

Annual Report & Accounts

2017-18

Preserving the past | Recording the present | Informing the future



Laid before the Scottish Parliament, SG/2018/40
September 2018

© Crown copyright 2018

You may re-use this information (excluding logos and images) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit **<http://www.nationalarchives.gov.uk/doc/open-government-licence/>** or e-mail: **psi@nationalarchives.gsi.gov.uk**

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

This document is also available from our website at
www.nrscotland.gov.uk

National Records of Scotland
General Register House
2 Princes Street
Edinburgh
EH1 3YY

Produced for National Records of Scotland by APS Group Scotland

Published by National Records of Scotland, September 2018

Contents

04-06 Foreword from the Chief Executive

07-25 Performance Report

- Overview
- Review of the Year

26-63 Accountability Report for the Year Ended 31 March 2018

- Corporate Governance Report
- Remuneration and Staff Report
- Parliamentary Accountability and Audit Report

64-91 Financial Statements for the Year Ended 31 March 2018

- 64 - Statement of Comprehensive Net Expenditure
- 65 - Statement of Financial Position
- 66 - Statement of Cash Flows
- 67 - Statement of Changes in Taxpayers' Equity
- 68 - Notes to the Financial Statements

92 Accounts Direction

Foreword from the Outgoing Chief Executive

This annual report chronicles the seventh year of National Records of Scotland (NRS), and my fifth and final year as Chief Executive and holder of the offices of Registrar General of Scotland and Keeper of the Records of Scotland.

As I prepare to hand over to my successor and look back over the past year, the past five years, and the past seven years, it is clear we have much to be proud of here at NRS. A relatively new organisation built from the merger of two august institutions with histories going back centuries, we have continued in 2017-18 to preserve the past, record the present and inform the future.



Tim Ellis
Chief Executive, National Records of Scotland

The past year has seen four exhibitions open to the public, on topics as diverse as Robert Burns and medieval charters. Our statistics about Scotland's population have continued to make the news and shape and inform public policy and services, and we have launched a web archive to preserve Government websites for the future.

The 2021 Census draws closer, and the programme to deliver it is well established, with important progress this year in preparations, including the awarding of some of the contracts we will need in place to deliver it.

The temptation in a document like this is to concentrate solely on the big and the eye-catching. But, as I have had the pleasure of learning over the past five years, at the heart of the organisation is

the work, professionalism and commitment of the dedicated staff who serve the public every day, whether directly or indirectly. In the past year, that has included supporting the registration of 145,000 births, deaths and marriages, registering 384 tartans, bringing more than 90,000 records into our collections and delivering 37 statistical publications, and so much more besides.

“The 2021 Census draws closer, and the programme to deliver it is well established, with important progress this year in preparations, including the awarding of some of the contracts we will need in place to deliver it.”

We are an organisation that is committed to continuous improvement and the digital world is challenging and changing the way we do things. We have therefore taken forward further substantial work internally this year looking at our operating model and the way we are structured – changes which should be near invisible to an external audience, except as they continue to deliver enhanced excellence in customer service and improved public value.

“We are continuing to develop and strengthen our governance, with new board structures which will increase accountability within the organisation.”

We are continuing to develop and strengthen our governance, with new board structures which will increase accountability within the organisation. Our strategic board, consisting of our executive and non-executive directors, is now well established in its new form and providing leadership and challenge to the organisation.

It is clear that there is a great future for NRS and I wish my colleagues here, and Anne Slater, our Acting Chief Executive, every success.



Tim Ellis
Chief Executive
3 September 2018

Foreword from the Acting Chief Executive



Anne Slater

Acting Chief Executive, National Records of Scotland

The work of National Records of Scotland is considerable and varied, as this report makes clear, and I'm pleased to have contributed to much of the work outlined in this report as Director of Operations and Customer Services. I'm delighted to have the opportunity to take forward our key programmes and delivery of our services as Acting Chief Executive, and to build on the successes of the past – of Tim's tenure, of NRS, and of its antecedents dating back as far as the 13th century.



Anne Slater
Acting Chief Executive
3 September 2018

Overview



Our Business

National Records of Scotland (NRS) is a non-ministerial department within the Scottish Administration. It is headed by a Chief Executive who fulfills 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.

NRS 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 UK Accredited Archive status.

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

We hold records spanning the 12th to the 21st 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.

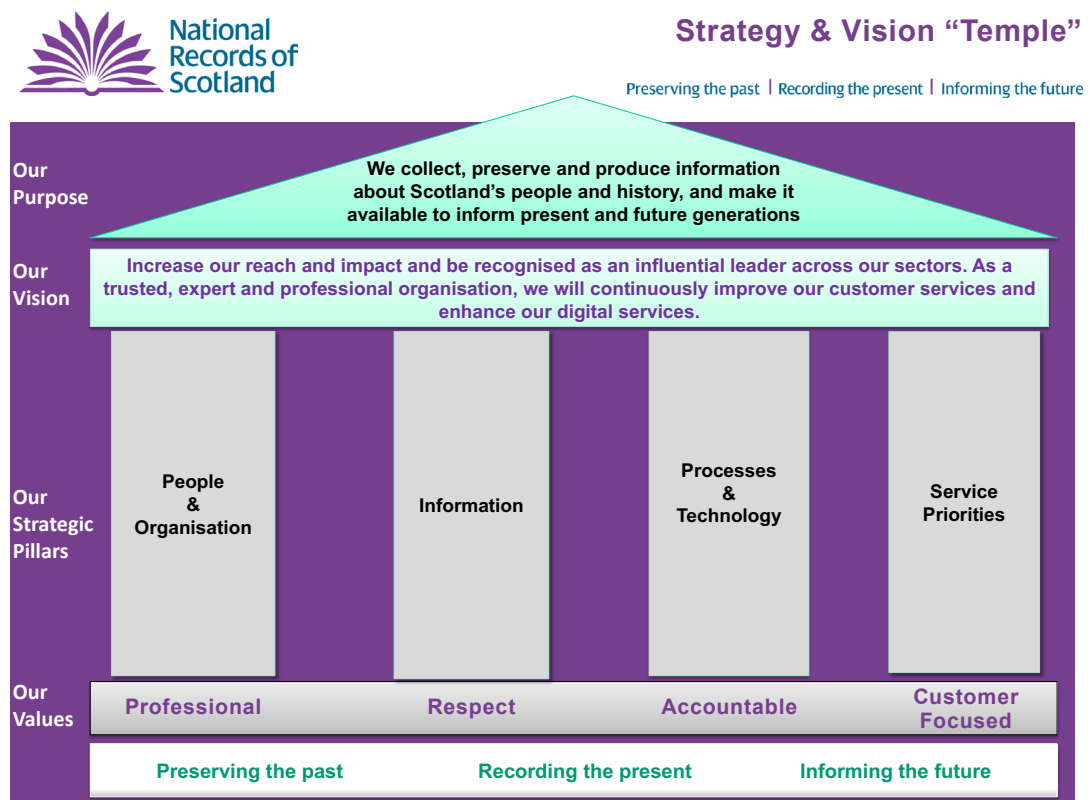
We have a global audience for our work: for example genealogists researching their Scots ancestry can access our records online or as part of a visit to Scotland, and the Scottish Register of Tartans attracts worldwide interest.



Our Objectives

During 2017-18, as part of a wider look at our operating mode and consideration of our structures, we refreshed the NRS strategy (see Figure 1) and updated our purpose and vision, and the values which underpin all our work.

Figure 1
The NRS Strategy



Performance Analysis



Our Performance

As part of Scottish Administration, we contribute to the Scottish Government's **Purpose** and key **National Outcomes**, but as a non-ministerial department we also have our own identity and have developed our own strategy.

Over the year we looked at our existing operating model and identified a number of activities to progress over the next few years to help us move to more digitally focused ways of working with value and customer satisfaction at the core of everything we do. These provided a central focus to our business planning approach.

We re-shaped our corporate governance structure to better support us in continuing to deliver high quality services while we take forward the range of change programmes that will help us transform how we operate as an organisation. Our new governance structure is described in our Director's Report, on p.27.

"We re-shaped our corporate governance structure to better support us in continuing to deliver high quality services while we take forward the range of change programmes that will help us transform how we operate as an organisation."

As part of our ongoing commitment to our portfolio management approach, we reviewed what works well and where our approach can be improved. Our five-year business strategy will provide the primary focus for our investment decisions so our portfolio of change programmes and projects is linked to the same common goal, better reflects our strategic priorities and provides a clearer incremental route through which to manage our transition to our new ways of working.

Understanding how we are performing as an organisation is vital. We developed a revised approach to provide better support to our new corporate boards through more targeted insight with which to measure and understand how we are performing. This began to roll out from April 2018.

Management of performance and management of risk are closely connected. Risks to performance, in terms of both operational delivery and our longer-term ambitions, are integrated into our corporate risk management processes. Further information on our risk management approach is provided in our Governance Statement on p.36.



Basis of Accounts

The Accounts Direction is provided in the Accounts section, on p.92.



Review of Financial Performance

The budget for National Records of Scotland this year was proposed in Scotland's Spending Plans and Draft Budget 2017-18, subject to revisions during the year. The financial outturn for 2017-18 is summarised in the table below.

The Net Resource DEL (Departmental Expenditure Limit) Outturn, excluding depreciation, is £22,513k, £2,526k below the final budget. The principal reasons for this underspend were:

- Following successful launch of the new ScotlandsPeople [website](#) during 2016-17, income from users of the site and orders of extracts from records have increased significantly. As a result, income during the year exceeded our initial expectations by £740k. Income from these services is demand-led and difficult to forecast and it was therefore not possible to fully reflect the increase in expenditure budgets.
- We began putting in place the supplier contracts that will support the delivery of Census 2021 in the final quarter of 2017-18. Due to uncertainty in the timing and value of these contracts, an underspend circa £1.0m arose in the programme budget.
- Our Governance Statement on p.36 notes that ensuring we have the specialist skills required to support our activities and deliver our programmes is one of the most significant risks currently being managed by NRS. Delays in putting in place appropriately skilled people, as well as reviewing the value for money offered by filling certain positions with temporary staff, have contributed to our lower than planned spend.

The Capital DEL outturn was £1,646k, £654k below budget. Savings of £340k were generated on IT services through re-examining delivery methods and in procurement. The remaining underspend is a result of delays to IT and estates investments.

	Draft Budget 2017-18 £000s	Budget adjustments during year £000s	Final Budget 2017-18 £000s	Actual 2017-18 £000s	Variance £000s	Actual 2016-17 £000s
Operational Costs (excluding depreciation)	35,300	(4,461)	30,839	29,053	(1,786)	27,464
Less Retained Income	(5,800)	-	(5,800)	(6,540)	(740)	(6,049)
Total Resource DEL (excluding depreciation)	29,500	(4,461)	25,039	22,513	(2,526)	21,415
Depreciation	4,540	(2,040)	2,500	2,188	(312)	1,656
AME	-	-	-	-	-	(158)
Net Resource Outturn	34,040	(6,501)	27,539	24,701	(2,838)	22,913
Capital DEL	3,300	(1,000)	2,300	1,646	(654)	2,574
Total Outturn	37,340	(7,501)	29,839	26,347	(3,492)	25,487

Since 2008-09, the Scottish Government has applied a series of annual efficiency targets to itself and public sector bodies in Scotland. The purpose of this target is to release cash which bodies retain and use for other purposes, while maintaining service outputs and outcomes. NRS, in common with other Scottish public bodies, has an efficiency savings target of 3% of total resource spending (excluding depreciation). NRS achieved £1,767k of efficiency savings during 2017-18, against a target of £1,000k (2016-17: £660k).

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. NRS therefore 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 2018, NRS paid 99% of all invoices within 10 days (2016-17: 99%).



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.

The registration of births, deaths and marriages has been at the heart of understanding ourselves and a key interaction with the state for generations. Scotland's Census and the 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. In 2017-18, we published a new report on how we are mainstreaming the Public Sector Equality Duty within the organisation, available on our [website](#).

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.

We have a zero-tolerance policy towards fraud, bribery and corruption. We have a clear counter-fraud policy, and operate controls to prevent and detect fraud, bribery and corruption, including procurement procedures which follow Scottish Procurement policy, regulations and best practice. All actual or suspected instances of fraud, bribery or corruption are vigorously and promptly investigated and appropriate action taken.



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.

As part of our annual business planning approach, the Executive Management Board has confirmed the following six key commitments for NRS for 2018-19:

1. We will continue to deliver **high quality public services** to our customers, whilst developing a Business Strategy which identifies our key investment priorities for new and enhanced digital services over the next three to five years.
2. We will, working with a range of partners, design and deliver a successful Census for 2021 with lasting benefits for Scotland, and prepare and set out, in late 2018, an approach to deliver Census 2021, including any legislative Parliamentary authority requirements, whilst meeting digital assurance requirements in delivery.
3. We will deliver **high quality statistics** by meeting our commitments in the NRS Statistics Plan, in line with UK standards and through enhancement of our statistical services, and will support and develop the delivery of **registration services** through local authorities across Scotland.
4. We will work on our strategy for the future of NRS archive functions to ensure they are fit for the 21st century, investing in digital through the delivery of our Digital Preservation Programme priorities for 2018-19 and engaging in a collaborative project to take forward long-term storage options.
5. We will **improve our organisational infrastructure** to enhance the way we operate, through strengthened governance, developing the skills, knowledge, leadership and capacity of our organisation and continuing with the implementation of our Estates Strategy to ensure our buildings are fit for purpose.
6. We will progress a long-term plan to transition to **a single sustainable NRS IT function** augmented by increased customer insight to inform our priorities and secure efficient, high quality digital services.



Sustainability Statement

NRS remain committed to supporting the delivery of the ambitious emission reduction targets set by the Scottish Government. Change across the management structures in NRS gives opportunities to improve the implementation and development of NRS' Environmental policy, as well as increased impetus in considering sustainability in all future projects.

Staff awareness and reduction of waste

During the year we have been developing ways to improve staff awareness of on-site recycling and waste reduction. We have already seen a 10% reduction in NRS waste over the last year, with just over 100 tonnes of waste generated across our buildings, all of which is recycled. Further initiatives to reduce overall waste will continue to be developed by the Energy Committee during 2018.

Energy management

Our aim of optimising energy usage reflecting building use and occupancy is being reinforced through developing protocols on the management of environmental controls. This will allow a streamlined response to our complicated energy usage for managing archives in listed buildings, as well as ensuring the comfort of our staff and customers. While there was an increase in electricity and gas consumption over the year, reflecting a change in energy usage and changes to essential plant, overall NRS energy usage is down 4% from the base line year. Correcting that figure in line with the additional exceptionally cold days the winter of 2018 witnessed, brings that figure to a 6% reduction.

Green projects

The installation of photovoltaic panels at Thomas Thomson House in November has given NRS the ability to generate almost 20,000kWh of electricity annually, reducing our CO2 emissions by 8,468kg per annum and by 157,000kg over the panels' lifetime. Investigations are underway to explore how we can further optimise our estate for similar energy generation or saving projects.

Sustainable travel

We continue to promote our Business Travel policy guidelines to encourage alternatives to travel and for staff to use train, tram and buses. We have seen an increase in the usage of our more fuel efficient vehicles and will promote training to continue the energy efficiencies of the introduction of these vehicles.

Review of the Year

The work of National Records of Scotland is hugely varied, and touches the lives of everyone in Scotland. What links it all is our commitment to delivering public value and excellent customer service, and to our purpose - to collect, preserve and produce information about Scotland's people and history and make it available to inform current and future generations.

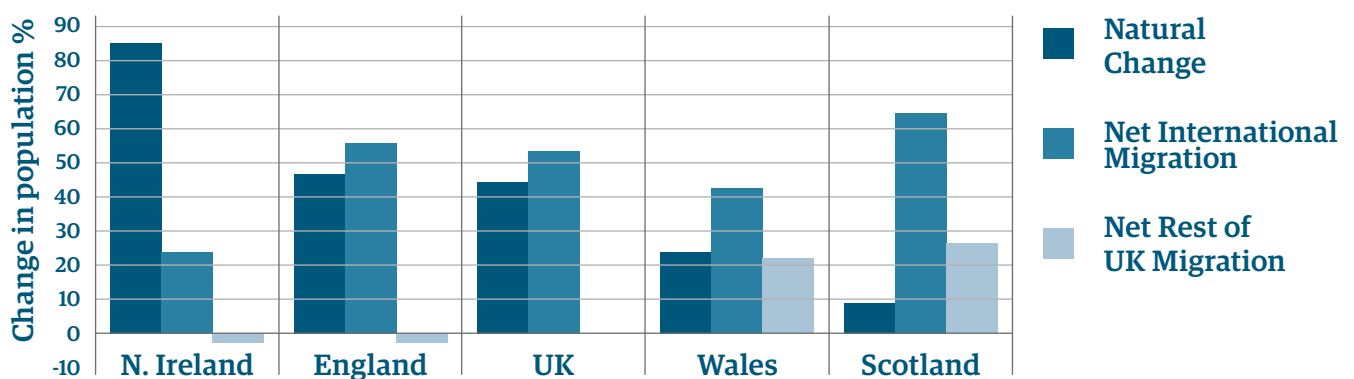


Demographic Statistics

The statistics we produce continue to be fundamental in understanding changes in our population and in helping inform decisions about the people of Scotland. They help in the planning of services and allocation of resources to where they are most needed, whether it be for schools, the building of houses, or care for the elderly.

Our statistics are used regularly to inform government and public debate. For example, the Scottish Government's paper on Scotland's Population Needs and Migration Policy included evidence provided by National Records of Scotland. This showed that over the last ten years, net international migration has contributed a higher share of population growth in Scotland than any other part of the UK.

Figure 2
Natural change and net migration across the UK

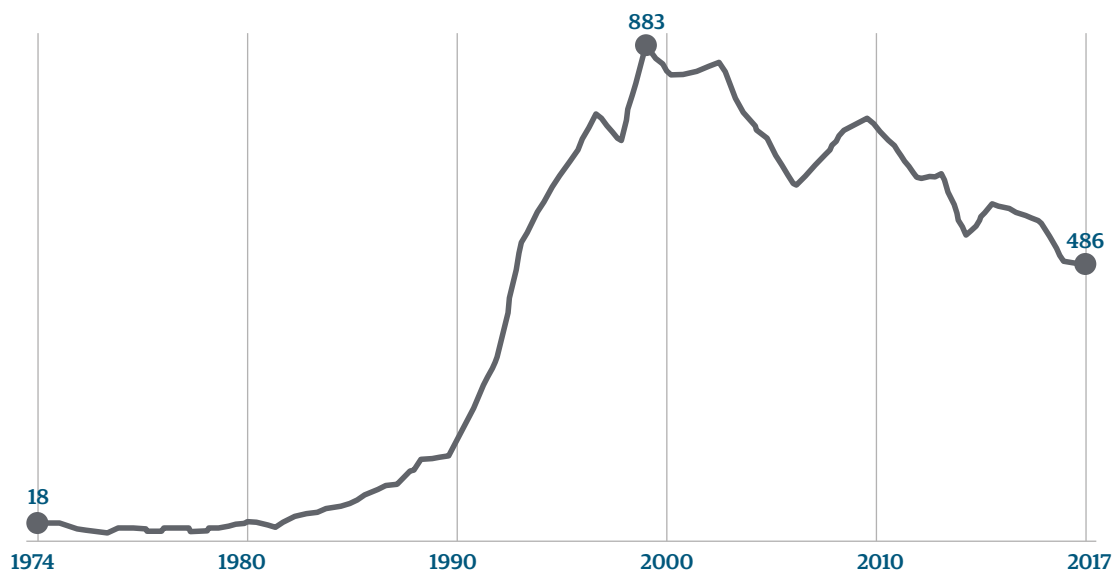


We have also been going out and talking to people about how Scotland's population is changing and the implications of this, as well as promoting our data, analysis and services. In order to support local government and the third sector, we have produced [council area profiles](#) that contain data on population, births, deaths, life expectancy, migration, marriages, civil partnerships, households and dwellings for each Scottish council area.

We are continuing to harvest the rich information provided by the 2011 Census. In addition to the comprehensive number of tables available on our [Scotland's Census website](#), we have now provided workplace and daytime populations by datazone. The Census Data Explorer now includes 1991 census data as well as 2001 and 2011 census data, and work continues to add 1981 census data. The census provides a unique opportunity to analyse data for specific groups and for small areas while preserving the confidentiality of the information.

We now include an infographic summary with each publication, illustrating the key findings. We are also making greater use of social media to help get the messages from our statistics across to a wider audience. [Scotland's babies' names](#) continues to be our most popular interactive data visualisation, showing how the numbers have changed (since 1974) for any name entered.

Figure 3
The number of boys called Jack born in Scotland





Scotland's Census 2021

The preparations continue for Scotland's Census 2021. Following on from an earlier consultation on the topics to be asked in 2021, we continued to work on new and amended questions. We have held [a number of events](#) with a range of users and interest groups to understand their data needs and to ensure that the questions are asked in the most appropriate way to meet these needs. We have carried out a [programme of question testing](#) exploring, amongst other things, the public acceptability of some potentially sensitive questions.

As well as understanding what data users need from the Census, we have been working with them to understand how they will want to access the 2021 data. We held a number of interactive events to allow people to experiment with different output approaches and ways of ensuring that we keep data confidential. The feedback from these events fed directly [into our draft output strategy for 2021](#) which was published for consultation in January 2018.

"We held a number of interactive events to allow people to experiment with different output approaches and ways of ensuring that we keep data confidential."

Scotland's Census 2021 will be delivered in partnership with a range of suppliers providing various products, services and support. The first two contracts to deliver the online census tool and to provide the overall operational system for managing the census were awarded to CACI in February this year. We have continued to engage with potential suppliers to help us develop our approach for procuring the many other systems and services which are required for the Census. This will continue into 2018-19 when we expect the majority of contracts to be awarded.

Looking to 2021 and beyond, we are keen to expand the use we make of administrative data in the collection, production and quality assurance of population statistics. Throughout 2017-18, we have been working with a number of public sector bodies to agree access to a range of datasets in order to establish how the data can improve both current and future population estimates. We have been working closely with colleagues in the Office for National Statistics and the Northern Ireland Statistics and Research Agency on this work. We understand that the use and linking of administrative data in the production of statistics does raise questions around privacy and ethics so we have been engaging with privacy groups and members of the public, as well as with the Information Commissioner, to ensure that we understand and are addressing any concerns.



Registration

In addition to supporting the annual registration of around 145,000 births, deaths and marriages, the last year has seen the clarification of a number of outstanding policies through the registration review, and confirmation of the role and resourcing of the district examiners, whose quality assurance role is essential to the production of accurate, probative data.

We have delivered a further series of successful marriage workshops, background and refresher courses, ensuring registrars both new and more established are properly grounded in the scope and detail of registration policy and process, and are aware of the new freedoms and possibilities of civil marriage.

On the policy front, registration has continued to engage with colleagues within Scottish Government on a number of key issues. Over the next period, we will be working with stakeholders on an important piece of legislative work to define the qualifying requirements for organisations putting forward celebrants to be authorised to solemnise marriages in Scotland. In addition, we have begun work on scoping a review of the future of registration in a digital context, and will take forward this work within the new directorates and working relationships of the restructured NRS.



Data Resources

We continue to grow and develop our data linkage service, working with our partners across government, health and academia. Our direct involvement in the Scottish Longitudinal Study (SLS) and the Scottish Health and Ethnicity Linkage Study (SHELS) also continues.

Within the NHS Central Registry (NHSCR), we continue to work closely with our partners in Health, in Local Authorities and in the charities sector supporting their administration and provision of services to the public. Our ongoing services to medical researchers resulted in NHSCR supporting over 90 studies in the last year.



Cataloguing and Accessions

Figure 4

Chart showing breakdown of public records from government departments catalogued during 2017-18

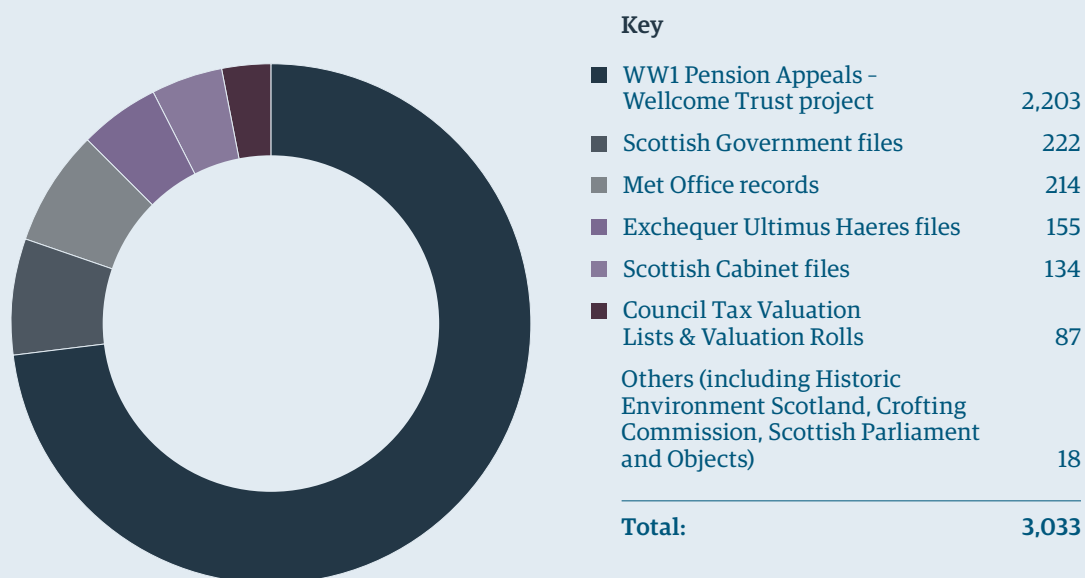
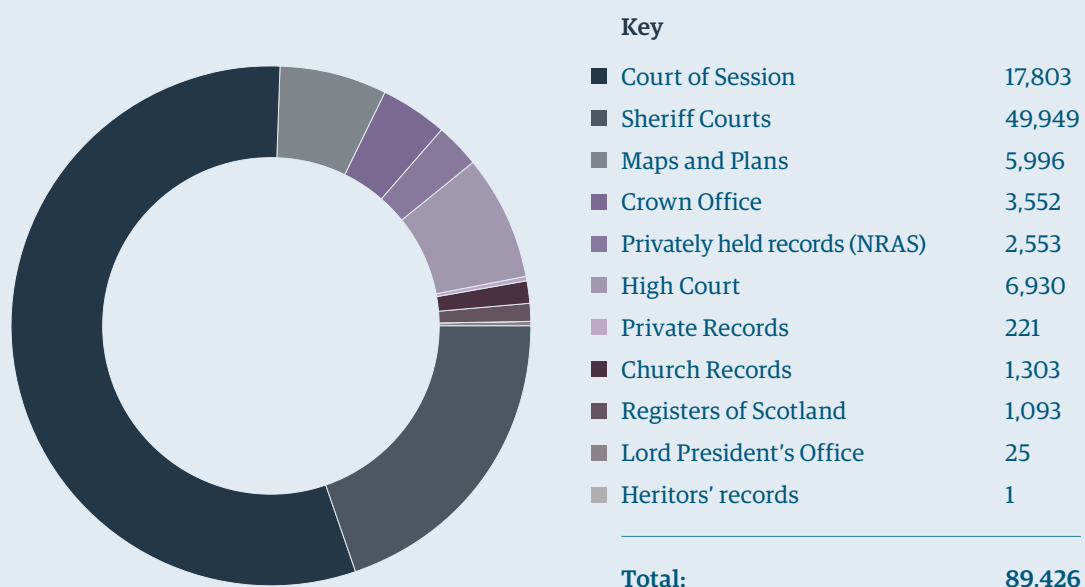


Figure 5

Chart showing breakdown of court, legal and private records catalogued during 2017-18



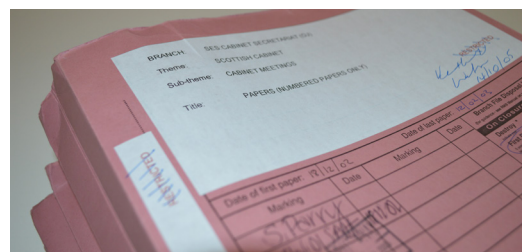


Government Records

On 1 January 2018, Scottish Cabinet papers and government files for 2002 were opened for the first time. They shed light on Cabinet discussions about a number of contemporary issues including serious flooding and an (ultimately unsuccessful) joint bid between Scotland and Ireland to host the Euro 2008 football championship.

We have supported the Scottish Child Abuse Inquiry investigation by facilitating access to records of interest which are held in the archives at NRS.

One of the more unusual items conserved and catalogued this year was the contents of a former bird's nest (possibly a jackdaw) found by Dr Athol Murray, retired Keeper of the Records of Scotland in the roof of St Giles' High Kirk in 1961. The nest was lined with fragments of historic papers from the Scottish Exchequer Office which was located nearby.



Government records for 2002 opened for the first time on 1 January 2018



Contents of a birds nest conserved and catalogued this year



Wellcome Trust project - WW1 Pensions Appeals Cataloguing

This year we commenced a two year project funded by The Wellcome Trust to catalogue and preserve First World War Pension Appeal Tribunal Records. The series contains around 30,000 appeals by Scottish ex-servicemen who sustained injuries during the war, or who later died from associated illnesses but were refused war pensions. The records are a rich untapped resource for genealogists, medical historians and other research fields. Cataloguing of over 2,000 records has already been completed, reaching a key milestone. While the records presently remain closed, on completion the project will help ensure that the stories and sacrifices of Scotland's First World War servicemen are not forgotten.



Public Records (Scotland) Act 2011

This year we met the target of inviting all Scottish public authorities to submit a records management plan within the first five years of the Act coming into force. We issued seven invitations and agreed 61 submitted plans. In total, we have agreed 209 plans and invitations have now been sent to all first tranche authorities listed under the original schedule to the Act. We have also started inviting second tranche authorities created after the Act came into force in January 2013.

This year we rolled out the new Progress Update Review (PUR) self-assessment mechanism, designed to measure improvement models submitted as part of agreed plans. Though a voluntary process, a high percentage of authorities have agreed to take part.

We continued our outreach activities running various surgeries and talks about the Act with events held in Aberdeen, Dundee, Edinburgh, Glasgow, Inverness, Irvine and Stornoway, and giving talks at a number of events.



Digital Archiving

We marked the formal launch of our Web Continuity Service with a broad-based stakeholder event in November 2017. Since the Web Continuity Service went live in February 2017 we have captured, preserved and made available 155 archival snapshots of selected websites, from 67 organisations. Our Service has also allowed organisations to strengthen their own public transparency via web continuity redirection – a free tool which helps maintain access to online information in support of user access and open government. The web archive can be found at <http://webarchive.nrscotland.gov.uk>.

Our Digital Preservation Programme continues to progress. The Minimum Bit Preservation project is creating a minimum capability for NRS to store digital archives which can be scaled up over time. This year, its core networking infrastructure was delivered making use of the Scottish Wide Area Network (SWAN) to reduce the cost of service. Work continues in configuring the hardware infrastructure to deliver bit preservation in a secure, supportable, sustainable and scalable storage solution.

NRS has delivered a digital preservation toolkit for Scottish local authorities, composed of digital preservation guidance and a digital capacity toolset to support local authorities to meet the requirements of the Public Records (Scotland) Act 2011. This work was delivered by two trainees operating under the Opening Up Scotland's Archives scheme, administered through the Scottish Council on Archives/Heritage Lottery Fund's Skills for the Future Programme. The toolkit can be found at: <https://www.nrscotland.gov.uk/record-keeping/public-records-scotland-act-2011/resources>.



Court and Legal Records

The regular annual transmissions were received and listed from the High Court of Justiciary and from the Court of Session, as well as the Crown Office. Progress was made in cataloguing older High Court cases and it now remains only to finish the years 1815 and 1819-1821 to complete the 19th century.

In collaboration with the Scottish Courts and Tribunals Service (SCTS), we undertook a full national survey of the records held in all 39 sheriff courts which will give us a clear picture of what we can expect to accession over the next 25 years. We continue to advise SCTS on records management and storage, holding several training days and visiting several courts across Scotland, bringing in a large volume of civil and criminal records for the years before 1991.

Throughout the year, NRS has been engaged in a project to create digital images of the Roll Books of the Scottish Land Court for the years 1912–1995. These will be made available in our search rooms and can be used as an index to the court processes, opening up a major source for Scottish local and family history.



National Register of Archives for Scotland (NRAS)

The NRAS was involved in the creation of a new group to support owners and archivists of private collections and share information and expertise, the Scottish Association of Country House Archivists (SACHA), which held its second AGM at Bowhill at the end of March. During the year we undertook a survey of local authority and university archives to update the NRAS' information on records of congregations of the Episcopal Church of Scotland that had been deposited in the last five years.



Maps and Plans

Work continued throughout the year to allow NRS to start making our maps and plans collection accessible through the ScotlandsPeople site, a service which launched in April 2018. Highlights from our accessions this year included the gift of a plan by an unknown surveyor of Cultoquhey Mains, Perthshire (1757), a plan of the area between Leith and Wardie, Edinburgh by John Ainslie (1799) and the purchase of a small collection including a plan of the runrig lands of Shettleston, Glasgow by Thomas Richardson (1802). Cataloguing highlights included a plan of Auldcamus, Berwickshire by Mathew Stobie (1790). An additional accession of plans was transferred by Scottish Canals, bringing the total number transferred so far to over 500 items, some going back into the late 18th century.



Private Records

We accepted church records for 83 congregations from several denominations across Scotland. One highlight was a kirk session minute book for the Church of Scotland in Haddington, 1754-1777. This was long thought lost but had in fact been kept safe by a collector who had rescued it from a builder's skip many years ago. Among our other acquisitions was a late 18th century watercolour of General Register House purchased at auction. A donation from the Graham family of Fintry to be added to the collection already here included an 1806 account by Major John Graham of the recapture of the Cape of Good Hope.



Liaison

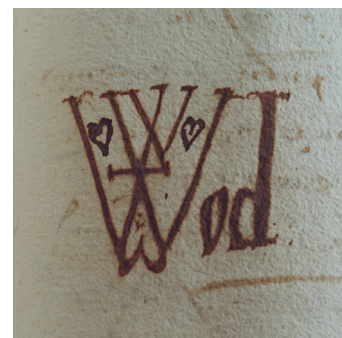
In a first for NRS, staff joined with colleagues from The National Archives to assess the application by Nucleus, the archive of the Nuclear Decommissioning Authority in Wick, to become an official place of deposit for public records. NRS staff sat as observers at the meetings of the Scottish Local Authorities Archivists' Working Group. A colleague was invited onto the ArchivesRevealed Panel, administered by The National Archives, to assess applications by UK archives for cataloguing grants. NRS was also represented on the Railway Heritage Designation Advisory Board, which has powers to designate records from the privatised railway industry for preservation.



Conservation

Conservation and preservation is core to opening up access to our collections and supports the work of the professional cataloguing and search room staff in a variety of activities. Conservation colleagues support all our exhibitions, as well as loans to other collections. Preservation includes all the logistical work essential if we are to make archives available – from keeping track of the records to their efficient and secure delivery to the search rooms, provision of acid free boxes and enclosures, as well as ensuring the archives are stored and handled appropriately.

Conservation continue monitoring environmental conditions across the NRS storage buildings with colleagues in Estates to ensure the preservation of our buildings and collections while nearby construction work takes place in central Edinburgh.



One of our conservators spotted this 16th century love heart doodle in the margin while conserving the Register of Deeds 24th October 1594 - 19th April 1602



ScotlandsPeople

We added 36,000 baptism, marriage and burial records from Scottish Presbyterian churches outside the Church of Scotland, and 2.7 million indexed names from the 1935 valuation rolls to our ScotlandsPeople service. About 233,000 statutory register index entries for births, marriages and deaths were made available for online searching. Our Index and Imaging team rescanned over 22,000 birth, marriage, death and Census entries to improve the quality of digital images for our customers. We also created and uploaded 14 features and articles about people, events and records.

The free online index search attracted over 65,000 new customers with the majority located in the United Kingdom followed in popularity by Australia and then America. We have seen a 5% increase in the number of sessions this year.

We launched an internet version of ScotlandsPeople in our search rooms which enabled us to provide a consistent customer experience across our ScotlandsPeople service, and in particular enables customers to access their personal account in our search rooms and at home. The main benefit is that personal accounts containing saved images and timelines can be accessed and official certificates can be ordered by customers sitting in search rooms or at home.



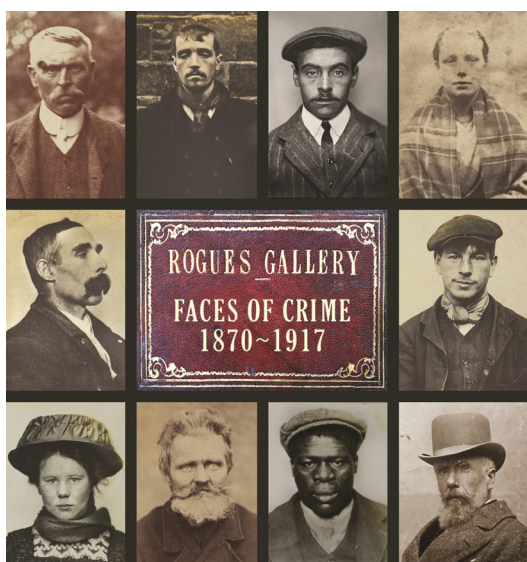
Search Rooms

We welcomed over 15,000 visitors to our ScotlandsPeople Centre and Historical Search Room. This represents a 25% decrease in search room visitors from the previous year, reflecting the trend for customers to use online services. Over 1,000 people attended evening visits to our ScotlandsPeople Centre. We provided 59,471 official certificates from our Statutory, Census and Old Parish Records and 1,009 official extracts from our property records.



Outreach and Learning

Our four exhibitions in General Register House attracted 7,000 visitors and overwhelmingly positive comments. 'Scribes and Royal Authority' was created in partnership with the University of Glasgow. It focused on medieval charters in NRS, and explored how and why they were created. For the Edinburgh Festival Fringe we displayed rarely-seen documents that charted the lives of four 'Famous Scots from the Past': Mary Queen of Scots, Robert Burns, Madeleine Smith and Sir William Arrol. In 'Robert Burns: Radical Exciseman' we revealed two newly-identified letters in NRS that shed light on his controversial political opinions and his Excise career. For 'Rogues Gallery: Faces of Crime 1870-1917' we worked with Edinburgh City Archives, matching their police photograph albums with our criminal trial records to highlight what the archives can reveal about historic crime and criminals. We also mounted a display of Christmas-related records.



The poster for our "Rogues Gallery: Faces of Crime 1870-1917" exhibition

We loaned five documents to the National Museum of Scotland's 'Bonnie Prince Charlie and the Jacobites' exhibition, which was seen by 57,000 visitors from June to November 2017.

We continued to add resources to the NRS website, allowing people to learn more about our archives and our services.

The NRS programme of talks by staff and outside experts attracted 1,600 adult learners, postgraduates, undergraduates and school pupils. On 23 September the chance to see round General Register House and New Register House on Doors Open Day was taken by 1,200 visitors from Edinburgh and further afield.



The Scottish Register of Tartans

The number of tartans registered on the Scottish Register of Tartans website continued to increase to 343, exceeding the previous year's total by 84.

Notable registrations during 2017-18 included a fashion tartan, Du Lion, created by Carol Martin to celebrate the designer's meeting with Canada's Heralds of Arms and the principal artist of the Canadian Heraldic Authority in Ottawa in June 2013. The colourful design represents the lion on the flag of the Governor General of Canada. Du Lion, was formally adopted as the official tartan of the Office of the Governor General of Canada on 13 June 2017, the same year that Canada celebrated her 150th birthday.



The Du Lion tartan, one of 343 registered this year

Another notable registration was the Yoichi tartan. This was designed to commemorate the relationship between Masataka Taketsuru, a whisky distiller in Japan, (who built the Nikka whisky distillery in 1934 in Yoichi) and his Scottish wife Rita, who was born in Kirkintilloch, East Dunbartonshire. Yoichi and Bishopriggs in East Dunbartonshire became twin towns following this relationship.



Steven Hanlon
Accountable Officer
3 September 2018

Accountability Report and Financial Statements for the Year Ended 31 March 2018

27-63	Accountability Report for the Year Ended 31 March 2018
27	(1) Corporate Governance Report
27	(i) Director's Report
34	(ii) Statement of Responsibilities for National Records of Scotland's Chief Executive and for the Accountable Officer
36	(iii) Governance Statement
45	(2) Remuneration and Staff Report
58	(3) Parliamentary Accountability and Audit Report
64-91	Financial Statements for the Year Ended 31 March 2018
64	Statement of Comprehensive Net Expenditure for the year ended 31 March 2018
65	Statement of Financial Position as at 31 March 2018
66	Statement of Cash Flows for the year ended 31 March 2018
67	Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018
68	Notes to the Financial Statements for the year ended 31 March 2018
92	Accounts Direction

Accountability Report for the year ended 31 March 2018

The Accountability Report is the second of the three elements which comprise the Annual Report and Accounts. Its purpose is to meet the requirements of NRS' accountability to the Scottish Parliament. It is composed of:

- A Corporate Governance Report, which explains the composition and organisation of NRS' governance structures and how they support the achievement of our objectives.
- A Remuneration and Staff Report which describes the remuneration of NRS' senior managers and how remuneration policy has been set and implemented. In addition it describes additional details of NRS remuneration and staff to support our accountability to the Scottish Parliament and the public.
- A Parliamentary Accountability and Audit Report which brings together further accountability disclosures, and contains the Independent Auditors' Report on the financial statements.

Corporate Governance Report

The Corporate Governance Report consists of:

- A Director's Report, describing the basis of preparation of this Annual Report and Accounts and the management structure of NRS.
- A Statement of Responsibilities for National Records of Scotland's Chief Executive and for the Accountable Officer.
- A Governance Statement, which describes NRS' system of internal control and its management of resources.

Director's Report

Basis of Accounts

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 p.92 of these accounts.

Departmental Accounting Boundary

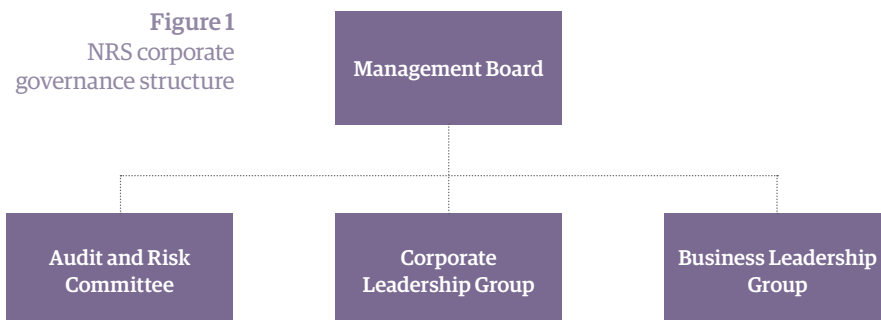
There are no associated bodies that require to be included within the departmental boundary.

Ministers and Senior Officers

NRS is a non-ministerial department 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 the Scottish Government's Director of Culture, Tourism and Major Events and Scottish Ministers. NRS sits within the portfolio of the Cabinet Secretary for Culture, Tourism and External Affairs. During the year, from 1 April 2017 to 31 March 2018, this post was held by Fiona Hyslop MSP.

Composition of boards

The governance structure for NRS for the majority of the reporting year 2017-18 is shown in Figure 1 below.



However, during the year, work took place on a review of our governance, operating model and leadership roles, and we began a transition towards a new structure, which will be fully established during 2018-19.

The following sections provide information on the membership and remits of the groups that comprised the governance structure until January 2018.

The Management Board

The Management Board (MB) advised the Chief Executive on the operations of NRS, with a particular focus on the strategic direction of the organisation, checking it was on track to deliver its purpose and vision. It considered the balance between business as usual and transformation activities in the portfolio and used the experience of Non-Executive Directors (NXDs) to identify opportunities and emerging issues for NRS to consider. The Board met quarterly and in 2017-18 comprised the Chief Executive (Chair), four Business Leads and five NXDs.

The MB comprised:

- Tim Ellis (Chair)
- Bill Matthews (NXD)
- Colin Ledlie (NXD)
- Mandy Gallacher (NXD)
- Catherine McFie (NXD)
- Gordon Shipley (NXD)
- Laura Mitchell (Business Lead)
- Anne Slater (Business Lead)
- Amy Wilson (Business Lead)
- Sam Bedford (Business Lead) (From 23 October 2017)

The Audit and Risk Committee

The Audit and Risk Committee (ARC), which has not been changed under the new governance arrangements, supports the Accountable Officer and Chief Executive 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 NXDs and one independent external member. In addition, the Chief Executive, Accountable Officer, Internal Auditors and External Auditors attend by invitation.

The Audit and Risk Committee comprises:

- Colin Ledlie (NXD)(Chair)
- Mandy Gallacher (NXD)
- Bill Matthews (NXD)
- Gordon Shipley (NXD) (Until 30 September 2017)
- Michelle Lockhart (Independent External Member)
(From 1 August 2017 until May 2018)

The Business Leadership Group

The Business Leadership Group (BLG) was responsible for delivering the day-to-day management of NRS to ensure that it achieves its purpose and vision. BLG had responsibility for overseeing the Portfolio of business as usual, programmes and projects, and also identifying future priorities. The Group met quarterly, was chaired by the Chief Executive and comprised all of the business leads of NRS. Other NRS staff attended by invitation.

Membership during the year was as follows:

Tim Ellis	Chief Executive, Registrar General, Keeper of the Records of Scotland
Steven Hanlon	Accountable Officer & Chief Finance Officer
Amy Wilson	Head of Statistical Futures
Kirsty MacLachlan	Head of Demographic Statistics
Rod Burns	Head of Registration, Deputy Registrar General
Anne Slater	Head of Public Services & Acting Head of Business Portfolio & Corporate Services
Laura Mitchell	Head of Records and Archives, Deputy Keeper of the Records
Gerry Donnelly	Head of Data Resources
Tim Gollins	Head of ICT (Until 20 October 2017)
Sam Bedford	Director of IT Services (From 23 October 2017)

The Corporate Leadership Group

The Corporate Leadership Group (CLG) was responsible for the strategic direction towards delivery of the vision, implemented MB advice and oversaw transformation of the organisation. The Group met monthly, was chaired by the Chief Executive and comprised the senior business leads of NRS.

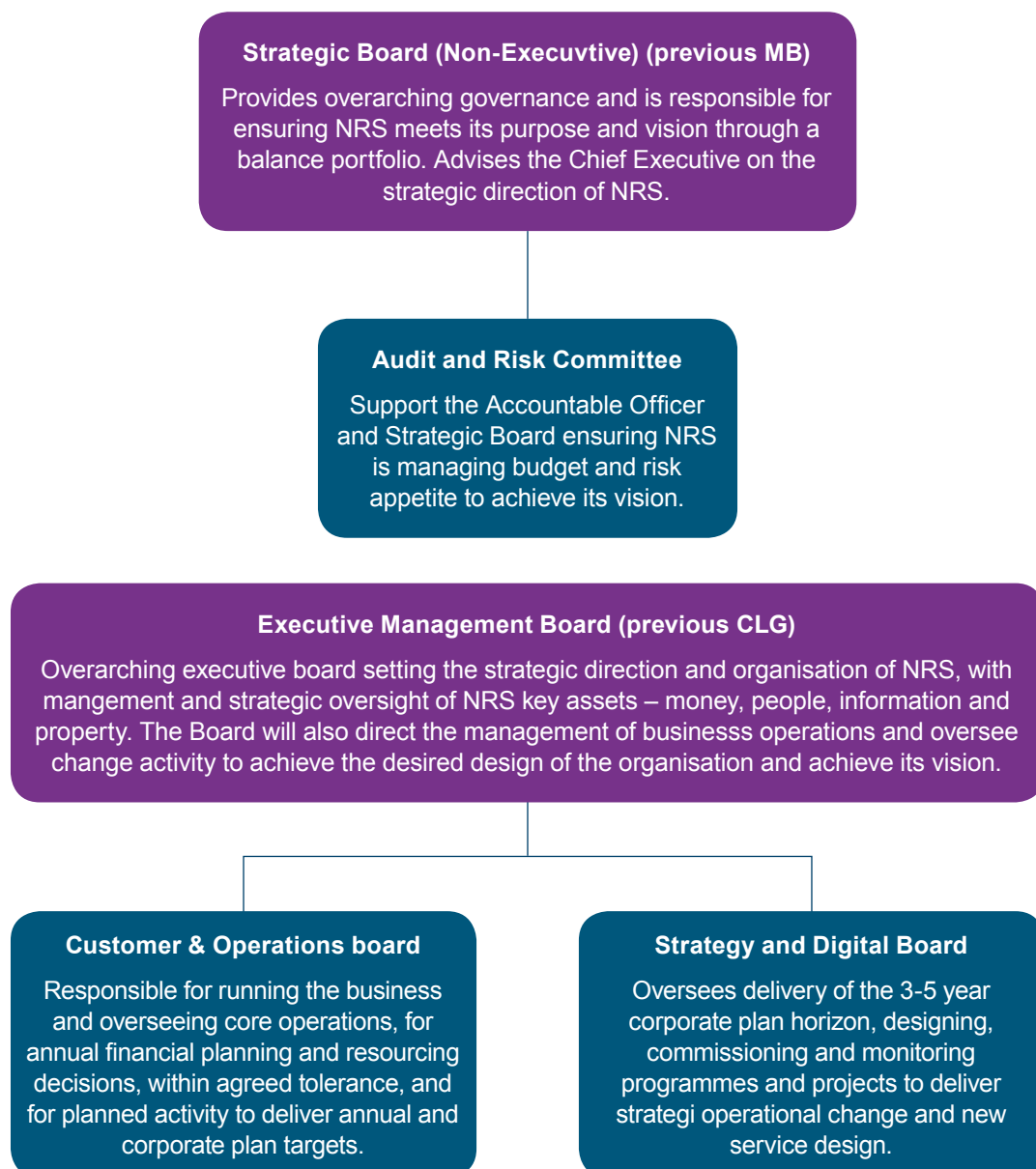
Membership during the year was as follows:

Tim Ellis	Chief Executive, Registrar General, Keeper of the Records of Scotland
Anne Slater	Acting Head of Business Portfolio & Corporate Services
Amy Wilson	Head of Statistical Futures
Laura Mitchell	Head of Records and Archives, Deputy Keeper of the Records
Sam Bedford	Director of IT Services (From 23 October 2017)

Our new arrangements

From January 2018, our MB became known as Strategic Board, to better reflect its role in NRS. The CLG and BLG disbanded, and the Executive Management Board (EMB) became responsible for setting the strategic framework for NRS and overseeing its activities and operations. During 2018-19, two further boards, the Digital Strategy Board and the Customer and Operation Board, will be established to support EMB.

The roles and responsibilities of the boards are as follows:



The membership of EMB from January 2018 to 31st March 2018 was as follows:

Tim Ellis*	Chief Executive, Registrar General, Keeper of the Records of Scotland (Chair)
Amy Wilson*	Director of Statistical and Registration Services
Laura Mitchell *	Director of Information and Records Services and Deputy Keeper of the Records
Anne Slater*	Director of Operations and Customer Services
Sam Bedford*	Director of IT Services
Steven Hanlon	Chief Finance Officer and Accountable Officer

* Decision-making members

During the period January to March 2018, Linda Sinclair also sat on EMB, in the capacity of Transition Manager.

During the same period, the Strategic Board comprised:

Tim Ellis	Chief Executive, Registrar General, Keeper of the Records of Scotland (Chair)
Bill Matthews	NXD
Colin Ledlie	NXD
Mandy Gallacher	NXD
Catherine McFie	NXD
Gordon Shipley	NXD
Laura Mitchell	Director of Information and Records Services and Deputy Keeper of the Records
Anne Slater	Director of Operations and Customer Services
Amy Wilson	Director of Statistical and Registration Services
Sam Bedford	Director of IT Services

The composition of ARC is as before.

Handling of Personal Data


We handle a large volume of personal and sensitive information every year and understand the risks associated with this. We treat maintaining the privacy of the information entrusted to us with the highest importance. We ensure that whenever we process personal information we do this fairly, lawfully and in a transparent manner. Further detail on the control environment relating to personal data and information security can be found in our Governance Statement.

We have had no personal data incidents that were reportable to the Information Commissioner during the year.

Independent Auditors

Responsibility for auditing the accounts of NRS lies with the Auditor General for Scotland. Audit Scotland were appointed as NRS external auditors on behalf of the Auditor General for Scotland for the period 1 April 2017 to 31 March 2018.

The external auditors were remunerated in the sum of £63,400 in respect of statutory audit services for the financial year 2017-18. The fees payable to the external auditors are shown in the Statement of Comprehensive Net Expenditure and in Note 3 to the accounts. There were no payments made for non-audit work during the year.



Steven Hanlon
Accountable Officer
3 September 2018

Statement of Responsibilities for National Records of Scotland's Chief Executive and for the Accountable Officer

In accordance with an accounts direction issued under article 19(4) of The Public Finance and Accountability (Scotland) Act 2000, NRS is required to prepare resource accounts for each financial year in the form and on the basis set out in the Accounts Direction reproduced on p.92 of this document.

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 is required to comply with the Financial Reporting Manual 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 the requirements of the Financial Reporting Manual, NRS publishes a Performance Report alongside the Financial Statements and this Accountability Report, which provides further background to the organisation and describes what it 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 Registrar General/Keeper, as statutory office-holder, remains accountable to the Parliament for the performance of his duties.


The Accountable Officer has a separate, and independent, duty to ensure certain standards and to take action if these are not met. The Chief Finance Officer has been appointed by the Principal Accountable Officer as Accountable Officer for NRS.

The responsibilities as the Accountable Officer for NRS include the propriety and regularity of the public finances for which he is responsible, keeping proper records and safeguarding NRS assets. These responsibilities are described in full in the 'Memorandum to Accountable Officers from the Principal Accountable Officer' published in the Scottish Public Finance Manual.

Accountable Officer's Declaration

As Accountable Officer, I confirm that the annual report and accounts as a whole are fair, balanced and understandable. I take personal responsibility for the annual report and accounts and for the judgments required to determine that it is fair, balanced and understandable.

I have taken all steps I ought to have to ensure that I am aware of any relevant audit information and to establish that the auditors are also made aware of this information. As far as I am aware, there is no relevant audit information of which the auditors are unaware.



Steven Hanlon
Accountable Officer
3 September 2018

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 Statement

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 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 (RG/Keeper).

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

The Scottish Government has specific responsibilities with regard to non-ministerial departments, which are set out in a framework document covering accountability arrangements and other relevant matters.

As described in the Director's Report, NRS undertook a review of its governance arrangements during 2017-18, resulting in changes to its governance structure during the year. Until the end of December 2017, the RG/Keeper was assisted in his role by a Management Board that supported and advised him. From January 2018, a new Executive Management Board was put in place, responsible for setting the strategic framework for NRS and overseeing its activities and operations. The former Management Board was renamed the Strategic Board, to better reflect its role in advising the RG/Keeper on the strategic direction of the organisation. I am supported in discharging my responsibilities as Accountable Officer by the Audit and Risk Committee, whose remit has not been changed. Further details of the governance of NRS, and the changes that have been implemented, can be found in the Director's Report, on pp.27-33.

The Audit and Risk Committee's activities for 2017-18 included receiving reports from Internal Audit on IT security events and GDPR preparations, Census 2021 risk management and budget management arrangements, and from External Audit, concluding on the 2016-17 annual report and accounts and internal controls for the 2017-18 report. In addition, the committee has examined risk, governance and financial management throughout the year, as well as carrying out detailed focus sessions on ICT and estates risks and capacity.

Financial Management

I, as Accountable Officer for NRS, formally delegate responsibility for financial management to business area leads and budget managers. These named individuals are responsible for ensuring that expenditure is committed and recorded in line with the Scottish Public Finance Manual and with the principles of Value for Money. Furthermore, they are responsible for identifying and raising income as required. These delegations are recorded and are reviewed continuously to ensure that they remain up-to-date.

The budget for NRS is set in the context of the Scottish Government's annual budget process. During 2017-18, NRS has refreshed its approach to financial management and budget monitoring to make forecasts more responsive to changing circumstances and provide budget holders with stronger support from the Finance team. The Management Board and Business Leadership Group received at each meeting a financial update which highlights performance in the year to date and the current forecast to the end of the year. Following the changes in governance arrangements, this report is now received by the Executive Management Board. In addition, NRS provides monthly financial monitoring information to Scottish Government Finance Directorate.

Planning and Risk Management Arrangements

Planning

NRS operates within the National Performance Framework set by Scottish Ministers. We support several of the Scottish Government's key National Outcomes. NRS has developed a strategy which explains its purpose and vision, and provides the strategic context that supports its corporate planning.

During 2016-17, NRS put in place a corporate plan, covering the period 2016 – 2022, which describes its long-term objectives. Our plan is refreshed annually to include a business plan for the year ahead. The corporate plan forms the basis of the annual planning exercise, which determines the immediate steps to be taken to deliver its objectives. During this planning exercise, our business areas and teams consider how they will contribute to our vision and objectives. This then informs local business area plans, from which teams and individual staff can identify team and personal objectives.

Annual objectives contributing to the five year corporate plan were agreed for 2017-18. Owners of objectives on the business plan were required to report quarterly on progress and risks to delivery. This was then reported to the Business Leadership Group, which was responsible for holding managers to account for the delivery of objectives. This role was taken on by the new Executive Management Board for the final quarter of the year.

Risk Management

We have put in place a risk management framework that helps 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. Risks are identified and prioritised with reference to NRS' objectives and to the external and internal context in which they arise. Key elements of the risk management framework are:

- The Management Board, led by the Chief Executive, had overall responsibility for reviewing and monitoring strategic risk, and risk across NRS' portfolio of activities was a regular agenda item at meetings;
- The Business Leadership Group had lead responsibility for managing operational risk in NRS and received regular reports from managers on the status of operational risks;
- These functions have been taken on by the new Executive Management Board from January 2018 and work is underway to embed responsibilities for risk management as the new governance structure is implemented in full;
- NRS senior managers have responsibility for identifying, evaluating and managing operational and strategic risk within their areas and for escalating risks to the appropriate level of the governance structure, following guidelines which are set out in the framework; and

- The Audit and Risk Committee reviews risk across the organisation at each meeting. The Audit and Risk Committee advises the Chief Executive and Management Board on the management of risks and supports me, as Accountable Officer, in my responsibility to ensure that risk management and internal control arrangements are sound.

Significant strategic risks that NRS is currently managing include:

- Ensuring that we have the specialist skills that we require to support our activities and deliver our key programmes, most notably those that are required to deliver our digital ambitions and the 2021 Census;
- Recognising the value and importance of the information assets we hold, both in terms of appropriately safeguarding them and of maximising the opportunities to use our information to benefit customers and stakeholders;
- Developing our physical and ICT infrastructure so that it meets our current and future demands, helps us ensure business continuity and supports the safeguarding of the information assets and personal data we hold.
- Ensuring that our buildings provide a safe, secure and effective environment for staff and the public.

Our Internal Audit service has recently completed a review of the risk management arrangements around the Census programme, making recommendations for improvements in how risks and mitigating actions are documented, tracked and overseen. These recommendations will be implemented within the programme, and their applicability to NRS' broader corporate risk management arrangements will be considered.

Business Continuity

In the event of an incident resulting in a loss of resource (people, premises, technology, information and/or supplies), NRS' business continuity aims are: to protect the records and information within our control; to satisfy statutory and legal responsibilities; to maintain communication with customers and stakeholders; to continue services at a level that will safeguard our credibility; and to keep all other impacts within acceptable limits. NRS operates a Business Continuity Management System to coordinate contingency planning across the organisation, and has incident control arrangements in place to ensure the protection, preservation and restoration of our valuable records.

NRS was forced to temporarily close one of our buildings, West Register House, for health and safety reasons in December 2017. Contingency planning ensured that NRS was able to respond effectively to this disruption by relocating staff and continuing to deliver services from other sites. The incident identified some areas for improvement in our planning which we have been working to address.

The Audit and Risk Committee continues to monitor our contingency planning.

Asset Management and Counter-Fraud

NRS has an anti-fraud policy, which describes roles and responsibilities in relation to fraud. A Fraud Response Plan is in place to ensure that prompt and effective action is taken to investigate the circumstances of suspected frauds, minimise potential losses, and take the appropriate legal and disciplinary action. Actions are led by a designated counter-fraud officer and supported by a Fraud Response Group.

All cases of actual or suspected fraud are vigorously and promptly investigated and appropriate action taken. The police will be informed where considered appropriate. In addition, disciplinary action is considered not only against those members of staff found to have perpetrated frauds but also against managers whose negligence is held to have facilitated frauds. Recovery action will also be taken where possible, and weaknesses in internal control corrected.

During 2017-18, we have worked on raising awareness of fraud and our zero-tolerance attitude to it through a combination of staff messages and physical signage across our estate, and during 2018-19 we plan to reinforce this by establishing a new counter-fraud and whistleblowing page on our staff intranet and publicising counter-fraud training available to staff.

An Asset Management Policy is in place that provides a framework within which NRS assets can be managed effectively. In implementing this policy, we have enhanced our physical asset controls by undertaking more robust asset verification to improve records and identify assets no longer in use.

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. 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) and works within HM Government Security policies and guidance as well as following various relevant professional codes of conduct. All staff and contractors employed in NRS are required to undergo pre-employment checks carried out 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.



In order to ensure that we meet information security requirements now and in the future, as we look to deliver more digital services, we have begun a review of our security model. The review is chaired by our Director of IT Services, supported by subject matter experts, a group of senior managers and an NXD with relevant experience. The review will clarify NRS' information requirements, propose an activity plan to meet these requirements and propose operating model options to give NRS the structures it needs to successfully deliver on security requirements.

A new General Data Protection Regulation (GDPR) which strengthens and unifies data protection for individuals within the European Union came into force on 25 May 2018. NRS has been working in collaboration with our partners in government and other sectors to implement the GDPR and to ensure that all of our policies and operations are compliant with it. To signal our firm commitment to safeguarding people's personal data, the NRS Data Protection Officer role will now be held by a member of the Executive Management Board. NRS uses data protection impact assessments to ensure that when we process personal data it will benefit the public and that any privacy issues are identified and addressed at the outset. We publish privacy [information](#) explaining the uses NRS makes of personal information and the rights individuals have under data protection legislation and how they can exercise them.

Internal Audit carried out a review of our responses to IT security events and GDPR preparations. They assessed our controls in this area as adequate, while identifying a number of recommendations for improvement. We have accepted these recommendations and are in the process of implementing them.

Programmes and Projects

All significant projects and programmes are overseen by a Project or Programme Board whose role is to oversee delivery and manage the associated risks. Complementing this oversight, NRS manages risk and performance of projects and programmes as part of the overall portfolio of activities directed towards delivering its corporate plan. In particular, the Management Board and Business Leadership Group received regular reports on progress and risk across our major programmes and projects. This role has been fulfilled by the Strategic Board and the Executive Management Board since January 2018.

Our key programmes and projects are summarised below.

2021 Census

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.

The risk of failure to meet the primary aims of the 2021 Census is a key strategic risk for NRS, due to its impact on policy and funding across the public sector and wider stakeholders, and the potential for reputational damage to NRS. This risk is being managed through strong engagement with stakeholders, including the Scottish Government as funders of the programme, market engagement to test whether the packages of services that the census will rely on can be delivered and through the use of independent assurance mechanisms such as internal audit, gateway reviews and the Technology Assurance Framework (TAF) operated by the Office of the Chief Information Officer.

During 2017-18, two pre-procurement reviews have been undertaken under the TAF. A series of actions have been put in place to address the recommendations that have been raised through these reviews, resulting in improvements in programme governance and structure, greater focus on determining products, roles and responsibilities, and the closing of skills gaps. The programme will continue working towards full implementation of these recommendations, as well as those raised by Internal Audit in their review of risk management arrangements within the programme (see Risk Management, above).

Digital Preservation Programme

The Keeper of the Records of Scotland has a statutory duty to preserve and make available records created by him or deposited by stakeholder bodies, including the Scottish Government, Scottish Courts and Tribunals Service and the Scottish Parliament. The purpose of this project is to deliver the capability to discharge this duty for records that have been created in digital, rather than paper, form. A key risk that the programme is currently managing is the availability of specialist skills required for successful delivery. This risk has been managed until now through the use of contractors to provide the required skills. Informed by a Gateway Review commissioned by the programme's Senior Responsible Owner, NRS has decided that this approach will be followed through for the current tranche of work, but that the business case will be fully refreshed before progressing with additional tranches.

IT Solution (ITSol)

The primary aim of this programme was 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. This programme is currently being closed. A final gateway review has been undertaken, focussing on lessons learned, benefits realisation and programme closure. As a result, an action plan has been agreed which will deliver full documentation of the benefits which have been delivered and the lessons learned from the programme.

Estates Strategy

The goals of this programme are to provide archival storage to meet current and future needs, to support the development of NRS into a more cohesive and collaborative organisation through co-location of staff in modern, flexible office accommodation, and to reduce the operational and administrative costs associated with the estate. Plans for enhanced archival storage are being pursued in partnership with other Scottish Administration bodies, while options for office accommodation are currently being developed and assessed.

ScotlandsPeople

This programme delivered a new ScotlandsPeople website that provides an expanded and richer web service, offering users a wider range of our images and records than was previously available. Following the launch of the new online service in 2016, this year has seen the new service rolled out in our on-site search rooms and to the Local Family History Centres and public bodies that we provide the service to.

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 work of the Scottish Government 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. Internal Audit Directorate have provided an overall Reasonable Assurance opinion for the 2017-18 financial year, based on their work carried out;
- the comments made by the external auditors, Audit Scotland, in their management letters and other reports;
- the results of Gateway Reviews and similar assurance processes; and
- any other specific reviews that are commissioned from time to time.

We rely on the Scottish Government for the provision of many important aspects of our corporate services. For example, most of our Human Resource related support comes from the Scottish Government's 'One HR' service and the Scottish Government provide and support our finance and accounting system, as well as operating a range key controls over transactions and balances within it. I receive assurances on the robustness of these services from the Scottish Government 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.

As noted in the Director's Report above, NRS is in the process of implementing changes to its operating model, governance and leadership arrangements. This work will continue in 2018-19 and will provide an opportunity to strengthen the existing governance and internal control system.

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' policies, aims and objectives and, while recognising that there are improvements still to be fully implemented, that there were no significant matters arising.



Steven Hanlon
Accountable Officer
3 September 2018

Remuneration and Staff Report

The Remuneration and Staff Report consists of two elements:

- A Remuneration Report, describing the remuneration of NRS' senior management; and
- A Staff Report, which discusses our people, our key policies and the numbers and cost of our staff.

Remuneration 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, Tourism 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, Tourism 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.

For the purposes of disclosing remuneration, NRS considers its senior management, responsible for directing the activities of NRS as a whole, to be the membership of the Management Board to 31 December 2017, and then the membership of the Executive Management Board and Strategic Board from 1 January 2018 (see pp.29-32 for the remits and memberships of these boards).



Salaries

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

Single total figures of remuneration 2017-18: ^{(1), (2), (3)}

Board Members	Salary (£'000)	Bonus payments (£'000)	Benefits in kind (to nearest £100)	Pension benefits ⁽⁵⁾ (£'000)	Total (£'000)
Tim Ellis ⁽⁹⁾ Chief Executive	75-80	-	-	19	95-100
Amy Wilson Director of Statistical and Registration Services	70-75	-	-	31	100-105
Laura Mitchell ⁽⁷⁾ Director of Information and Records Services	55-60	-	-	16	70-75
Anne Slater ⁽⁹⁾ Director of Operations and Customer Services	65-70	-	-	25	90-95
Steven Hanlon ^{(6) (8)} Chief Finance Officer, Accountable Officer - appointed to Executive Management Board 1 January 2018	10-15	-	-	5	15-20
Sam Bedford ⁽¹⁰⁾ Director of IT Services - joined NRS 23 October 2017	30-35	-	-	13	45-50
Linda Sinclair ⁽¹¹⁾ Transition Manager - appointed to Executive Management Board 1 January 2018	10-15	-	-	3	15-20
Bill Matthews ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5
Catherine McFie ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5
Colin Ledlie ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5
Gordon Shipley ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5
Mandy Gallacher ⁽⁴⁾ Non-Executive	0-5	-	-	-	0-5

- (1) The figures within the 2017-18 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 pension figures in the above table are produced by MYCSP on behalf of the Scottish Government for NRS.
- (3) In line with Scottish Government pay policy arrangements, no performance related awards apply for 2017-18.
- (4) During the year Non-Executive Directors earned £225 per Strategic or Management Board meeting attended.
- (5) 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.
- (6) Joined when the Executive Management Board replaced the Management Board on 1 January 2018.
- (7) Part time members, full time equivalent salary band 70-75.
- (8) Full time equivalent salary band is 50-55. Member is also part time so would have disclosed remuneration of 40-45 had he been on the Executive Management Board for the full year.
- (9) Tim Ellis left post 4 May 2018, Anne Slater took on Acting Chief Executive post.
- (10) Full year equivalent salary band 70-75.
- (11) Full time equivalent salary band is 70-75. Member is also part time so would have disclosed remuneration of 50-55 had she been on the Executive Management Board for the full year.


Single total figures of remuneration 2016-17: ^{(12), (13), (14)}

Management Board Officials	Salary (£'000)	Bonus payments (£'000)	Benefits in kind (to nearest £100)	Pension benefits⁽¹⁶⁾ (£'000)	Total (£'000)
Tim Ellis Chief Executive	75-80	-	-	30	105-110
Penni Rocks ⁽¹⁷⁾ Head of Business Portfolio & Corporate Services, Accountable Officer - left post 27 January 2017	55-60	-	-	15	70-75
Amy Wilson ⁽¹⁸⁾ Head of Statistical Futures	55-60	-	-	44	100-105
Laura Mitchell ⁽¹⁸⁾ Head of Records and Archives Services	55-60	-	-	42	95-100
Anne Slater ⁽¹⁸⁾ Head of Public Services - joined 27 January 2017	10-15	-	-	3	10-15
Michael Moss ⁽¹⁵⁾ Non-Executive - retired 16 February 2017	0-5	-	-	-	0-5
Ian Doig ⁽¹⁵⁾ Non-Executive - retired 16 February 2017	0-5	-	-	-	0-5
Bill Matthews ⁽¹⁵⁾ Non-Executive	0-5	-	-	-	0-5
Catherine McFie ⁽¹⁵⁾ Non-Executive	0-5	-	-	-	0-5
Colin Ledlie ⁽¹⁵⁾ Non-Executive	0-5	-	-	-	0-5
Gordon Shipley ⁽¹⁵⁾ Non-Executive	0-5	-	-	-	0-5
Mandy Gallacher ⁽¹⁵⁾ Non-Executive	0-5	-	-	-	0-5

(12) The figures within the 2016-17 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.

(13) Calculations for determining the pension figures in the above table are produced by MYCSP on behalf of the Scottish Government for NRS.

(14) In line with Scottish Government pay policy arrangements, no performance related awards apply for 2016-17.

(15) During the year Non-Executive Directors earned £225 per Management Board meeting attended.

(16) 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.

(17) Full year equivalent salary band 65-70.

(18) Part time members, full time equivalent salary band 65-70.

Fair Pay Disclosure

In accordance with the Financial Reporting Manual, 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 2017-18 was £75-80k (2016-17: £75k-80k). This is 2.9 times the median remuneration of the workforce, which was £25-30k (2016-17: 2.9 times, median £25-30k). The range between the lowest and highest remuneration bands was £15-20k to £75-80k (2016-17: £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.

Civil Service Pensions

The pension entitlements of Management Board members are set out in the tables below:

Single total figures of pensions 2017-18:

Board Members	Accrued pension at pension age as at 31/3/18 and related lump sum	Real increase in pension and related lump sum at pension age at 31/3/18	CETV at 31/3/18	CETV at 31/3/17	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £'000
Tim Ellis Chief Executive	30-35 plus a lump sum of 70-75	0-2.5 plus a lump sum of 0	461	427	4	-
Amy Wilson Director of Statistical and Registration Services	15-20 plus a lump sum of 40-45	0-2.5 plus a lump sum of 0-2.5	272	240	15	-
Laura Mitchell Director of Information and Records Services	25-30 plus a lump sum of 65-70	0-2.5 plus a lump sum of 0	475	439	7	-
Anne Slater Director of Operations and Customer Services	25-30 plus a lump sum of 80-85	0-2.5 plus a lump sum of 0	566	517	13	-
Steven Hanlon Chief Finance Officer, Accountable Officer	5-10	0-2.5	51	49	2	-
Sam Bedford Director of IT Services	0-5	0-2.5	5	-	3	-
Linda Sinclair Transition Manager	20-25 plus a lump sum of 45-50	0-2.5 plus a lump sum of 0	297	286	1	-



Single total figures of pensions 2016-17:

Management Board Officials	Accrued pension at pension age as at 31/3/17 and related lump sum	Real increase in pension and related lump sum at pension age at 31/3/17	CETV at 31/3/17	CETV at 31/3/16	Real increase in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £'000
Tim Ellis Chief Executive	25-30 plus a lump sum of 70-75	0-2.5 ⁽¹⁹⁾ plus a lump sum of 0-2.5	427	396 ⁽¹⁸⁾	12 ⁽¹⁸⁾	-
Penni Rocks Head of Business Portfolio & Corporate Services, Accountable Officer – left post 27th January 2017	20-25 plus a lump sum of 0 ⁽¹⁹⁾	0-2.5 plus a lump sum of 0 ⁽¹⁹⁾	366	346	13	-
Amy Wilson Head of Census Statistics	15-20 plus a lump sum of 35-40	0-2.5 ^(18, 20) plus a lump sum of 2.5-5	238	202 ⁽¹⁸⁾	25 ⁽¹⁸⁾	-
Laura Mitchell Head of Records and Archives	20-25 plus a lump sum of 65-70	0-2.5 plus a lump sum of 2.5-5	439	392	28	-
Anne Slater Head of Public Services	25-30 plus a lump sum of 80-85	0-2.5 plus a lump sum of 0-2.5	517	513	2	-

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

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

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.

Staff Report

Our People

We have 449 members of staff. Only the Chief Executive is in the Senior Civil Service.

Staff Information	2017-18	2016-17
Staff (whole time equivalent)	449	408
Staff Turnover	13.4%	11.1%
Sick absence/person	9.8 days	10.4 days
Male/Female staff %	52/48%	51/49%
Male/Female Board members % (Strategic Board)	50/50%	55/45%
Male/Female Senior Management % (Chief Executive and directors)	40/60%	45/55%

Pay

We follow Scottish Government Pay Policy for Staff Pay Remits regarding pay increases. In August 2017, we applied the 2017 pay award, which set pay increases at 1% with a minimum increase of £400 per year for staff earning £22,000 per year or less. The 2018 pay award applies from 1 April 2018, and set pay increases at 3% for pay steps below £36,500, with pay band maxima for more senior staff increasing by 3% and an underpinning increase of £750 for staff earning below £25,000.

Information on the cost of staff pay in 2017-18 is provided below, under 'Staff Numbers and Related Costs'.

Pension Benefits

Pension benefits for our staff are provided through Civil Service pensions arrangements, predominately the Principal Civil Service Pension Scheme (PCSPS). The PCSPS is an unfunded multi-employer defined benefit scheme. From 30 July 2007, civil servants may be in one of five 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 4.6% 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 <http://www.civilservicepensionscheme.org.uk>.

Further details of pensions costs and contributions during 2017-18 can be found under 'Staff Numbers and Related Costs' and 'Pension Costs' below.

Sickness Absence

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

Civil Service Employee Survey 2017

In October 2017, 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 63% of staff participated and we achieved an overall engagement score of 56%. 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 July 2017 can be found [on our website](#).

As part of the "Partnership for Change Pledge", launched in 2015, NRS committed to further the diversity of our Management Board (now our Strategic Board), aiming to achieve a 50/50 gender balance by 2020. This was achieved during 2017.

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 invite 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). Of the records updated at 31 March 2018 this detailed:

Disabled	Not disabled	Prefer not to say	Unknown
44	217	*	169

Trade Union Relationships

At the quarterly Joint Partnership Board, NRS management consults with the Trade Union Side (TUS) at the formative stages of NRS organisational policy development, both at strategic and operational level. The TUS represents, promotes and protects their members’ interests. The trade unions represented at the meeting are Public and Commercial Services Union (PCS), FDA and Prospect.

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published on the NRS website before the 31 July each year. NRS intend to publish this data at the following link: <https://www.nrscotland.gov.uk/about-us/corporate-information>.

Requirements for the data to be disclosed within NRS' Annual Report and Accounts was unclear until late in the process of preparation of this report. The Cabinet Office published supporting guidance on 2 June 2018 which has clarified the data should be disclosed. Due to the timing of this confirmation, we were unable to collate validated reliable data to publish within the 2017-18 annual report and accounts therefore we will publish from 2018-19 onwards.

Employability

NRS staff have Scottish Government terms and conditions of employment. We follow and apply Scottish Government HR policy and procedures.

Flexible Working Hours

Under the Flexible Working Policy any member of staff can apply to work flexibly, either formally or informally. Formal flexible working would be part-time hours. Informal arrangements could be alternative working patterns, include working compressed hours, working from home or term-time working. As at 31 March 2018, 23% of staff had a part time formal working contract. We are currently compiling statistics on the number of staff who have an informal alternative working pattern.

Employment Opportunities

NRS offers opportunities for people to obtain work experience, including paid 42-week Student Placements and placements for Graduate Trainee Archivists. We work with Midlothian Council to provide Secondary School pupils with a week's work experience to help them experience life in the workplace through direct observation and hands-on experience.

During 2017-18 we employed four Modern Apprentices, who are provided with permanent employment and are being supported to gain a recognised qualification, SVQ2, level 2 in Business Administration.

Health and Safety

All staff undertake annual fire evacuation training and desk assessments to reinforce staff wellbeing while attending their workplace. Additionally, voluntary Health and Safety Liaison Officers champion health and safety within their business area and ensure that potential health and safety issues are reported to the Health and Safety Advisor for co-ordination and improvement. NRS' Health and Safety Committee reviews accidents and incidents, and monitors the management of health and safety in the organisation. During 2018 there will be a review of the overarching governance and management of health and safety within NRS.

Staff Numbers and Related Costs

The average number of whole-time equivalent (WTE) persons employed (including senior management) during the year, analysed by Business Area, was as follows:

	2017-18 Average WTE Staff	2016-17 Average WTE Staff
Registration	32	32
Statistical Futures	78	43
Demographic Statistics	30	31
Data Resources	29	28
Records & Archives Services	54	51
Public Services	101	104
Business Portfolio & Corporate Services	34	40
ICT	80	70
Senior Management, Strategy & Comms	11	9
Total	449	408

Restated total 2016-17 is due to staff in Information & Security and Information Governance moving from Corporate Services to Data Resources in 2017-18. These figures, as well as the staff and pension costs below, are subject to external audit.

Average WTE staff numbers during 2017-18 can be broken down into 385 permanent staff and 64 temporary staff (2016-17: 354 and 54 respectively)

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

	2017-18			2016-17		
	Permanent Staff	Temporary Staff	Total Staff	Permanent Staff	Temporary Staff	Total Staff
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and Salaries	11,310	4,512	15,822	10,197	4,664	14,861
Social Security Costs	1,091	36	1,127	975	18	993
Pension Costs	2,267	82	2,349	2,065	38	2,103
Other Staff Costs	23	-	23	93	-	93
Total	14,691	4,630	19,321	13,330	4,720	18,050

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

Exit Packages

There were no exit packages incurred during the year (2016-17: Nil).

Pension costs

The PCSPS is unable to identify individual employers' shares 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).

For 2017-18 employers' contributions of £2,349k (2016-17: £2,103k) were payable to PCSPS at one of five rates in the range 20 to 24.5% 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 2017-18 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. There were no contributions due to the partnership pension or prepaid at the balance sheet date.

For 2017-18 the value of Employers' Contributions relating to the partnership pension account was £25,004.28 (2016-17: £26,405.64).



Steven Hanlon
Accountable Officer
3 September 2018

Parliamentary Accountability and Audit Report

The Parliamentary Accountability and Audit Report consists of:

- the Parliamentary Accountability Report; and
- the Independent auditor's report to National Records of Scotland, the Auditor General for Scotland and the Scottish Parliament.

Parliamentary Accountability Report

Regularity of Expenditure

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.

NRS incurred no losses or special payments above the £250k reporting threshold.

Fees and Charges

Details of income gathered by NRS through fees and charges can be found in Note 4 to the financial statements, on p.76. This note also gives details of the financial objectives of the fees and charges and performance against these objectives.

Remote Contingent Liabilities

The Financial Reporting Manual states that where information about contingent liabilities is not required to be disclosed because the likelihood of a transfer of economic benefits is considered too remote, they should be disclosed separately for parliamentary reporting and accountability purposes. NRS does not have any remote contingent liabilities at 31 March 2018.

The information in this report is subject to audit.



Steven Hanlon
Accountable Officer
3 September 2018

Independent auditor's report to National Records of Scotland, the Auditor General for Scotland and the Scottish Parliament

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 120 of the Code of Audit Practice approved by the Auditor General for Scotland, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of National Records of Scotland for the year ended 31 March 2018 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2017-18 Government Financial Reporting Manual (the 2017-18 FReM).

In my opinion the accompanying 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 body's affairs as at 31 March 2018 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017-18 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the body in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about its ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Responsibilities for National Records of Scotland's Chief Executive and for the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with my audit of the financial statements, my responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In my 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.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

In my opinion, based on the work undertaken in the course of the audit


- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- I have not received all the information and explanations I require for my audit.

I have nothing to report in respect of these matters.



Asif A Haseeb OBE
Audit Scotland
4th Floor
The Athenaeum Building
8 Nelson Mandela Place
Glasgow
G2 1BT

3 September 2018

Financial Statements for the year ended 31 March 2018

Statement of Comprehensive Net Expenditure for the year ended 31 March 2018

	Note	2017-18 £'000	2016-17 £'000
INCOME			
Operating Income	4	(6,540)	(6,049)
Fees and charges for records and services	4	(6,248)	(5,712)
Property rental Income	4	(292)	(337)
EXPENDITURE			
Staff Costs	2	19,321	18,050
Operating Expenditure	3	11,920	10,912
Depreciation and amortisation	6	2,188	1,656
Movement on provisions	10	-	(158)
Grants	3	193	188
Other Operating Expenditure	3	9,539	9,225
Net Operating Costs for the Year		24,701	22,913
Other Comprehensive Income		(414)	(934)
Revaluation gain	6	(414)	(934)
Total Comprehensive (Income)/Expenditure for the Year		24,287	21,979

The notes on pages 68 to 91 form part of these financial statements.



Statement of Financial Position as at 31 March 2018

	Note	2017-18 £'000	2016-17 £'000
Non-Current Assets			
Property, plant and equipment	6	17,990	17,500
Intangible assets	6	8,627	9,245
Trade and other receivables	7	265	166
		26,882	26,911
Current Assets			
Trade and other receivables	7	1,490	1,353
Cash and cash equivalents	8	1	1
		1,491	1,354
Total Assets		28,373	28,265
Current Liabilities			
Trade and other payables	9	3,039	2,481
Provisions for liabilities and charges	10	33	22
Non-Current Assets Less Net Current Liabilities		25,301	25,762
Non-Current Liabilities			
Provisions for liabilities and charges	10	-	31
Net Assets		25,301	25,731
Taxpayers' Equity			
General Fund	SoCTE	18,796	19,290
Revaluation Reserve	SoCTE	6,505	6,441
Total Equity		25,301	25,731

The notes on pages 68 to 91 form part of these financial statements.

Steven Hanlon
Accountable Officer
3 September 2018

The Accountable Officer authorised these financial statements for issue on 3 September 2018.

Statement of Cash Flows for the year ended 31 March 2018

	Note	2017-18 £'000	2016-17 £'000
Cash flows from operating activities			
Net operating cost	SoCNE	(24,701)	(22,913)
Adjustments for non cash transactions			
- depreciation	3	2,188	1,656
- loss on disposal of non-current assets	3	48	2
- audit fee	3	63	63
Movements in working capital			
- (Increase)/decrease in receivables	7	(236)	107
- (Decrease)/increase in payables	9	558	550
- (Decrease)/increase in provisions	10	(21)	(248)
Net cash outflow from operating activities		(22,101)	(20,783)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(1,573)	(1,113)
Purchase of intangible assets	6	(120)	(1,465)
Proceeds from disposal of property, plant and equipment	6	-	2
Net cash flow from investing activities		(1,693)	(2,576)
Cash flows from financing activities			
Funding	SoCTE	23,794	23,359
Cash flows from financing activities		23,794	23,359
Net movement in cash and cash equivalents	8	-	-
Cash and cash equivalents at beginning of year	8	1	1
Cash and cash equivalents at end of year	8	1	1

The exact sum of Parliamentary net funding drawn during the 2017-18 financial year was £23,793,795.94.

The notes on pages 68 to 91 form part of these financial statements.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

	Note	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2017		19,290	6,441	25,731
Net operating costs for the year ended 31 March 2018	SoCNE	(24,701)	-	(24,701)
Revaluation adjustment	6	-	414	414
Transfers between reserves	6	350	(350)	-
Notional auditors' remuneration	3	63	-	63
Net funding		23,794	-	23,794
Balance at 31 March 2018		18,796	6,505	25,301

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2017

	Note	General Fund £'000	Revaluation Reserve £'000	Total Equity £'000
Balance at 1 April 2016		18,388	5,900	24,288
Net operating costs for the year ended 31 March 2017	SoCNE	(22,913)	-	(22,913)
Revaluation adjustment	6	-	934	934
Transfers between reserves	6	393	(393)	-
Notional auditors' remuneration	3	63	-	63
Net funding		23,359	-	23,359
Balance at 31 March 2017		19,290	6,441	25,731

The notes on pages 68 to 91 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 March 2018

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the principles and disclosure requirements set out in the Financial Reporting Manual (FReM) for 2017-18, published by HM Treasury. The financial statements have been prepared on a going concern basis. The FReM interprets and applies International Financial Reporting Standards (IFRS) to the central government context. Where the FReM and IFRS permit a choice of accounting policy, the policy judged most appropriate to the circumstances of National Records for Scotland has been selected. The accounting policies described below have been applied consistently to all material items within the financial statements.

1.1 Key Estimates

The preparation of financial statements requires the use of estimates and judgements. The key estimates within these financial statements are described below:

Property, Plant and Equipment

Valuations and useful life estimates in respect of NRS buildings have been supplied by District Valuer Services (DVS), a division of the Valuation Office Agency. The valuations have been carried out by a Royal Institute of Chartered Surveyors (RICS) Registered Valuer, and have been conducted in accordance with the RICS Valuation – Professional Standards 2014 UK Edition.

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 2017-18 financial statements. Management is also satisfied, based on sensitivity analysis, that there are sufficient future income streams in excess of the website images asset category to support the existing valuation. This will be reviewed annually. As there is no active market for our website images asset, the cost model has been applied and therefore no revaluations are possible.

1.2 Accounting Convention

These financial statements have been prepared under the historical cost convention modified to account for the revaluation of tangible and intangible non-current assets 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.

1.3 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, valued using a rolling programme of professional valuations covering each building every five years, supplemented with interim desktop valuations. 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:

Property, Plant and Equipment	£'000
Freehold Land and Buildings	20
Office Equipment (including Fixtures and Fittings)	5
Vehicles	5
Plant and Equipment	10
ICT Systems	1
Specialised Shelving	10
Heritage Assets - Papers and Journals	20

Information and Communications Technology (ICT) systems are capitalised where the pooled value exceeds £1000 in line with Scottish Government 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:

Property, Plant and Equipment	Years
Buildings	2-50 (as per valuation)
Office Equipment (including Fixtures and Fittings)	5
Vehicles	5
Plant and Equipment	5-10
ICT Systems	3-5
Specialised Shelving	10-20
Heritage Assets - Papers and Journals	25-30

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:

Intangible Assets	£'000
Website Images	5
Computer Software and 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 and 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, documents and current data in the care of Scottish Ministers. The majority of these assets are acquired or generated in the course of NRS' on-going activities. Given the nature of these assets it is not possible to obtain a reliable valuation for them. Accordingly they have not been capitalised. On occasion, NRS will purchase additional records and documents. Where assets are acquired in exchange for consideration in this way, they are recognised as an asset and valued at cost.

Details of NRS' policies and practices with regard to the management of our records, and of our preservation and conservation work, can be found on our website at <https://www.nrscotland.gov.uk/record-keeping>.

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.

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 Staff Costs and Operating Expenditure

The Statement of Comprehensive Expenditure analyses expenditure between Staff Costs and Operating Expenditure. Staff Costs includes the cost of permanent and temporary employees, as well as temporary agency and contract staff engaged in NRS' objectives. Operating Expenditure includes all other costs of NRS' operations, including goods and services, grants made, and depreciation and amortisation of non-current assets.

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 are recorded as expenditure in the period that the underlying activity giving entitlement to the grant occurs. 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. 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

With one exception, the leases entered into by NRS are classified as operating leases and, as such, the rentals are charged to the Operating Cost Statement over the term of the lease. The remaining lease, covering one of NRS' buildings, grants NRS the right to occupy the building for 100 years to 2064 in exchange for peppercorn rent. There is therefore no annual cost or lease liability. The building is recognised as an asset following the policies for non-current assets above.

1.14 Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Corporate Leadership Group (until 31 December 2017) and the Executive Management Board (from 1 January 2018). These bodies supported and advised the Chief Executive in managing and overseeing the organisation and are therefore considered to be the key decision makers for NRS.

1.15 IFRS updates issued but not yet effective

One IFRS standard in issue will have a material impact on NRS' accounts when it becomes effective:

IFRS 16 Leases

IFRS 16 replaces IAS 17 and largely removes the distinction between operating and finance leases for lessees, by introducing a single lessee accounting model that requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months. HM Treasury is considering the impact of the standard on central government and is currently expected to apply it within 2019-20 FReM. No guidance has been issued on how the standard will be interpreted and applied to the public sector. The decisions taken on the discount rate to be applied, options regarding transition arrangements and use of the revaluation model will be relevant to how NRS's accounts are affected by the introduction of this standard. The discussion below on the potential impact of transition should be understood in this context.

NRS holds two of its buildings under leases which are currently accounted for as operating leases. Under IFRS 16 a right of use asset would be capitalised and a corresponding liability would be recognised. The best current estimate is that had this standard been applied in these accounts, additional right of use assets of £2.5m would be included in the Statement of Financial Position as at 31 March 2018, along with lease liabilities of the same value. An additional depreciation charge of £0.8m would have been incurred on the the right of use assets, as well as a small finance charge representing the unwinding of the discount on the lease liabilities. These charges would replace the £0.9m of operating lease payments recognised in the Statement of Comprehensive Net Expenditure for 2017-18. These figures are calculated using the HM Treasury Green Book discount rate of 3.5% to discount lease payments. No decision has been taken by HM Treasury on the discount rate to be used, but the choice of rate is not expected to materially affect these figures.

NRS holds one building under a 100 year lease, which terminates in 2064, paying peppercorn rent each year. This is currently accounted for as a finance lease with no outstanding lease liability. Applying the transition guidance for IFRS 16, it is expected that the asset value will be unchanged on transition, and that the liability will remain nil.

NRS have leased office equipment. The majority of this will not fall under the exemptions in IFRS 16 for low value and short leases, so right of use assets and corresponding liabilities will be recognised. However, the value and term of these leases is such that this will not materially affect the accounts.

IFRS 15 Revenue from contracts with customers

In NRS' 2016-17 Annual Report and Accounts, IFRS 15 was highlighted as a standard in issue that had potential to have a material impact when it became effective. The core principle in IFRS 15 is that revenue is recognised to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled to, in exchange for those goods or services. NRS generates income from customers through a number of services. Having considered our transactions in the context of the new standard, no material difference in the timing and amount of revenue recognised is expected.

2. Staff Costs

Please refer to Staff and Remuneration Report on p.45.

3. Operating Expenditure

3.1 Analysis of Operating Expenditure

	2017-18 £'000	2016-17 £'000
Accommodation	3,592	3,730
ICT Maintenance and Supplies	1,582	1,430
Support Services from Other Public Bodies	576	536
Contractor's share of ScotlandsPeople income	-	528
Specialist Service Contracts	449	848
Communications Services	247	296
ScotlandsPeople Web Hosting	459	253
Website Development and Running Costs	275	231
Stationery	283	206
Marketing	182	201
Training	196	161
Transport and Travel	108	98
Census 2021 Services	688	-
Other Supplies and Services	676	633
Losses and Special Payments	115	9
Non-cash items:		
Movement on provisions	-	(158)
Depreciation and amortisation	2,188	1,656
Loss on disposal of assets	48	2
Audit fee	63	63
Programme expenditure:		
Grant to Scottish Council on Archives	193	188
Total	11,920	10,912

Movement on provisions above does not include Early Departure Costs these are included in staff costs.

A breakdown of in year depreciation and amortisation is provided in note 6.

3.2 Other Operating Expenditure

There is £880k of expenditure relating to operating lease arrangements for properties recorded within Other Operating Costs (2016-17: £874k).

4. Operating Income

4.1 Analysis of Operating Income

	2017-18 £'000	2016-17 £'000
Income from contract to operate NHS Central Register	(933)	(930)
Charges for access to records and associated services	(1,705)	(1,533)
Income from the ScotlandsPeople website	(2,996)	(2,667)
Other fees and charges	(614)	(581)
Property rental income from other public bodies	(292)	(337)
Total Administration Income	(6,540)	(6,049)

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, fees for the statutory services we provide to the public, and rental income from other public bodies who are minor occupiers in the buildings we operate.

- 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
Service Provided:			
Change of name, vital events sales, extracts, microfilm, microfiche and public charges	4,338	4,126	212
Financial Objective: Use income received through the ScotlandsPeople services to meet the associated running costs and to enable investment that enhances the services and increases the record collection and in turn improves the customer experience.			
Performance against the Financial Objective: In 2017-18, there was a surplus for the ScotlandsPeople service. This was the first full year that could be evaluated following the re-launch of the ScotlandsPeople website in September 2016. The running costs are now lower following the change to the contract arrangements for the service provision. Post re-launch, the free index search has resulted in significantly more records being viewed and in turn a higher income. Overall, improved performance relates to substantial investment in the service. Going forward the service will allow for growth in offering users a wider range of NRS information assets as well as harmonisation across NRS' digital channels.			
Maintenance of the National Health Service Central Register (NHSCR) of patients and associated research data sales	947	1,011	(64)
Financial Objective: 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.			
Performance against the Financial Objective: In 2017-18 there was a deficit arising from providing these services.			

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

	2017-18 £'000	2016-17 £'000
Net Operating Cost	24,701	22,913
Net Resource Outturn	24,701	22,913
Of Which:		
Departmental Expenditure in DEL	24,701	23,071
Departmental Expenditure in AME	-	(158)

Budgets for Departmental Expenditure Limits (DEL) are set as part of the Scottish Spending Review and annual Budget Bills. These are allocated for running costs associated with the delivery NRS' functions and services.

Annually Managed Expenditure (AME) represents costs that are more volatile and so are not managed in the same way as DEL.

6. Non-Current Assets – Property, Plant and Equipment 2017-18

	Freehold Land £'000	Buildings £'000	Office Equipment £'000	Vehicles £'000	Plant and Equipment £'000	ICT Systems £'000	Specialised Shelving £'000	Heritage Assets – Papers and Journals £'000	Assets under Construction £'000	Assets Held for Sale £'000	Total £'000
Cost or valuation											
At 1 April 2017	2,240	10,560	843	94	1,608	6,263	2,921	3,040	-	-	27,569
Additions	-	99	-	-	30	1,376	23	45	-	-	1,573
Disposals	-	-	(374)	(5)	-	(3,499)	-	-	-	-	(3,878)
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	(149)	-	-	-	-	-	-	-	-	(149)
At 31 March 2018	2,240	10,510	469	89	1,638	4,140	2,944	3,085	-	-	25,115
Accumulated Depreciation											
At 1 April 2017	-	-	809	71	873	5,206	2,232	878	-	-	10,069
Charged in year	-	563	1	6	126	573	66	113	-	-	1,448
Disposals	-	-	(346)	(4)	-	(3,479)	-	-	-	-	(3,829)
Revaluation	-	(563)	-	-	-	-	-	-	-	-	(563)
At 31 March 2018	-	-	464	73	999	2,300	2,298	991	-	-	7,125
Net book value current year	2,240	10,510	5	16	639	1,840	646	2,094	-	-	17,990
Net book value prior year	2,240	10,560	34	23	735	1,057	689	2,162	-	-	17,500

As part of the five-year rolling programme, New Register House underwent a formal inspection and revaluation on the basis of Existing Use Value, at 31 March 2018. Valuations were carried out by the District Valuer Services (DVS), a division of the Valuation Office Agency. The Valuations have been carried out by the Royal Institute of Chartered Surveyors (RICS) Registered Valuer, and have been conducted in accordance with RICS Valuation – Professional Standards 2014 UK Edition.

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 £350k (£563k depreciation charge calculated under current cost accounting method as per note 6, minus £213k charge under historic cost accounting). This has been transferred from the revaluation reserve to the general fund.



6. Non-Current Assets – Property, Plant and Equipment 2016-17

	Freehold Land £'000	Buildings £'000	Office Equipment £'000	Vehicles £'000	Plant and Equipment £'000	ICT Systems £'000	Specialised Shelving £'000	Heritage Assets – Papers and Journals £'000	Assets under Construction £'000	Assets Held for Sale £'000	Total £'000
Cost or valuation											
At 1 April 2016	1,940	10,460	847	96	1,246	5,918	2,914	3,040	-	-	26,461
Additions	-	80	7	21	362	636	7	-	-	-	1,113
Disposals	-	-	(11)	(23)	-	(291)	-	-	-	-	(325)
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Revaluation	300	20	-	-	-	-	-	-	-	-	320
At 31 March 2017	2,240	10,560	843	94	1,608	6,263	2,921	3,040	-	-	27,569
Accumulated Depreciation											
At 1 April 2016	-	-	820	85	784	5,194	2,147	766	-	-	9,796
Charged in year	-	614	-	9	89	299	85	112	-	-	1,208
Disposals	-	-	(11)	(23)	-	(287)	-	-	-	-	(321)
Revaluation	-	(614)	-	-	-	-	-	-	-	-	(614)
At 31 March 2017	-	-	809	71	873	5,206	2,232	878	-	-	10,069
Net book value current year	2,240	10,560	34	23	735	1,057	689	2,162	-	-	17,500
Net book value prior year	1,940	10,460	27	11	462	724	767	2,274	-	-	16,665

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

6. Non-Current Assets – Intangible Assets 2017-18

	Computer Licenses £'000	Website Images £'000	Computer Software £'000	Assets under Development £'000	Total £'000
Cost or Valuation					
At 1 April 2017	1,571	10,078	1,224	-	12,873
Additions	52	(2)	70	-	120
Disposals	(776)	-	(326)	-	(1,102)
Adjustments	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2018	847	10,076	968	-	11,891
Accumulated Amortisation					
At 1 April 2017	1,143	1,261	1,224	-	3,628
Charged in year	151	587	-	-	738
Adjustments	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	(776)	-	(326)	-	(1,102)
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2018	518	1,848	898	-	3,264
Net book value current year	329	8,228	70	-	8,627
Net book value prior year	428	8,817	-	-	9,245

All non-current (intangible) assets disclosed within the assets classes are owned by NRS. The Website Images asset category includes both digital images and the software infrastructure used to present them to the public.

6. Non-Current Assets – Intangible Assets 2016-17

	Computer Licenses £'000	Website Images £'000	Computer Software £'000	Assets under Development £'000	Total £'000
Cost or Valuation					
At 1 April 2016	1,439	7,900	1,224	845	11,408
Additions	132	1,333	-	-	1,465
Disposals	-	-	-	-	-
Adjustments	-	-	-	-	-
Transfers	-	845	-	(845)	-
Revaluation	-	-	-	-	-
At 31 March 2017	1,571	10,078	1,224	-	12,873
Accumulated Amortisation					
At 1 April 2016	1,017	939	1,224	-	3,180
Charged in year	126	322	-	-	448
Adjustments	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Revaluation	-	-	-	-	-
At 31 March 2017	1,143	1,261	1,224	-	3,628
Net book value current year	428	8,817	-	-	9,245
Net book value prior year	422	6,961	-	845	8,228

7. Trade and Other Receivables

	2017-18 £'000	2016-17 £'000
Amounts falling due within one year		
Trade receivables	55	33
VAT	-	-
Prepayments and accrued income	1,435	1,319
Other receivables - sundry debtors	-	-
Total receivables falling within one year	1,490	1,353
Amounts falling due after one year		
Prepayments and accrued income	265	166
Total receivables falling after one year	265	166
Total Receivables	1,755	1,519
Movement	236	(107)
Analysis by category of counterparty		
Other Central Government Bodies	-	-
Local Authorities	-	-
NHS Bodies	-	-
Bodies External to Government	1,755	1,519
Public Corporations and Trading Funds	-	-
Total Receivables	1,755	1,519

8. Cash and Cash Equivalents

	2017-18 £'000	2016-17 £'000
At 1 April	1	1
Movement	-	-
At 31 March	1	1
Commercial banks and cash in hand	1	1
Total Cash	1	1



9. Trade and Other Payables: amounts falling due within one year

	2017-18 £'000	2016-17 £'000
Trade payables	208	238
Deferred income	77	17
Employee benefits	696	688
Accrued expenditure	1,810	1,248
Capital Accruals	248	290
Total Payables	3,039	2,481
Movement	558	550
Analysis by category of counterparty		
Other Central Government Bodies	17	738
Local Authorities	27	22
NHS Bodies	65	-
Bodies External to Government	2,930	1,721
Total Payables	3,039	2,481

10. Provisions for Liabilities and Charges

	Early Departure Costs 2017-18 £'000	Other Provisions 2017-18 £'000	Total 2017-18 £'000
Total as at 1 April 2017	54	-	54
Provided in the year	1	-	1
Provisions not required written back	-	-	-
Amounts utilised in year	(22)	-	(22)
Discount amortised	-	-	-
Total as at 31 March 2018	33	-	33
Analysis of expected timing of any resulting outflows of economic benefits			
Payable in 1 year	33	-	33
Payable between 2-5 years	-	-	-
Payable between 6-10 years	-	-	-
Thereafter	-	-	-
Total as at 31 March 2018	33	-	33

	Early Departure Costs 2016-17 £'000	Other Provisions 2016-17 £'000	Total 2016-17 £'000
Total as at 1 April 2016	144	158	302
Provided in the year	1	-	1
Provisions not required written back	-	(151)	(151)
Amounts utilised in year	(92)	(7)	(99)
Discount amortised	-	-	-
Total as at 31 March 2017	54	-	54
Analysis of expected timing of any resulting outflows of economic benefits			
Payable in 1 year	22	-	22
Payable between 2-5 years	31	-	31
Payable between 6-10 years	-	-	-
Thereafter	-	-	-
Total as at 31 March 2017	54	-	54

During financial year 2017-18, no NRS employees were awarded early retirement.

11. Commitments under Leases

Total future minimum lease payment under operating leases are given in the table below for each of the following periods:

	2017-18 £'000	2016-17 £'000
Obligations under operating leases comprise:		
Land and Buildings		
- Within one year	880	874
- Between two and five years	886	1,729
- After five years	-	12
Total	1,766	2,615
Other		
- Within one year	17	23
- Between two and five years	15	22
- After five years	-	-
Total	32	45
Total obligations under operating leases	1,798	2,660

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 £70k respectively. There was a rental review for Ladywell House on 26 January 2016 and the lease expiry date is in 2020. There was a rental review for Cairnsmore House on 1 June 2017 and the lease expiry date is in 2022.

12. Capital Commitments

	2017-18 £'000	2016-17 £'000
Capital commitments at 31 March 2018 for which no provision has been made	249	48

These commitments reflect the capital commitment for the following year.

13. 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.

14. Contingent Liabilities

Three of NRS' buildings, Ladywell House, Cairnsmore House and West Register House, are leased. The leases for these buildings require NRS to maintain them and specify the condition they should be in when they are returned to the landlords on the termination of the leases. There is therefore a possible obligation on NRS to undertake works or make payments to the landlords of these buildings at the conclusion of the lease term. It is not possible to quantify this obligation at this stage.

During 2017-18 proceedings were raised in the Court of Session by a third party, against Scottish Ministers and the General Registrar for Scotland, in respect of a contract awarded by NRS. The potential liability was estimated at £600k.

Following the end of the reporting period, further communication has been received from the third party's representatives undertaking not to take any further action relating to this dispute. This concludes the matter and eliminates the potential liability.

15. 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' expected purchase and usage requirements and NRS is therefore exposed to little credit, liquidity or market risk.

16. Segmental Analysis as at 31 March 2018

NRS strategic objectives are supported by the ongoing work of the following nine business areas:

Business Portfolio and Corporate Services

Supports the work of other branches in the department and provides finance, procurement, portfolio and estates 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 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 Scottish Government corporate applications.

Statistical Futures

Consists of a number of teams whose joint responsibility is to successfully deliver Scotland's Census 2021 programme.

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.

Public Services:

Encompasses NRS' 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' statutory duty to provide extracts from various legal registers including the registers of births, deaths, marriages, civil partnerships, adoptions, and sasines. NRS' 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.

Data Resources:

Responsible for delivering data sharing and data linking services through multiple teams. The NHSCR Team provides the central register of people in Scotland used for administration in health, verification and for supporting medical research. 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.

Senior Management, Strategy and Communications:

The Strategy and Communications Team supports the development and delivery of the NRS Vision and Purpose and leads on improving communication across the organisation.

These business areas are the basis on which NRS monitors its operations and upon which decisions are made by Senior Management. Senior Management reviews the operating cost income and expenditure to make decisions but do not allocate assets to the segments. Accordingly, asset information is not disclosed.

Segmental Reporting of 2017-18 Outturn:

	Staff Costs £'000	Grants, Goods and Services £'000	Total Expenditure £'000	Operating Income £'000	Total Net Operating Costs £'000
Registration	1,123	138	1,261	(345)	916
Statistical Futures	3,189	2,262	5,451	-	5,451
Demographic Statistics	1,144	23	1,167	(40)	1,127
Data Resources	1,052	15	1,067	(1,081)	(14)
Records and Archives Services	2,032	584	2,616	(81)	2,535
Public Services	2,983	1,213	4,196	(4,671)	(475)
Business Portfolio and Corporate Services	1,264	4,182	5,446	(322)	5,124
ICT	2,364	4,745	7,109	-	7,109
Senior Management, Strategy and Comms	568	172	740	-	740
	15,719	13,334	29,053	(6,540)	22,513
Adjust for items not allocated by segment:					
Movement on Provisions				3	-
Depreciation				3	2,188
Total Net Operating Costs per Statement of Comprehensive Net Expenditure					24,701

Note that a different definition of Staff Costs is used for internal reporting than for reporting in these financial statements, accounting for the difference between the total Staff Costs in the segmental report compared to those shown of the Statement of Comprehensive Net Expenditure. Most significantly, agency workers and specialist contractors are included in Goods and Services above but in Staff Costs elsewhere in the financial statements.



Segmental Reporting of 2016-17 Outturn Restated

	Staff Costs £'000	Grants, Goods and Services £'000	Total Expenditure £'000	Operating Income £'000	Total Net Operating Costs £'000
Registration	1,005	119	1,124	(304)	820
Statistical Futures	1,804	1,062	2,866	-	2,866
Demographic Statistics	1,224	15	1,239	(23)	1,216
Data Resources	1,019	169	1,188	(1,212)	(24)
Records and Archives Services	1,876	700	2,576	(65)	2,511
Public Services	2,907	1,497	4,404	(4,045)	359
Business Portfolio and Corporate Services	1,768	4,232	6,000	(400)	5,600
ICT	2,036	5,386	7,422	-	7,422
Senior Management, Strategy and Comms	420	225	645	-	645
	14,059	13,405	27,464	(6,049)	21,415
Adjust for items not allocated by segment:					
Movement on Provisions				3	(158)
Depreciation				3	1,656
Total Net Operating Costs per Statement of Comprehensive Net Expenditure					22,913

Restated 2016-17 outturn is due to staff in Information and Security and Information Governance moving to Data Resources in 2017-18.

Accounts Direction



Scottish Government
Riaghaltas na h-Alba
gov.scot

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 (FReM) 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