountable Officer published in the Scottish Public Finance Manual.

Penni Rocks,  
Accountable Officer  
September 2016

## Governance Statement

### Scope of Responsibility

I act as the Accountable Officer for NRS and have been appointed by the Permanent Secretary to the Scottish Government as Principal Accountable Officer for the Scottish Government.

As Accountable Officer, I have the responsibility for maintaining a sound system of internal control that supports the achievement of NRS vision and purpose whilst safeguarding the public funds and assets for which I am responsible.

### Purpose of the Governance Report

The governance statement, for which the Accountable Officer takes personal responsibility, is a key feature of the organisation's annual accounts. It covers the accounting year and the period up to the date of signature and provides the reader with a clear understanding of the organisation's internal control structure and its management of resources. The statement is informed by work undertaken throughout the year to gain assurance about performance and risk management, providing an insight into the organisation's risk profile and its responses to identified and emerging risks.

The system of internal control is designed to manage risk to a reasonable level, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise risks to the achievement of our purpose and objectives; to evaluate the likelihood of those risks being realised, and the impact should they be realised; and to manage them efficiently, effectively and economically. This process is integral to our business planning and progress monitoring regime and accords with the Scottish Public Finance Manual. The supervision of the regime is undertaken by the executive managers of business areas within our organisation.

### Governance of NRS

National Records of Scotland (NRS) is a non-ministerial department (NMD) within the Scottish Administration. It is headed by a Chief Executive who fulfils the role of two non-ministerial office-holders, the Registrar General for Scotland and the Keeper of the Records of Scotland.

The NRS budget is set by Parliament and the Chief Executive reports to Scottish Government's Director of Culture, Europe and External Affairs and Scottish Ministers. NRS sits within the portfolio of the Cabinet Secretary for Culture, Europe and External Affairs. However, neither the Parliament nor Ministers can influence matters relating to the delivery of RG/Keeper's statutory obligations.

Director Generals (DGs) have specific responsibilities with regard to NMDs which are set out in an individual framework document covering accountability arrangements and other relevant matters.

## Planning and Risk Management Arrangements

### Planning

In tandem with continuing work to help staff engage with and understand our vision, we have developed an outline NRS corporate strategy that makes clear what our approach to delivering our vision will be. This focuses internally on our people, our processes and our information and externally on who our customers are, the services we provide and how we deliver them.

There are a number of supporting strategies that we will need to develop to support the corporate strategy. An outline digital strategy has been produced which will drive us towards taking an increasingly digital approach to delivering our purpose and achieving our vision.

In considering priorities for 2016-17, our business areas and local teams will consider how they will contribute to our vision and supporting strategies. This will help to inform local business area plans from which teams and individual staff can identify team and personal objectives. A new reporting model will be introduced in 2016-17 to enable the Business Leadership Group to review progress against business plans on a quarterly basis.

### Risk and Benefits Management

We developed a new risk management framework that will help us take a structured and consistent approach to identifying and managing the threats and opportunities associated with delivering both our long-term and short-term strategic priorities. Strategic level risks will be reviewed on a quarterly

basis by the Management Board and our Audit and Risk Committee. Operational level risks will be managed locally, with business areas reporting on a quarterly basis to the Business Leadership Group.

We have also developed a benefits management framework to ensure that we retain focus on delivering real benefit from our improvement activities. Reporting on progress towards achieving benefits will be an important part of our new reporting model.

## Business Continuity

NRS operates a Business Continuity Management System to coordinate contingency planning across the organisation and ensure that adequate arrangements are in place for the protection, preservation and restoration of our valuable records. Our current focus is on ensuring that our business continuity plans are properly aligned to processes and procedures for IT disaster recovery. The Audit and Risk Committee takes an active interest in our business continuity development.

## Financial Management

The resources and finance team has been working on updating guidance and reviewing current policies. An up-to-date Delegated Authority Policy has been put in place, outlining the responsibilities of staff with expenditure authority and purchasing authority, ensuring there is clear segregation of duties. This document is in line with SPFM and will be maintained by the finance team and shared with the procurement team. Signatories are checked by procurement when authorisation to purchase is received.

In addition to this, guidance has been prepared on VAT - in particular when to budget for non-recoverable VAT. The team has also presented a number of workshops for business areas, including end-of-year processes and budgeting, aimed at improving the knowledge of non-finance staff. The finance team will continue to hold workshops and engage with business areas throughout 2016-17.

## Estate Management

As a part of a rolling five-year programme, the NRS estate was valued independently as at 31 March 2016 by GVA Grimley, international property advisors, on the basis of Fair Value in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The result of this valuation was a revaluation gain of £100K (part of a wider £617K gain in the year).

All non-current tangible assets are owned by NRS with the exception of West Register House (long-term leased property).

## Asset Management and Counter-Fraud

An Asset Management Policy has been developed that provides a framework within which all NRS assets can be managed effectively. Implementation and ongoing oversight of the policy will be the responsibility of a new Asset Management Group once in place.

In tandem with this new policy, a review of our existing anti-fraud policy and controls is currently underway and there will be a strong focus on the prevention and detection of fraud and theft across NRS. This will include increasing staff awareness and developing more targeted controls to manage vulnerabilities. We follow the Scottish Government whistleblowing policy.

## Information Security

The core business of NRS is to collect, process, safeguard, and make available information about Scotland's people and history in an accessible, useful, responsible, and efficient way. We protect the information that we keep, using an information security governance and assurance structure and a suite of information security policies. Ongoing information security advice and guidance is provided by a team of qualified information security professionals.

NRS follows the principles of the International Security Standard (ISO27001), HMG Government Security Policy Framework and Information Assurance Standards. All staff and contractors employed in NRS are required to undergo pre-employment checks. The minimum checks carried out are to the Baseline Personnel Security Standard (BPSS) which is outlined in the HMG Security Policy Framework.



All staff undertake mandatory annual data protection training and all new staff attend a new entrant security/data handling seminar. During the year, there were 23 face-to-face Information Security User Education seminars. Furthermore all existing staff received quarterly security and data handling bulletins as well as ad-hoc bulletins during the year.

All staff are subject to census legislation and staff who use information processing facilities are subject to the conditions of the IT Code of Conduct.

## Key Programmes and Projects

The key programmes and projects listed below are key enablers in the delivery of our corporate strategy.

### IT Solution (ITSol)

**Purpose:** Following the amalgamation of the General Register Office for Scotland (GROS) and the National Archives of Scotland (NAS) to form National Records of Scotland, the primary aim of this programme is to bring all NRS staff together onto a common desktop, corporate applications, intranet, file system and email system so that we can work more efficiently and communicate more effectively, consistently and securely.

**Contribution:** The programme largely supports the internal elements of our corporate strategy as the first major step towards delivering a single IT infrastructure and will be a key component of our digital strategy.

**Position:** Tranche 1 of the programme delivered a single NRS phone system, a single NRS email system with shared calendar and resource booking, all NRS buildings in Edinburgh connected to a common desktop and access for all NRS staff to all Scottish Government corporate systems. A new NRScotland network was also delivered which will provide the basis for the consolidation over a number of years of the suite of legacy networks from the previous organisations. The programme has entered its final tranche which will see the completion of the new NRScotland network and some key upgrades and short-term enhancements to our legacy networks.

## Estates Strategy

**Purpose:** The programme is focused on delivering an NRS estate that meets the following four key aims:

- to meet current and future archival storage needs, changing working practices and storage methods to achieve archival standards and operational efficiencies;
- to support the creation of a cohesive, joined-up organisation, increasing opportunities for collaboration and interaction between staff and reducing the number of operational buildings;
- to improve public accessibility and support the principle of 'customers first'; and
- to measurably improve cost-effectiveness, sustainability and energy-efficiency.

**Contribution:** The programme largely supports the internal elements of our corporate strategy by contributing to the creation of a cohesive, joined-up organisation; improving cost-effectiveness, sustainability and energy-efficiency across our physical estate; and developing more efficient processes and ways of working. From both an internal and external viewpoint, the programme will also be a key enabler for improved conservation and care of records.

**Position:** We continue to put our funding case forward to support our need for additional archive storage whilst also working with our partners across other cultural and heritage organisations to look at other means of increasing our storage in collaboration with them. Alongside this we are exploring opportunities to improve and reconfigure Ladywell House to create more flexible spaces that provide increased staff accommodation, most importantly for the larger number of staff involved in 2021 Census. In the meantime we are setting up an Improvements Group to focus on smaller changes we can make across all our buildings, both to improve the working environment for our customers and staff and to tackle some of the other challenges we still face as a recently merged organisation.

## ScotlandsPeople

**Purpose:** This service provides one of the largest online sources of original genealogical information in Scotland and the project seeks to expand the ScotlandsPeople web service to allow for growth in offering users a wider range of our images and records. This project will be a key part of our digital strategy to transform our services in the longer term. The new web service will provide a flexible and proactive service that makes best use of the digital technologies currently available, providing a rich and dynamic user experience.

**Contribution:** Supporting both the internal and external elements of the corporate strategy, it will bring greater control for NRS, wider access to more of our records and provide a stepping stone for greater transformation of our services.

**Position:** This year we have completed all the analysis and design activity for the new website and have built a working prototype. The new website will go live in autumn 2016 and together with social media platform integration, improved marketing and analytics tools will be a key asset in ensuring that NRS meets the wider corporate objective of improved customer services and digital transformation.

## Digital Preservation Programme

**Purpose:** The Keeper of the Records of Scotland has statutory duties under the Public Records (Scotland) Acts 1937 and 2011 to preserve and make available, in the long term, records in all forms, whether created by himself or deposited by stakeholder bodies (Scottish Courts, Scottish Government and Parliament, public bodies and related agencies, private individuals, estates and organisations). This programme will deliver a new NRS Digital Preservation Service that will enable the permanent preservation of all digital material in the Keeper's care.

**Contribution:** Supporting both the internal and external elements of the corporate strategy, this programme will transform the NRS archival service, support the wider archival sector in Scotland and contribute to the wider digital transformation agenda. At its core will be a generic platform for the long-term storage of all digital information across the business with the potential for use by the wider Scottish Government. It will ensure that our processes for the long-term archival storage and management of all digital material in our care (including census data, registration data, and archived web sites) are fit for purpose. It will also contribute to our professional reputation amongst archival communities.



**Position:** Our focus this year was on initiating the programme and reviewing options for taking it forward. We decided that the best approach would be to develop an incremental solution starting with the delivery of a scalable, sustainable, secure digital storage infrastructure which will be able to be expanded as needed over the years. This incremental approach enables early delivery of core preservation and collaboration benefits and enables a flexible response to operational and resourcing constraints.

## 2021 Census

**Purpose:** The census is highly valued by government departments, local authorities, public bodies, business, the voluntary sector, academic researchers, commentators and individuals. Population and housing statistics, particularly small area and small population statistics, underpin the allocation of billions of pounds of public spending each year at the national and local level. They are fundamental to policy formulation, decision making, research and outcome monitoring across the public, private and voluntary sectors.

**Contribution:** Supporting both the internal and external elements of the corporate strategy, the census will help us develop our digital approach on a large scale basis, increase the reach and impact of the information we produce and focus attention on how we can meet the requirements of delivering a wide and diverse range of customers.

**Position:** This year has focused on defining the structure and governance controls for the programme and researching design options and looking at how we will procure the range of supporting services required over the years. A key focus has been the development of the business case to support funding bids for future years and this will be a priority for the programme in 2016-17.

## Review of Effectiveness

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- seeking assurances from the business leads across NRS, who have responsibility for the development and maintenance of the internal control framework;
- the insight and challenge of the Audit and Risk Committee on the reliability of assurances on governance, risk management and control environment of NRS and the integrity of the annual report and accounts;
- the work of the SG internal audit team, who submit to me and to the Audit and Risk Committee, regular reports on the adequacy and effectiveness of our system of internal control, together with recommendations for improvement;
- the comments made by the external auditors (PWC) in their management letters and other reports;
- the results of Gateway Reviews; and
- other specific reviews (e.g. Information Security) that are commissioned from time to time.

We rely on the Scottish Government (SG) for the provision of many important aspects of our corporate services. For example, most of our Human Resource related support comes from the SG's 'One HR' service. I receive assurances on the robustness of these services from the SG Directors who have responsibility for their delivery. In general, I am satisfied that these services meet our requirements and I recognise that economies of scale have been achieved from their use.

Based on these reviews and my own knowledge of internal control matters, I am satisfied that during the year the system of internal control was effective in helping us to meet NRS's policies, aims and objectives and, recognising that there are new policies still to be fully implemented, that there were no significant matters arising.



Penni Rocks,  
Accountable Officer  
September 2016

## Remuneration and Staff Report

The Registrar General/Keeper and their staff are part of the Scottish Administration under the Scotland Act 1998. Fiona Hyslop MSP, Cabinet Secretary for Culture, Europe and External Affairs answers in the Scottish Parliament on matters relating to NRS, advised by the Registrar General/Keeper. The First Minister is responsible for appointing the Registrar General/Keeper and for laying before the Scottish Parliament the Annual Report of the Registrar General.

Neither the Cabinet Secretary for Culture and External Affairs, nor the First Minister, receives specific remuneration relating to their responsibilities for NRS.

The remuneration for the Registrar General/Keeper was set by the Scottish Government. For other senior officials remuneration was determined by pay arrangements covering the Senior Civil Service and other staff in The Scottish Government and Associated Departments.

## Our People

We have 393 members of staff. The senior team, called the Business Leadership Group (BLG) comprises nine members (including the Chief Executive). Only one member of the BLG is in the Senior Civil Service, but all members of the team are included in the statistics below.

Staff Information	2015/16	2014/15
Staff (whole time equivalent)	393	396
Staff turnover	11.4%	13.4%
Sick absence/person	8.3 days	8.2 days
Male/Female staff %	51/49%	51/49%
Male/Female Board members % (Management Board)	55/45%	43/57%
Male/Female Senior Management %	30/70%	30/70%

Further information on staffing and board membership is available in the Notes to the Financial Statements.

## Pensions

As part of SG, our staff are members of the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme. Further information is available in note 2 of the financial statements.

## Pay

We follow Scottish Government guidance regarding future pay increases. Inflationary pay increases were set at 1% for 2015/16 and staff pay will increase by the annual progression steps that are set out within the current pay scheme.

## Sickness Absence

Please see the Our People section for information on sickness absence.

## Civil Service Employee Survey 2015

In October 2015, our staff were asked to participate in the annual employee survey. This was part of a Civil Service-wide survey which measured the extent of employee engagement within the organisation. A total of 66% of staff participated and we achieved an overall engagement score of 47%. A copy of the results can be found on our website.

## Equality and Diversity

The NRS Mainstreaming Equality Report demonstrates how NRS embeds equality, not only in our functions, but in the service we provide.

We have a series of NRS Equality Outcomes which allow us to fulfil the General Equality Duty, meaning that in the exercise of our functions we will have due regard to the need to:

- (1) eliminate unlawful discrimination, harassment and victimisation and any other conduct that is prohibited by the Equality Act 2011;

- (2) advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- (3) foster good relations between people who share a protected characteristic and those who do not.

A copy of both our *Mainstreaming Report* and *Equality Outcomes*, published on 1 April 2013, and an *Update Report* published in June 2015 can be found on our website.

## Disability

NRS follows the Scottish Government Diversity Policy which states that: 'All staff should be treated equally irrespective of their sex, marital/civil partnership status, maternity/paternity status, age, race, ethnic origin, sexual orientation, disability, religion or belief, working pattern, employment status, gender identity (transgender), caring responsibility, or trade union membership'.

The Equality Act makes it illegal to discriminate against disabled people in the areas of recruitment and promotion. As an employer, we ensure that at no point in the selection process do the arrangements or criteria used, put disabled candidates at a disadvantage compared to candidates who do not have a disability. This applies when filling any post and not just to external recruitment. If any candidate meets the minimum advertised criteria for any post, and they have a disability as defined by the Equality Act, they are guaranteed an invitation to interview or assessment centre.

Under the Equality Act 2010, NRS, as an employer, is required to make reasonable changes to our premises or employment arrangements if these substantially disadvantage disabled employees, or prospective employees. We call these changes 'reasonable adjustments'. Some of the adjustments we have made are procurement of adapted ICT equipment, furniture and telephones. Reasonable adjustment is also taken into consideration when assessing an individual's performance as part of the Annual Performance Appraisal cycle.

As part of their induction to NRS, all staff must complete mandatory Diversity Training via an online package. The training deals with all protected characteristics including disability.

To assist us monitor our staff make-up, develop better policies and ensure that we can put in place reasonable adjustments in the workplace, all staff are encouraged to record their disability on their own online HR record (e-HR).



## Salaries

The salary and pension entitlements of our Management Board members, including the Chief Executive and Registrar General/Keeper's, were as follows:

### Single total figures of remuneration 2015-16: <sup>(1), (2), (3)</sup>

Management Board Officials	Salary (£'000)		Bonus payments (£'000)		Benefits in kind (to nearest £100)		Pension benefits <sup>(7)</sup> (£'000)		Total (£'000)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Tim Ellis Chief Executive	75-80	75-80	-	-	-	-	35 <sup>(8)</sup>	16	110-115 <sup>(8)</sup>	90-95
Audrey Finch-Robertson Head of Corporate Services, Accountable Officer - resigned 8th April 2015	-	65-70	-	-	-	-	-	18	-	80-85
Penni Rocks Head of Business Portfolio & Corporate Services, Accountable Officer - from 8th April 2015	65-70	65-70	-	-	-	-	25	28	90-95	90-95
Amy Wilson Head of Statistical Futures	60-65	55-60	-	-	-	-	32 <sup>(8)</sup>	18	90-95 <sup>(8)</sup>	75-80
Laura Mitchell Head of Records and Archives Services	65-70	65-70	-	-	-	-	28	28	90-95	90-95
Kirsty MacLachlan <sup>(4)</sup> Head of Demographic Statistics	-	65-70	-	-	-	-	-	15	-	80-85
Rod Burns <sup>(4)</sup> Head of Registration	-	50-55	-	-	-	-	-	12	-	65-70
Anne Slater <sup>(4)</sup> Head of Public Services	-	60-65	-	-	-	-	-	29	-	90-95
Gerry Donnelly <sup>(4)</sup> Head of Data Resources	-	55-60	-	-	-	-	-	23	-	80-85
Michael Moss <sup>(5)</sup> Non-Executive	0-5	0-5	-	-	-	-	-	-	0-5	0-5
Ian Doig <sup>(5)</sup> Non-Executive	0-5	0-5	-	-	-	-	-	-	0-5	0-5
Bill Matthews <sup>(5)(6)</sup> Non-Executive	0-5	-	-	-	-	-	-	-	0-5	-
Catherine McFie <sup>(5)(6)</sup> Non-Executive	0-5	-	-	-	-	-	-	-	0-5	-
Colin Ledlie <sup>(5)(6)</sup> Non-Executive	0-5	-	-	-	-	-	-	-	0-5	-
Gordon Shipley <sup>(5)(6)</sup> Non-Executive	0-5	-	-	-	-	-	-	-	0-5	-
Mandy Gallacher <sup>(5)(6)</sup> Non-Executive	0-5	-	-	-	-	-	-	-	0-5	-



- (1) *The figures within the 2015-16 table above, both pension tables below and the median reported at paragraph 2 below are the only parts of the Remuneration Report that are required to be audited by external audit.*
- (2) *Calculations for determining the figures in the above table are produced by MYCSP on behalf of SG for NRS.*
- (3) *In line with Scottish Government pay policy arrangements, no performance related awards apply for 2014-15 and 2015-16.*
- (4) *Following a restructure of the management board in March 2015, these members resigned from this board.*
- (5) *During the year Non-Executive Directors earned £225 per Management Board meeting attended.*
- (6) *These new members of the board were appointed from Feb 2016*
- (7) *The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) 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.*
- (8) *Figures include values for Principal Civil Service Pension Scheme ('PCSPS') and also Alpha Pension Scheme.*

In accordance with the FReM, 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 director in NRS in the financial year 2015-16 was £75-80K (2014-15: £75-80K). This is 3.0 times the median remuneration of the workforce, which was £25-30K (2014-15: 3.0 times, median £25-30K). The range between the lowest and highest remuneration bands was £15-20K to £75-80K.

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

## Benefits In Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the H.M. Revenue and Customs as a taxable emolument.

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (Classic, Premium or Classic Plus); or a whole career scheme (Nuvos or Alpha). 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. Members joining from October 2002, or any members who are eligible to participate in Alpha, may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 1.5% and 8.05% of pensionable earnings. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 worked out as in Premium. In Nuvos and Alpha, a member builds up a pension based on his 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 2.32% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase Legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% 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 normal pension age (NPA) or immediately on ceasing to be an active member of the scheme if they are already at or over NPA. NPA is 60 for members of Classic, Premium and Classic Plus and 65 for members of Nuvos. For members of Alpha, NPA is linked to their state pension age. Further details about the Civil Service pension arrangements can be found on the website [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions).



## Civil Service Pensions

## Single total figures of pensions 2015-16:

Management Board Officials	Accrued pension at pension age as at 31/3/16 and related lump sum £'000	Real increase in pension and related lump sum at pension age at 31/3/16 £'000	CETV at 31/3/16 <sup>(9)</sup> £'000	CETV at 31/3/15 £'000	Real increase in CETV £'000	Employer contribution to partnership pension account Nearest £100
Tim Ellis Chief Executive	20-25 plus lump sum of 70-75	0-2.5 <sup>(11)</sup> plus lump sum of 0-2.5	396 <sup>(11)</sup>	341	15 <sup>(11)</sup>	-
Audrey Finch-Robertson Head of Corporate Services, Accountable Officer - resigned 8th April 2015	- plus lump sum of -	- plus lump sum of -	-	259	-	-
Penni Rocks Head of Business Portfolio & Corporate Services, Accountable Officer - from 8th April 2015	15-20 plus lump sum of <sup>(10)</sup>	0-2.5 plus lump sum of <sup>(10)</sup>	346	297	22	-
Amy Wilson Head of Statistical Futures	10-15 plus lump sum of 35-40	0-2.5 <sup>(11)</sup> plus lump sum of 0-2.5	202 <sup>(11)</sup>	167	17 <sup>(11)</sup>	-
Laura Mitchell Head of Records and Archives Services	20-25 plus lump sum of 60-65	0-2.5 plus lump sum of 2.5-5	392	340	22	-

(9) The actuarial factors used in the calculation of Cash Equivalent Transfer Values (CETVs) were changed during 2010-11, due to changes in demographic assumptions and the move from the Retail Price Index (RIP) to the Consumer Price Index (CPI) as the measure used to uprate Civil Service pensions. The CETVs at 31 March 2015 and 31 March 2016 have been calculated using the new factors. Taking account of inflation, the CETV funded by the employer has decreased in real terms.

(10) Officer in premium pension scheme with no automatic lump sum.

(11) Figures include values for Principal Civil Service Pension Scheme ('PCSPS') and also Alpha Pension Scheme.


**Single total figures of pensions 2014-15:**

Management Board Officials	Accrued pension at pension age as at 31/3/15 and related lump sum	Real increase in pension and related lump sum at pension age at 31/3/15	CETV at 31/3/15 <sup>(12)</sup>	CETV at 31/3/14	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
	20-25	0-5	341	315	8	-
Tim Ellis Chief Executive	plus lump sum of 70-75	plus lump sum of 0-5				
Audrey Finch-Robertson Head of Corporate Services, Accountable Officer - resigned 8th April 2015	10-15 plus lump sum of 35-40	0-5 plus lump sum of 0-5	259	229	15	-
Penni Rocks Head of Business Portfolio & Corporate Services, Accountable Officer - from 8th April 2015	15-20 plus lump sum of <sup>(14)</sup>	0-5 plus lump sum of <sup>(14)</sup>	297	258	22	-
Amy Wilson Head of Statistical Futures	10-15 plus lump sum of 30-35	0-5 plus lump sum of 0-5	167	187	11	-
Laura Mitchell Head of Records and Archives Services	15-20 plus lump sum of 55-60	0-5 plus lump sum of 0-5	340	298	20	-
Kirsty MacLachlan Head of Demography <sup>(13)</sup>	20-25 <sup>(15)</sup> plus lump sum of 65-70 <sup>(15)</sup>	5-10 <sup>(15)</sup> plus lump sum of 15-20 <sup>(15)</sup>	512 <sup>(15)</sup>	419	141 <sup>(15)</sup>	-
Rod Burns Head of Registration <sup>(13)</sup>	5-10 plus lump sum of 25-30	0-5 plus lump sum of 0-5	135	121	6	-
Anne Slater Head of Public Services <sup>(13)</sup>	20-25 plus lump sum of 70-75	0-5 plus lump sum of 0-5	401	361	21	-
Gerry Donnelly Head of Data Linkage <sup>(13)</sup>	15-20 plus lump sum of 0-5	0-5 plus lump sum of 0-5	162	130	10	-

(12) The actuarial factors used in the calculation of Cash Equivalent Transfer Values (CETVs) were changed during 2010-11, due to changes in demographic assumptions and the move from the Retail Price Index (RPI) to the Consumer Price Index (CPI) as the measure used to uprate Civil Service pensions. The CETVs at 31 March 2014 and 31 March 2015 have been calculated using the new factors. Taking account of inflation, the CETV funded by the employer has decreased in real terms.

(13) Following a restructure of the management board in March 2015, these members resigned from this board.

(14) Officer in premium pension scheme with no automatic lump sum.

(15) 14/15 figures restated by MYCSP in May 2016 as a result of partial retirement.



## Cash Equivalent Transfer Values

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

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

## Real Increase in CETV

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

Penni Rocks,  
Accountable Officer  
September 2016

## Independent Auditors' Report to the Members of National Records of Scotland, the Auditor General for Scotland and the Scottish Parliament

We have audited the financial statements of National Records of Scotland for the year ended 31 March 2016 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise of the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and as interpreted and adapted by the 2015/16 Government Financial Reporting Manual (the 2015/16 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

### Respective Responsibilities of Accountable Officer and Auditor

As explained more fully in the Statement of the Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

### Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting



policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, we read all the financial and non-financial information in the directors' report, strategic report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements, irregularities, or inconsistencies we consider the implications for our report.

## Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000, and directions made thereunder by the Scottish Ministers of the state of the affairs of the body's affairs as at 31 March 2016 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union, as interpreted and adapted by the 2015/16 FReM; and
- have been prepared in accordance with the requirements of Public Finance and Accountability (Scotland) Act and directions made thereunder by the Scottish Ministers.

## Opinion on Regularity

In our opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

## Opinion on Other Prescribed Matters

In our opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Public Finance and Accountability (Scotland) Act and directions made thereunder by the Scottish Ministers; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on Which We Are Required to Report by Exception

We are required to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- the Governance Statement does not comply with guidance from the Scottish Ministers.

We have nothing to report in respect of these matters.



Martin Pitt,  
Senior Statutory Auditor,  
for and on behalf of  
PricewaterhouseCoopers LLP  
141 Bothwell Street  
Glasgow G2 7EQ  
22 September 2016



## Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2016

### Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2016

		2015-16 Outturn £'000	2015-16 Budget £'000 (unaudited)	2015-16 Variance £'000 (unaudited)	2014-15 Outturn £'000
	<b>Note</b>				
<b>INCOME</b>					
<b>Administration Income</b>	4.1	<b>(6,143)</b>	<b>(7,500)</b>	<b>1,357</b>	<b>(6,272)</b>
Contract Income		(997)	(930)	(67)	(933)
Fees & Charges		(4,836)	(6,290)	1,454	(5,042)
Rental Income		(310)	(280)	(30)	(297)
<b>EXPENDITURE</b>					
<b>Staff Costs</b>	2.2	<b>13,370</b>	<b>14,823</b>	<b>(1,453)</b>	<b>14,438</b>
Directly Employed Staff		10,200	14,505	(4,305)	10,365
Temporary Staff Costs		343	318	25	711
Other Staff Costs		2,827	-	2,827	3,362
<b>Administration Expenditure</b>		<b>12,409</b>	<b>13,827</b>	<b>(1,418)</b>	<b>11,750</b>
Accommodation		3,510	3,553	(43)	3,598
Travel		88	126	(38)	108
Transport		5	6	(1)	8
Supplies & Services		7,116	7,590	(474)	5,972
Training		122	112	10	142
Hospitality		17	25	(8)	12
Depreciation	3.2	1,332	2,165	(833)	1,549
Audit Fee	3.2	60	60	-	60
Impairments & Write Offs		1	-	1	(2)
Grants		140	140	-	140
Other Office		-	50	(50)	18
Provision charge		18	-	18	145
<b>Other Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(453)</b>
Gain on disposal of asset	3.2	-	-	-	(453)
<b>Net Operating Costs for the Year</b>		<b>19,636</b>	<b>21,150</b>	<b>(1,514)</b>	<b>19,463</b>

**Statement of Comprehensive Net Expenditure for the Year Ended 31 March 2016 (continued)**

		2015-16	2015-16	2015-16	2014-15
		Outturn	Budget	Variance	Outturn
		£'000	£'000	£'000	£'000
	Note		(unaudited)	(unaudited)	
<b>Other Comprehensive Income</b>		(617)	-	(617)	(668)
Revaluation gain	7	(617)	-	(617)	(668)
<b>Total Comprehensive (Income)/ Expenditure for the Year</b>		<b>19,019</b>	<b>21,150</b>	<b>(2,131)</b>	<b>18,795</b>

General Fund reserve represents the excess of expenditure over funded activities. The Revaluation Reserve reflects the increase in the value of property, plant and equipment over their respective historical costs.

The notes on pages 63 to 88 form part of these financial statements.



## Statement of Financial Position as at 31 March 2016

### Statement of Financial Position as at 31 March 2016

	Note	2016 £'000	2015 £'000
<b>Non-Current Assets</b>			
Property, plant & equipment	7	16,665	16,785
Intangible assets	7	8,228	7,323
Trade and other receivables	9	152	70
		<b>25,045</b>	<b>24,178</b>
<b>Current Assets</b>			
Trade and other receivables	9	1,474	1,406
Cash and cash equivalents	10	1	1
		<b>1,475</b>	<b>1407</b>
<b>Total Assets</b>		<b>26,520</b>	<b>25,585</b>
<b>Current Liabilities</b>			
Trade and other payables	11	2,272	2,146
Provisions for liabilities and charges	12	158	148
<b>Non-Current Assets Less Net Current Liabilities</b>		<b>24,090</b>	<b>23,291</b>
<b>Non-Current Liabilities</b>			
Provisions for liabilities and charges	12	143	234
<b>Net Assets</b>		<b>23,947</b>	<b>23,057</b>
<b>Taxpayers' Equity</b>			
General Fund	SoCTE	18,047	17,445
Revaluation Reserve	SoCTE	5,900	5,612
<b>Total Equity</b>		<b>23,947</b>	<b>23,057</b>

The notes on pages 63 to 88 form part of these financial statements.

*Penni Rocks*

Penni Rocks,  
Accountable Officer  
September 2016

*The financial statements on pages 58 to 88 were authorised by the Accountable Officer for issue on 22 September 2016.*

## Statement of Cash Flows for the Year Ended 31 March 2016

### Statement of Cash Flows for the Year Ended 31 March 2016

2014-15 £'000		2015-16 £'000
<b>Cash flows from operating activities</b>		
(19,463)	Net operating cost	(19,636)
	Note	
	SoCE	
<b>Adjustments for non cash transactions</b>		
1,549	- depreciation	1,332
(453)	- gain on disposal of non-current assets	-
60	- audit fee	60
<b>Movements in working capital</b>		
(9)	-(Increase)/decrease in receivables	(150)
244	-(Decrease)/increase in payables	126
1	-(Decrease)/increase in provisions	(81)
<b>(18,071)</b>	<b>Net cash outflow from operating activities</b>	<b>(18,349)</b>
<b>Cash flows from investing activities</b>		
(376)	Purchase of property, plant and equipment	(315)
(109)	Purchase of intangible assets	(1,185)
1,453	Proceeds from disposal of property, plant and equipment	-
<b>968</b>	<b>Net cash flow from investing activities</b>	<b>(1,500)</b>
<b>Cash flows from financing activities</b>		
17,102	Funding	19,849
17,102	Cash flows from financing activities	19,849
	SoCTE	
<b>-</b>	<b>Net movement in cash and cash equivalents</b>	<b>-</b>
1	Cash and cash equivalents at beginning of year	1
1	Cash and cash equivalents at end of year	1

Note: The exact sum of Parliamentary net funding drawn during the 2015-16 financial year was £19,849,063.79, see further information on first table on page 62 SoCTE.

The notes on pages 63 to 88 form part of these financial statements.



## Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2016

### Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2016

	Note	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
<b>Balance at 1 April 2015</b>		<b>17,445</b>	<b>5,612</b>	<b>23,057</b>
Net operating costs for the year ended 31 March 2016	5	(19,636)	-	(19,636)
Revaluation adjustment	7	-	617	617
Transfers between reserves	7	329	(329)	-
Non cash charges - auditors' remuneration & impairment	3.2	60	-	60
Net funding		19,849	-	19,849
<b>Balance at 31 March 2016</b>		<b>18,047</b>	<b>5,900</b>	<b>23,947</b>

## Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2015

### Statement of Changes in Taxpayers' Equity for the Year Ended 31 March 2015

	Note	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
<b>Balance at 1 April 2014</b>		<b>19,454</b>	<b>5,236</b>	<b>24,690</b>
Net operating costs for the year ended 31 March 2015	5	(19,463)	-	(19,463)
Revaluation adjustment	7	-	668	668
Transfers between reserves		292	(292)	-
Non cash charges - auditors' remuneration & impairment	3.2	60	-	60
Net funding		17,102	-	17,102
<b>Balance at 31 March 2015</b>		<b>17,445</b>	<b>5,612</b>	<b>23,057</b>

The notes on pages 63 to 88 form part of these financial statements.

## Notes to the Financial Statements for the Year Ended 31 March 2016

### 1. Statement of Accounting Policies

In accordance with the Accounts Direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 these financial statements have been prepared under the going concern basis and in compliance with the principles and disclosure requirements of the Government Financial Reporting Manual (FReM) and where appropriate, in accordance with International Financial Reporting Standards (IFRS).

#### Key Estimates

##### Property, Plant and Equipment

The preparation of financial statements requires the use of certain critical accounting estimates. Valuations and useful life estimates in respect of NRS buildings, supplied by GVA Grimley, International Property Advisors, are assumed to be accurate. It also requires management to exercise its judgement in the process of applying its accounting policies.

##### Intangible Assets

Following a review of asset life, management is satisfied that NRS should retain existing estimated life for website images for the purposes of 2015-16 financial statements. Management is also satisfied, based on sensitivity analysis, that there are sufficient (and significant) future income streams in excess of the website images asset category Non Current Replacement Cost. This will be reviewed annually to comply with IAS 38. As there is no active market for our website images asset, the cost model has been applied and therefore no revaluations are possible.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.



### 1.1 Accounting Convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of non-current assets relating to land, buildings and website images at their value to the business by reference to their current costs or perceived market value. Other classes of assets are carried at depreciated or amortised historic cost.

### 1.2 Basis of Accounting

These financial statements reflect the assets and liabilities and the results for the year of NRS.

### 1.3 Non-Current Assets: Property, Plant and Equipment

Title to the freehold land and buildings shown in the financial statements is held as follows:

- property on the departmental estate, title to which is held by Scottish Ministers;
- property, not being part of the departmental estate, held by NRS in the name of the Scottish Ministers.

Freehold land and buildings are shown at fair value less subsequent depreciation using professional valuations every five years and appropriate indices in intervening years. Other non-current assets are shown at historic cost net of depreciation as a proxy for fair value.

The minimum levels for capitalisation of a non-current asset across asset categories are as follows:

<b>Property, Plant &amp; Equipment</b>	<b>£'000</b>
Freehold land & buildings	20
Office equipment (including fixtures & fittings)	5
Vehicles	5
Plant & equipment	10
ICT systems	1
Specialised shelving	10
Antiques & works of art	20

Information and Communications Technology (ICT) systems are capitalised where the pooled value exceeds £1,000 in line with SG guidance on capitalisation.

Costs for property, plant and equipment include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

### Depreciation

Freehold land and assets held for sale are not depreciated.

Depreciation is provided on property, plant and equipment on a straight-line basis at rates sufficient to write down their cost or re-valued amounts to their residual values over their estimated useful lives. The depreciation rates for the principal categories of assets are as follows:

<b>Property, Plant &amp; Equipment</b>	<b>Years</b>
Freehold land & buildings	2-50 (as per valuation)
Office equipment (including fixtures & fittings)	5
Vehicles	5
Plant & equipment	5
ICT systems	3-5
Specialised shelving	10-20
Antiques & works of art	30

#### 1.4 Non-Current Assets: Intangible Assets

Intangible assets are shown at historic cost net of amortisation as a proxy for fair value.

During the year, a review of website images was undertaken. Management reviewed the existing approach in line with IAS 38 and confirmed that the useful life and valuation continue to be appropriate. No impairment was necessary following this review.

The minimum levels for capitalisation of a non-current asset across asset categories are as follows:

<b>Intangible Assets</b>	<b>£'000</b>
Website images	5
Computer software & computer licences	1

Costs for intangible assets include the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

## Amortisation

Amortisation is provided on intangible assets on a straight-line basis at rates sufficient to write down their costs over their estimated useful lives. The amortisation rates for the principal categories of assets are as follows:

Intangible Assets	Years
Website images	60
Computer software & computer licences	3-5

### 1.5 Third Party Assets

NRS holds, as custodian or trustee, certain assets belonging to third parties. These are not recognised in the financial statements since neither NRS nor government, more generally, has a direct financial beneficial interest in them.

### 1.6 Heritage Assets

Heritage Assets are defined as tangible items with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

NRS is responsible for holding and maintaining a wide range of historical records, portraits and current data in the care of Scottish Ministers. Given the nature of these assets it is not possible to obtain a reliable valuation for them. Accordingly they have not been capitalised.

Therefore these records have been treated as operational heritage assets in that they are held primarily for the purposes of the nation's heritage.

### 1.7 Operating Income

Operating income is income that relates directly to the operating activities of NRS. It includes fees and charges for services provided to external customers. It includes both income applied without limit and income applied with limit. For income categorised as being applied with limit any excess income over that approved, is surrendered to the Scottish Consolidated Fund.

NRS recognises the full income received from our ScotlandsPeople website at the time the income is paid as the service is recognised as being delivered when full access to view and purchase all documents is granted. The payment

to the appointed contractor is recognised within Supplies and Services, which reflects our website contractors acting on our behalf as 'agent'.

Where contractually any income is paid in arrears, income will be recognised up to the year-end and a provision created to accrue, where necessary.

NRS recognises subscription payments for ScotlandsPeople website by apportioning them across the time period to which they relate.

### Trade Receivables

Trade receivables are recognised at fair value. NRS holds no provision for bad debts as the majority of transactions are with other government departments and of low value so not considered to be a risk to the organisation.

## 1.8 Administration Expenditure and Income

The Statement of Comprehensive Expenditure analyses administration costs that reflect the costs of running NRS as defined under the administration cost control regime, together with associated operating income. Income analysed in the notes is offset against gross administrative costs, determining the outturn against the administration cost limit.

### Trade Payables

Trade payables are recognised at fair value and calculated on an accruals basis. All operations of NRS are deemed to be continuing operations.

## 1.9 Grants

Grants payable or paid are recorded as expenditure in the period in which the recipient carries out the activity which creates the entitlement. Where necessary, obligations in respect of grant schemes are recognised as liabilities.

## 1.10 Foreign Exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used.

## 1.11 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is a defined benefit scheme and is unfunded and non-contributory. Portfolios, agencies and other bodies covered by the PCSPS recognise the expected cost of providing pensions for



their employees, on a systematic and rational basis over the period during which they benefit from their services, to the PCSPS of amounts calculated on an accruing basis. (Relevant disclosures are reported in the notes.) Liability for payment of future benefits is a charge to the PCSPS. Separate scheme statements for the PCSPS as a whole are published.

#### 1.12 VAT

VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of assets. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

#### 1.13 Leases

The leases entered into by NRS are classified as operational leases and, as such, the rentals are charged to the Operating Cost Statement over the term of the lease.

#### 1.14 Segmental Reporting

Through the direction of the Accountable Officer, operating segments are reported in a manner consistent with the internal reporting provided, using critical accounting estimates and management judgements, to the Business Leadership Group (BLG) and Management Board (MB), as the key decision makers for NRS. The Chief Executive and Accountable Officer form part of these groups who collectively are responsible for allocating resources and assessing performance of these operating segments.



## 2. Staff Costs

- 2.1 The average number of whole-time equivalent persons employed (including senior management) during the year, analysed by Business Area, and following a re-structure, was as follows:

	2015-16 Average W.T.E Staff	2014-15 Average W.T.E Staff
Registration	32	35
Statistical futures	20	19
Demographic statistics	34	34
Data resources	30	32
Records & archives services	51	48
Public services	103	101
Business portfolio & corporate services*	64	67
ICT	53	47
Senior management, strategy & communications	6	13
<b>Total</b>	<b>393</b>	<b>396</b>

\*Staff numbers reported against Corporate Services incorporate any staff assigned during the year to a centrally managed budget for the purposes of managing maternity leave and long-term sick.

Average WTE staff numbers during 2015-16 can be broken down into 361 permanent staff and 32 temporary staff (2014-15: 372 and 24 respectively).

- 2.2 The aggregate payroll costs for all staff employed by NRS were as follows:

	2015-16 Permanent Staff £'000	2015-16 Temporary Staff £'000	2015-16 Total Staff £'000	2014-15 Permanent Staff £'000	2014-15 Temporary Staff £'000	2014-15 Total Staff £'000
Wages and salaries	10,200	343	10,543	10,365	711	11,076
Social security costs	723	-	723	741	-	741
Pension costs	2,061	-	2,061	1,880	-	1,880
Other staff costs	43	-	43	741	-	741
<b>Total</b>	<b>13,027</b>	<b>343</b>	<b>13,370</b>	<b>13,727</b>	<b>711</b>	<b>14,438</b>

Staff in NRS are members of the Principal Civil Service Pension Scheme.

During the year there were no payments made from NRS to Ministers or Special Advisers.

## Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme. The PCSPS is unable to identify the Scottish share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2012. Details can be found in the separate scheme statement for the PCSPS (Cabinet Office: Civil Superannuation [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)).

For 2015-16 employers' contributions of £2,061K (2014-15: £1,880K) were payable to PCSPS at one of five rates in the range 20 to 24.5 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid when the member retires, and not the benefits paid during this year to existing pensioners.

Employees who are eligible to join the Alpha scheme could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions were paid to one or more of a panel of four appointed stakeholder pension providers. From October 2015 employer contributions are age-related and range from 8 to 14.75 per cent of pensionable pay. Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions (0.5 per cent of pensionable pay) were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees. There were no contributions due to the partnership pension or prepaid at the balance sheet date.

For 2015-16 the value of Employers' Contributions relating to the partnership pension account was £27,349.09 (2014-15: £19,177.38).

### 3. Operating Expenditure

#### 3.1 Analysis of Programme Expenditure

	2015-16 £'000	2014-15 £'000
Business archive grants	140	140
<b>Total</b>	<b>140</b>	<b>140</b>



### 3.2 Non Cash Items

	2015-16 £'000	2014-15 £'000
Depreciation and amortisation	1,332	1,549
Gain on disposal of assets	-	(453)
Audit fee	60	60
<b>Total</b>	<b>1,392</b>	<b>1,156</b>

A further breakdown of in year depreciation and amortisation is provided in note 7.

### 3.3 Other Operating Expenditure

There is £874K of expenditure relating to operating lease arrangements for properties recorded within Administration Expenditure (2014-15: £874K)

## 4. Operating Income

### 4.1 Administration Income

	2015-16 Income Applied £'000	2014-15 Income Applied £'000
Fees and charges to external customers	5,146	5,339
Fees and charges to other departments	997	933
<b>Total Administration Income</b>	<b>6,143</b>	<b>6,272</b>

Administration income includes recoverable VAT on business activities and VAT recoverable under Section 27(2A) of the VAT Act 1983 (subsequently replaced by Section 41(3) of the VAT Act 1994), together with rental income from minor occupiers of Civil Estate property.

Receipts from fees and charges arise from a range of services provided to customers, including income from the sale of extracts through both our ScotlandsPeople Centre and ScotlandsPeople website, contracted income from the Scottish Government to maintain the National Health Service Central Register and rental income from tenants.

NRS receives an income stream from the operation of the ScotlandsPeople website, which enables access to a range of information we hold in our registers. We have grossed up income in our financial statements to include our website contractors' share of income, following a review of our contractual

position on 1 September 2010 that acknowledges that our website contractors act as an 'agent' on our behalf.

There is no interest receivable to be recorded within the Operating Cost Statement. Income Not Applied includes amounts for surrender to the Consolidated Fund.

4.2 Operating income received from external and public sector customers analysed by services provided is as follows:

	Income Received £'000	Full Cost £'000	Surplus/ (Deficit) £'000
<b>Service Provided:</b>			
<b>Change of name, vital events sales, extracts, microfilm, microfiche and public charges.</b>	2,540	2,528	12
<b>Financial Objective:</b>			
In partnership with the Lyon Office, meet the cost of running the ScotlandsPeople Centre service to enable investment in making additional services and records more accessible to customers.			
<b>Performance Against the Financial Objective:</b>			
In 2015-16 there was a small surplus arising from providing ScotlandsPeople Centre campus services. A review of the memorandum trading account arrangements will be necessary in early 2016-17 to reflect upon the performance of this objective alongside the wider remit of our Public Services across NRS.			
<b>Maintenance of the National Health Service Central Register (NHSCR) of patients and associated research data sales.</b>	1,002	1,042	(40)
<b>Financial Objective:</b>			
To meet the cost of running the National Health Service Central Register which we provide as a service to the NHS and the Improvement Service through funding received from the Scottish Government.			
<b>Performance Against the Financial Objective:</b>			
In 2015-16 there was a small deficit arising from providing these services. A review of the memorandum trading account arrangements will take place in early 2016-17 to determine what the impact on the level of service provided to the NHS and Improvement Service will be, following an increase in direct costs.			

This reporting of income received on a segmental basis complies with the requirements of HM Treasury's 'Fees and Charges' Guide and the Scottish Public Finance Manual.

## 5. Reconciliation of Net Operating Cost to Net Resource Outturn and Resource Budget Outturn

	2015-16 £'000	2014-15 £'000
Net operating cost	19,636	19,463
Net resource outturn	19,636	19,463
Of which:		
Departmental expenditure in DEL	19,636	19,463
Main departmental programmes in AME	-	-

Reconciliation of Net Operating Cost to the Net Resource Outturn and Resource Budget Outturn Current Year 2015-16.

Departmental Expenditure Limits (DEL) refers to spending that is planned and controlled on a three-year basis in Spending Reviews (which normally take place every two years). DELs cover all running costs and most programme expenditure and are divided into current and capital budgets.

Annually Managed Expenditure (AME) refers to spending within departmental programmes but outwith the DEL. During 2015-16 AME was nil (2014-15: nil).

Both DEL and AME are part of a revised regime for planning and controlling expenditure introduced by the Treasury in 1998 and adopted by the Scottish Government following devolution.

Net Operating Cost is the total of expenditure and income appearing in the Operating Cost Statement. Net Resource Outturn is the total of those elements of expenditure and income that are subject to Parliamentary approval and included in Scotland's Budget Document.

## 6. Analysis of Capital Expenditure

		2015-16 £'000	2014-15 £'000
Assets under development	Note 7	845	-
Computer licences	Note 7	340	109
ICT additions	Note 7	162	330
Plant & equipment	Note 7	100	46
Specialised shelving	Note 7	53	-
<b>Total</b>		<b>1,500</b>	<b>485</b>

## 7. Non-current Assets - Property, Plant and Equipment for the year 2015-16

	Freehold Land £'000	Buildings £'000	Office Equipment £'000	Vehicles £'000	Plant & Equipment £'000	ICT Systems £'000	Specialised Shelving £'000	Antiques & Works of Art £'000	Assets under Construction £'000	Assets Held for Sale £'000	Total £'000
<b>Cost or valuation</b>											
At 1 April 2015	1,840	10,460	875	96	919	5,756	2,861	3,040	243	-	26,090
Additions	-	-	-	-	100	162	53	-	-	-	315
Disposals	-	-	(28)	-	(16)	-	-	-	-	-	(44)
Transfers in	-	-	-	-	243	-	-	-	(243)	-	-
Revaluation	100	-	-	-	-	-	-	-	-	-	100
<b>At 31 March 2016</b>	<b>1,940</b>	<b>10,460</b>	<b>847</b>	<b>96</b>	<b>1,246</b>	<b>5,918</b>	<b>2,914</b>	<b>3,040</b>	<b>-</b>	<b>-</b>	<b>26,461</b>
<b>Accumulated Depreciation</b>											
At 1 April 2015	-	-	843	76	729	4,940	2,064	653	-	-	9,305
Charged in year	-	517	5	9	71	254	83	113	-	-	1,052
Disposals	-	-	(28)	-	(16)	-	-	-	-	-	(44)
Revaluation	-	(517)	-	-	-	-	-	-	-	-	(517)
<b>At 31 March 2016</b>	<b>-</b>	<b>-</b>	<b>820</b>	<b>85</b>	<b>784</b>	<b>5,194</b>	<b>2,147</b>	<b>766</b>	<b>-</b>	<b>-</b>	<b>9,796</b>
<b>Net book value current year</b>	<b>1,940</b>	<b>10,460</b>	<b>27</b>	<b>11</b>	<b>462</b>	<b>724</b>	<b>767</b>	<b>2,274</b>	<b>-</b>	<b>-</b>	<b>16,665</b>
Net book value prior year	1,840	10,460	32	20	190	816	797	2,387	243	-	16,785

As part of a rolling five-year programme, General Register House, New Register House, West Register House, Thomas Thomson House and Station Road were valued independently as at 31 March 2016 by GVA Grimley, International Property Advisors, on the basis of Fair Value in accordance with the Appraisal and Valuation Manual of the Royal Institute of Chartered Surveyors. The result of this valuation was a revaluation gain of £617K.

With exception to West Register House (long-term leased property) all non-current (tangible) assets disclosed within the asset classes above are owned by NRS.

The realised element of the depreciation charged for the year is £329K (£1,332K depreciation charge calculated under current cost accounting method as per note 7, minus £1,003K charge under historic cost accounting). This has been transferred from the revaluation reserve to the general fund.

The Assets Under Construction category relates to website and IT costs which have been transferred to intangible assets and IT costs respectively.

## 7. Non-current Assets - Property, Plant &amp; Equipment for the year 2014-15

	Freehold Land £'000	Buildings £'000	Office Equipment £'000	Vehicles £'000	Plant & Equipment £'000	ICT Systems £'000	Specialised Shelving £'000	Antiques & Works of Art £'000	Assets under Construction £'000	Assets Held for Sale £'000	Total £'000
<b>Cost or valuation</b>											
At 1 April 2014	1,790	10,310	875	96	873	5,426	2,861	3,040	243	1,000	26,514
Additions	-	-	-	-	46	330	-	-	-	-	376
Disposals	-	-	-	-	-	-	-	-	-	(1,000)	(1,000)
Revaluation	50	150	-	-	-	-	-	-	-	-	200
<b>At 31 March 2015</b>	<b>1,840</b>	<b>10,460</b>	<b>875</b>	<b>96</b>	<b>919</b>	<b>5,756</b>	<b>2,861</b>	<b>3,040</b>	<b>243</b>	<b>-</b>	<b>26,090</b>
<b>Accumulated Depreciation</b>											
At 1 April 2014	-	-	822	63	663	4,437	1,979	540	-	-	8,504
Charged in year	-	468	21	13	66	503	85	113	-	-	1,269
Revaluation	-	(468)	-	-	-	-	-	-	-	-	(468)
<b>At 31 March 2015</b>	<b>-</b>	<b>-</b>	<b>843</b>	<b>76</b>	<b>729</b>	<b>4,940</b>	<b>2,064</b>	<b>653</b>	<b>-</b>	<b>-</b>	<b>9,305</b>
<b>Net book value current year</b>	<b>1,840</b>	<b>10,460</b>	<b>32</b>	<b>20</b>	<b>190</b>	<b>816</b>	<b>797</b>	<b>2,387</b>	<b>243</b>	<b>-</b>	<b>16,785</b>
Net book value prior year	1,790	10,310	53	33	210	989	882	2,500	243	1,000	18,010



## 7. Non-current Assets – Intangible Assets 2015-16

	Computer Licences £'000	Website Images £'000	Computer Software £'000	Assets Under Development £'000	Total £'000
<b>Cost or Valuation</b>					
At 1 April 2015	1,099	7,900	1,224	-	10,223
Additions	340	-	-	845	1,185
<b>At 31 March 2016</b>	<b>1,439</b>	<b>7,900</b>	<b>1,224</b>	<b>845</b>	<b>11,408</b>
<b>Accumulated Amortisation</b>					
At 1 April 2015	936	808	1,156	-	2,900
Charged in year	81	131	68	-	280
<b>At 31 March 2016</b>	<b>1,017</b>	<b>939</b>	<b>1,224</b>	<b>-</b>	<b>3,180</b>
<b>Net book value current year</b>	<b>422</b>	<b>6,961</b>	<b>-</b>	<b>845</b>	<b>8,228</b>
<b>Net book value prior year</b>	<b>163</b>	<b>7,092</b>	<b>68</b>	<b>-</b>	<b>7,323</b>

All non-current (intangible) assets disclosed within the asset classes above are owned by NRS.

The Assets Under Development class relates to the ScotlandsPeople website.



## 7. Non-current Assets – Intangible Assets 2014-15

	Computer Licences £'000	Website Images £'000	Computer Software £'000	Total £'000
<b>Cost or Valuation</b>				
At 1 April 2014	990	7,900	1,224	10,114
Additions	109	-	-	109
Disposals	-	-	-	-
<b>At 31 March 2015</b>	<b>1,099</b>	<b>7,900</b>	<b>1,224</b>	<b>10,223</b>
<b>Accumulated Amortisation</b>				
At 1 April 2014	870	674	1,075	2,619
Charged in year	66	134	81	281
Disposals	-	-	-	-
<b>At 31 March 2015</b>	<b>936</b>	<b>808</b>	<b>1,156</b>	<b>2,900</b>
<b>Net book value current year</b>	<b>163</b>	<b>7,092</b>	<b>68</b>	<b>7,323</b>
Net book value prior year	120	7,227	148	7,495

## 8. Movements in Working Capital Other Than Cash

	2015-16 £'000	2014-15 £'000
Increase in receivables	(150)	(9)
Increase in payables	126	244
<b>Total</b>	<b>(24)</b>	<b>235</b>



## 9. Trade and Other Receivables

	2015-16 £'000	2014-15 £'000
<b>Amounts falling due within one year</b>		
Trade receivables	264	271
VAT	-	40
Prepayments and accrued income	636	712
Other receivables - sundry debtors	574	383
<b>Total receivables falling within one year</b>	<b>1,474</b>	<b>1,406</b>
<b>Amounts falling due after one year</b>		
Prepayments and accrued income	152	70
<b>Total receivables falling after one year</b>	<b>152</b>	<b>70</b>
<b>Total Receivables</b>	<b>1,626</b>	<b>1,476</b>
<b>Movement</b>	<b>150</b>	<b>9</b>
<b>Other Central Government Bodies</b>	<b>163</b>	<b>278</b>
Local Authorities	4	4
NHS Bodies	-	89
Bodies External to Government	1,459	1,105
Public Corporations & Trading Funds	-	-
<b>Total Receivables</b>	<b>1,626</b>	<b>1,476</b>

## 10. Cash and Cash Equivalents

	2015-16 £'000	2014-15 £'000
At 1 April	1	1
Movement	-	-
<b>At 31 March</b>	<b>1</b>	<b>1</b>
Commercial banks and cash in hand	1	1
<b>Total Cash</b>	<b>1</b>	<b>1</b>



## 11. Trade and Other Payables: Amounts Falling Due Within One Year

	2015-16 £'000	2014-15 £'000
Trade payables	176	356
Deferred income	22	17
Employee benefits	949	910
Accruals	1,125	863
<b>Total Payables</b>	<b>2,272</b>	<b>2,146</b>
<b>Movement</b>	<b>126</b>	<b>244</b>
Other central government bodies	980	500
Local authorities	12	11
NHS bodies	48	1
Bodies external to government	1,232	1,634
<b>Total Payables</b>	<b>2,272</b>	<b>2,146</b>
There were no amounts falling due after more than one year.		

## 12. Provisions for Liabilities and Charges

	2015-16 £'000	2014-15 £'000
<b>Total balance as at 1 April</b>	<b>382</b>	<b>381</b>
<b>Payable beyond one year</b>		
Balance as at 1 April	234	381
Inflation	5	-
Discounting of provision	(2)	(3)
Utilised in year	(94)	(145)
<b>Balance as at 31 March</b>	<b>143</b>	<b>234</b>
<b>Payable within one year</b>		
Balance as at 1 April	148	-
Provided in year	7	150
Inflation	5	-
Discounting of provision	(2)	(2)
<b>Balance as at 31 March</b>	<b>158</b>	<b>148</b>
<b>Total balance as at 31 March</b>	<b>301</b>	<b>382</b>



During financial year 2015-16, no NRS employees were awarded early retirement.

The balance payable beyond one year as at 31 March 2016 represents an estimate of the future annual payments that NRS must make in relation to retirements up to March 2019. There is little uncertainty over future payments from this provision, although over time marginal variations may occur in the annual amount payable.

The balance payable within one year represents the VAT provision created in 2014-15 (balance brought forward £148K) and a new provision added in 2015-16 to reflect payment to employees in relation to overtime. This total is expected to be paid in 2016-17.

NRS has reviewed the accuracy of provision held as payments arise and, where necessary, reviews the level of the sum provided. As at 31 March 2016, the liability for provisions has been reduced by £81K in accordance with HM Treasury guidelines.

### 13. Reporting of Civil Service and Other Compensation Schemes

#### Exit Packages 2015-16

Exit package cost band	2015-16 Number of other departures agreed	2014-15 Number of other departures agreed
less than £10,000	-	1
£10,001 to £25,000	-	8
£25,001 to £50,000	-	2
£50,001 to £100,000	-	7
£100,001 to £200,000	-	-
over £200,000	-	-
<b>Total number of exit packages</b>	-	<b>18</b>
<b>Total resource cost</b>	-	<b>£676,907</b>

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 when departure is agreed. Where the Scottish Government and NRS have 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.

## 14. Commitments Under Operating Leases - Land and Buildings

	2015-16 £'000	2014-15 £'000
At 31 March 2016 the department was committed to making the following payments in respect of operating leases:		
- Within one year	874	874
- Between two and five years	2,540	3,350
- After five years	75	139
<b>Total</b>	<b>3,489</b>	<b>4,363</b>

These operating leases are in respect of rent for Ladywell House and Cairnsmore House, where rental fees are reviewed every five years. Current rental fees for these buildings are £810K and £64K respectively. There was a rental review for Ladywell House on 26 January 2016 and the lease expiry date is in 2020. The next rental review for Cairnsmore House is on 1 June 2017 and the lease expiry date is in 2022.

## 15. Other Commitments

	2015-16 £'000	2014-15 £'000
Grant and other commitments at 31 March 2016 for which no provision has been made	2,900	1,500

These commitments reflect the capital budget for the following year, which is fully committed to support the delivery of projects and the maintaining of our asset infrastructure.

## 16. Related Party Transactions

NRS maintains the National Health Service Central Register of patients on behalf of the Scottish Government. The Scottish Government is regarded as a related party with which NRS has had various material transactions during the year.

In addition, NRS has had a number of transactions with other government departments and other central government bodies.

During the year there were no material transactions by board members, key managerial staff or other related parties.

## 17. Contingent Liabilities

There were no contingent liabilities for the 2015-16 financial year (2014-15: nil).

## 18. Financial Instruments

As the cash requirements of NRS are met through the Scottish Parliament's Budget Act process, financial instruments play a more limited role in creating 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 NRS's expected purchase and usage requirements and NRS is therefore exposed to little credit, liquidity or market risk.

## 19. Segmental Analysis as at 31 March 2016

NRS strategic objectives are supported by the ongoing work of the following eight Business Areas:

Business  
Portfolio and  
Corporate  
Services:

Supports the work of other branches in the department and provides finance, procurement, information security, Portfolio and estates services. It is responsible for budgeting and spending reviews and revisions, coordinating and monitoring the corporate planning process and the NRS risk register and managing our key investments through the Portfolio. It arranges the supply of accommodation, information assurance and security, records management, learning and development and office services and provides project and programme management guidance. It liaises with the Scottish Government teams who provide NRS with supporting services.



**ICT:** The remit of the Corporate ICT business area is the provision of corporate ICT systems and services to support the business of NRS delivering its purpose and vision. Corporate ICT provides Change and Customer Services, a number of Operational Support Services and Business IT Services. The Head of ICT chairs the Technical Strategy Board which agrees overall technical designs against our IT Principles and provides assurance to the individual Programme/Project Boards and to the Senior Information Risk Owners (SIRO). Corporate ICT also provides the supplier management of a number of third party services including the SCOTS service which delivers the NRS desktop computing environment and access to SG corporate applications.

**Statistical Futures:** Consists of a number of teams whose joint responsibility is to successfully deliver Scotland's Census 2021 programme. The 2021 Census will build on the success of the census in 2011. It will be designed and managed in Scotland, to best meet the needs of its users. Scotland's Census paints an important picture of the characteristics of our population. The information is vital to help shape Scotland's future by informing key decisions on how services such as transport, housing, schools and hospitals are planned. The next census will be conducted primarily online, while offering support and alternative routes of completion where required. It will aim to make best use of technology, digital services and other existing data to support the census process.

**Demographic Statistics:** Publishes statistical information about the people of Scotland including census outputs, population and household estimates and projections, births, deaths, migration, life expectancy and electoral counts. These statistics are used by the Scottish Government, local authorities, health boards and others to inform policies, allocate resources and plan services.

**Registration:** Responsible for the administration of civil registration of vital events (births, deaths, stillbirths, marriages, civil partnerships, divorces, dissolution of civil partnerships, gender recognition and adoptions). It is also responsible for the administration of the statutes relating to the legal preliminaries to marriage and civil partnership, and the solemnisation of civil marriages and registration of civil partnerships. It looks after the IT systems which make possible the electronic capture and distribution of information for registration purposes.

**Public Services:** Encompasses NRS's public services, both on-site and online. On-site services include Extract Services, ScotlandsPeople, the Historical Search Room and the Legal Search Room, as well as a special service for adopted individuals. It meets NRS's statutory duty to provide extracts from various legal registers including the registers of births, deaths, marriages, civil partnerships, adoptions, and sasines.

The NRS's education and outreach programmes, its online resources team, digital imaging unit and the Scottish Register of Tartans are also housed in this division.

**Records and Archives Services:** Deals with issues related to archives and record-keeping. It selects, preserves and conserves, and catalogues records of permanent historical value in all formats created by outside bodies and NRS. It leads record-keeping in Scotland through the Public Records (Scotland) Act 2011 and the UK Archive Service Accreditation Scheme. It advises government bodies, the courts, private and corporate owners about their record-keeping responsibilities. Within NRS, it leads the organisation's Digital Preservation Programme. This Division has an important role in ensuring that, along with other national archives around the world, NRS remains at the fore-front of new developments in record-keeping.

**Data Resources:** Responsible for delivering data sharing and data linking services through multiple teams. The Geography Team provides a range of products and services to NRS and more widely, produces digital postcode boundaries and address products. The NHSCR Team provides the central register of people in Scotland used for administration in health, verification and for supporting medical research. While the data linkage teams deliver data indexing services for the national statistical research centre and provide support for a major longitudinal study spanning over 30 years.



These business areas are the basis on which NRS monitors its operations and upon which decisions are made by Senior Management.

Senior Management review the operating cost income and expenditure to make decisions but do not allocate assets to the segments. Accordingly, asset information is not disclosed.

The table below analyses 2015-16 operating cost income and expenditure across all business areas, including Senior Management.

#### Segmental Reporting of 2015-16 Outturn:

	Staff Costs £'000	Administration Expenditure £'000	Total Expenditure £'000	Administration Income £'000	Total Net Operating Costs £'000
Registration	1,073	171	1,244	(227)	1,017
Statistical futures	911	231	1,142	-	1,142
Demographic statistics	1,205	89	1,294	(62)	1,232
Data resources	961	262	1,223	(1,118)	105
Records & archives services	1,814	297	2,111	(58)	2,053
Public services	2,804	1,617	4,421	(4,274)	147
Business portfolio & corporate services	2,319	4,871	7,190	(383)	6,807
ICT	1,759	3,309	5,068	(21)	5,047
Senior management, strategy & communications	279	29	308	-	308
	<b>13,125</b>	<b>10,876</b>	<b>24,001</b>	<b>(6,143)</b>	<b>17,858</b>

Reconciliations of the total segment measures to respective items included in the financial statements are as follows:

	Note	Total £'000
<b>Segmental Total Expenditure</b>		<b>24,001</b>
<b>Adjust for Non Cash Items:</b>		
Depreciation & amortisation	7	1,332
Auditors' remuneration	3.2	60
<b>Adjust for Unallocated Centrally Managed Costs:</b>		
On-going early retirement		4
Gain on asset disposal	SOCE	-
Employee benefits		39
Bad debt write-off	SOCE	1
Maternity & long term sick pay		111
Seconded staff		91
Grant	SOCE	140
<b>Gross Operating Costs as per Statement of Comprehensive Expenditure</b>		<b>25,779</b>
<b>Segmental Total Income</b>		<b>(6,143)</b>
<b>Total Net Operating Costs as per Statement of Comprehensive Expenditure</b>		<b>19,636</b>

## Accounts Direction



Scottish Government  
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### NATIONAL RECORDS OF SCOTLAND

Direction by the Scottish Ministers in accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000

1. The statement of accounts for the financial year ended 31 March 2012 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.
2. The accounts shall be prepared so as to give a true and fair view of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
3. This direction shall be reproduced as an appendix to the statement of accounts.



Signed by the authority of the Scottish Ministers  
Dated 6 June 2012

## Glossary of Terms

Departmental Expenditure Limit (DEL)	Public Expenditure within departmental programmes which form departments' multi-year budget plan against which departments manage their spending. Departmental Expenditure Limits will identify separate elements for capital and current spending.
Annually Managed Expenditure (AME)	Public Expenditure within departmental programmes but outside the Departmental Expenditure Limit and managed annually because it cannot reasonably be subject to firm multi-year limits, or should be subject to special handling.
Depreciation	An annual charge to the Operating Cost Statement reflecting the consumption of Non-Current Assets. This is referred to as depreciation.
Resource Accounting	The application of accruals accounting for reporting the expenditure of central government and a framework for analysing expenditure by departmental objectives, relating these to outputs where possible.
Resource Budgeting	Planning and controlling public expenditure on a resource accounting basis.
Budget Document	A statement presented to the Scottish Parliament of the estimated expenditure of a department which asks for the necessary funds to be approved.
Operating Cost Statement	A statement showing the resources consumed during the year in support of the department's programme expenditure or administration expenditure, net of income applied.
NHS	National Health Service
NRS	National Records of Scotland