



UK Statistics Authority

ANNUAL REPORT AND ACCOUNTS 2014/15

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This is part of a series of departmental publications which, along with the Main Estimates 2015/16 and the document *Public Expenditure: Statistical Analyses 2013*, present the Government's outturn for 2014/15 and planned expenditure for 2015/16.



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Contents

CHAPTER 1: CHAIR'S FOREWORD AND CHIEF EXECUTIVE'S REPORT	4
1.1 CHAIR'S FOREWORD	5
1.2 CHIEF EXECUTIVE'S REPORT	8
CHAPTER 2: STRATEGIC REPORT	12
2.1 STRATEGIC OBJECTIVES	13
2.2 SUMMARY FINANCIAL INFORMATION	24
2.3 OTHER CORPORATE INFORMATION.....	31
CHAPTER 3: GOVERNANCE STATEMENT	42
STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES	43
GOVERNANCE STATEMENT	44
CHAPTER 4: DIRECTORS' REPORT	52
4.1 ESTABLISHMENT AND STATUTORY FRAMEWORK	53
4.2 STATUTORY OBJECTIVE	53
4.3 BETTER STATISTICS, BETTER DECISIONS.....	53
4.4 OUR MISSION.....	53
4.5 FUNCTIONS.....	53
4.6 PURPOSE OF THIS REPORT	54
4.7 ENGAGEMENT AND TRANSPARENCY.....	54
4.8 STAFF INFORMATION	56
4.9 INFORMATION ASSURANCE.....	56
CHAPTER 5: UK STATISTICS AUTHORITY ANNUAL ACCOUNTS.....	58
REMUNERATION REPORT.....	59
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR	
GENERAL TO THE HOUSE OF COMMONS.....	68
STATEMENT OF PARLIAMENTARY SUPPLY	70
NOTES TO THE RESOURCE ACCOUNTS	71
PRIMARY STATEMENTS TO THE ACCOUNTS.....	74
• STATEMENT OF COMPREHENSIVE NET EXPENDITURE	75
• STATEMENT OF FINANCIAL POSITION	76
• STATEMENT OF CASH FLOWS	77
• STATEMENT OF CHANGES IN TAXPAYERS' EQUITY	78

NOTES TO THE ACCOUNTS.....	79
1. STATEMENT OF ACCOUNTING POLICIES AND ACCOUNTING CONVENTIONS ..	79
2. SEGMENTAL INFORMATION OF EXPENDITURE AND INCOME	91
3. STAFF NUMBERS AND RELATED COSTS	92
4. PROGRAMME COSTS	95
5. INCOME	96
6. PROPERTY, PLANT AND EQUIPMENT	97
7. INTANGIBLE FIXED ASSETS	98
8. IMPAIRMENTS	101
9. FINANCIAL INSTRUMENTS.....	102
10. TRADE RECEIVABLES AND OTHER ASSETS	103
11. CASH AND CASH EQUIVALENTS	105
12. TRADE PAYABLES AND OTHER CURRENT LIABILITIES	106
13. PROVISIONS FOR LIABILITIES AND CHARGES	107
14. CAPITAL COMMITMENTS	109
15. COMMITMENTS UNDER LEASES	110
16. OTHER FINANCIAL COMMITMENTS	111
17. CONTINGENT LIABILITIES.....	112
18. SPECIAL PAYMENTS AND LOSSES	113
19. RELATED PARTY TRANSACTIONS	114
20. COLLABORATIVE AGREEMENTS	115
21. MACHINERY OF GOVERNMENT – TRANSFER OF FUNCTION	116
22. EVENTS ARISING AFTER THE REPORTING DATE	117
23. DATE OF AUTHORISATION OF THE ACCOUNTS	118



The UK Statistics Authority is an independent body operating at arm's length from government as a non-ministerial department. It was established on 1 April 2008 by the *Statistics and Registration Service Act 2007* and reports directly to Parliament and the devolved legislatures.

The Authority's statutory objective is to promote and safeguard the production and publication of official statistics that serve the public good.



The Government Statistical Service (GSS) is headed by the National Statistician and is spread across more than 30 government departments, agencies and the devolved administrations. It includes statisticians and others providing high quality information, analysis and advice to decision makers. Around 1,700 staff are members of the Government Statisticians Group, the professional community of statisticians within government.



The Office for National Statistics (ONS) is the executive office of the UK Statistics Authority and is the UK's single largest statistical producer. It is also the internationally recognised National Statistical Institute of the UK.



UK Statistics
Authority

Chapter 1

Chair's Foreword and Chief Executive's Report





Sir Andrew Dilnot CBE

1.1 CHAIR'S FOREWORD

This is the seventh Annual Report of the UK Statistics Authority since it was established on 1 April 2008 by the *Statistics and Registration Service Act 2007*.

In July 2014, the Statistics Authority Board was delighted to welcome John Pullinger as our new Chief Executive and National Statistician. We used the opportunity of John's arrival to link together once distinct strategies of the UK Statistics Authority (including the Office for National Statistics, as our executive arm) and the Government Statistical Service.

In November, we published our new five-year strategy for the UK statistical system as *Better Statistics, Better Decisions*. We feel that this title accurately conveys our principal message. Official statistics are for the benefit of our society and our economy as a whole; not only in government policy-making and the evaluation of government performance, but also in directing economic and commercial activities, providing valuable data and evidence for analysts, researchers, public and voluntary bodies to use, enabling the public to hold to account all organisations that spend public money, and informing wider public debate.

We want to see official statistics, analysis and advice enabling sound policy decisions, and providing a firm evidence base for decision-making both inside and outside of government. A helpful, professional, innovative, efficient and capable statistical service will, we believe, serve the public good and help our nation take better decisions. Our new system-wide strategy for 2015 to 2020 is designed to make that happen.

One of the statutory objectives of the UK Statistics Authority is to promote and safeguard the quality of official statistics. This year saw the conclusion of an independent review of consumer price statistics led by Paul Johnson. I would like to record our thanks to Paul for his landmark report which is an authoritative and comprehensive review of a particularly complex statistical landscape.

Paul Johnson's report contained a number of recommendations and, having considered these, the Authority launched a formal public consultation to inform us on what the future direction of UK consumer price statistics should be. We expect to reach a final view later this year.

The Authority's statutory assessment and monitoring work is also supporting improvements in the quality of official statistics, and supporting producers of official statistics to deliver them.

In January, we published a regulatory standard to support the quality assurance of administrative data, in response to concerns about the quality of administrative data which emerged during our assessments of statistics on police recorded crime in England and Wales resulting in our 2014 de-designation of these statistics as 'National Statistics'.

The Authority recognises the increasing role that administrative data is playing in the production of official statistics and we have clarified our expectations for what producers of official statistics should do to assure themselves of the quality of the data. We encourage statisticians not to take data at face value, but to have a 'spirit of curiosity', be willing to question the data they receive and to convey this healthy scepticism to users of their statistics.

In February, we published a review of the coherence and accessibility of official statistics on Income and Earnings. We found that there are a wide range of income and earning statistics already available, but this information is not always made as coherent or accessible as it could be to provide a clear and comprehensive understanding of how levels and trends in income and earnings in the UK are changing over time. Measuring income and earnings is not straightforward, and under the professional leadership of the National Statistician, statisticians across the UK are now addressing some of these important issues.

In February, NatCen Social Research published the results of a survey of public confidence in official statistics which had been commissioned by the UK Statistics Authority. While many of the survey's findings were unsurprising, we were pleased that respondents indicated an

encouraging level of public trust in the Office for National Statistics. However, public confusion and distrust about the way official statistics are used remains an issue. The arrangements for pre-release access to statistics are a contributing factor to such mistrust. Privileged access to statistics given to Ministers and their advisers ahead of publication undermines public confidence. Our arrangements for pre-release access in the UK fall a long way short of international best practice. We want official statistics to be available at the same time for everybody and therefore pre-release access should be ended.

The Authority continues to press for the highest standards of transparency and integrity in official statistics, to maximise the trustworthiness of the statistical product for users. We speak out publicly on issues of statistical controversy as and when the need arises, and we do that openly and transparently so that Parliament and the public are aware of our concerns. The Authority values our relationship with, and independent reporting to, Parliament. We are very grateful to the former Public Administration Select Committee for its reports following a wide-ranging series of inquiries into statistics during the course of the last Parliament. We look forward to building an equally supportive and engaging relationship with the successor Committee during this Parliament.

I want to pay tribute to my colleagues on the Board of the UK Statistics Authority who are unfailingly supportive and committed to our work and to achieving the success we all want to see across the UK statistical system. Professor David Rhind stepped down from the Authority Board on 30 June 2015 after seven years as a non-executive member, the last three

of which as a deputy chair who has been instrumental to our work in supporting and overseeing the statistical system. Prior to 2008, David was the chairman of the now-abolished Statistics Commission, and I know that all those who have worked with David over this illustrious career will join me in thanking him for his dedication and public service to the world of official statistics.

A handwritten signature in black ink, reading "Andrew Dilnot". The signature is written in a cursive, slightly stylized font.

Sir Andrew Dilnot CBE
Chair UK Statistics Authority
29 October 2015



John Pullinger

1.2 CHIEF EXECUTIVE'S REPORT

This is my first Annual Report since taking up the post of National Statistician in July 2014. I joined the UK Statistics Authority six years after its establishment by the *Statistics and Registration Service Act 2007*. The Authority has successfully established a clear identity which has built trust in statistics. The regulatory function is accepted and respected and there are signs that the National Statistics brand is starting to carry more weight. This allows users to have confidence in the rich evidence base already provided by official statistics. Now, however, decision-makers are demanding more from us. There is an increasing demand for statisticians to mobilise data in new ways to help Britain make better decisions.

In the last year I have met many colleagues involved in the production of statistics, both in the ONS and across government. I have also taken time to meet the people who care about what we do: ministers and officials in government who need data to improve public policy and service delivery; business leaders; journalists; fellow analysts in the UK and in the international community; and a wide range of other users who rely on our data to make decisions in their daily lives.

I have heard what our customers need and have been heartened by the strong will for us to succeed as we move forward into a new phase of our development.

As set out in our strategy I fully expect that in five years statistics will be radically different. More data will be real-time; our services will be digital by default; the quality of our advice and insight will ensure our statistics are more relevant than ever and earn us a seat at the table when important decisions are made.

The transition from where we are now will not be easy. Some of our IT systems and infrastructure require significant investment either to replace or upgrade them. The appointment of our new digital leaders provides an opportunity for us to reassess our existing technology estate and evaluate options which make optimum use of our resources. I have requested a comprehensive review during 2015/16 which will present options to support delivery of our strategic objectives. We will also need to demonstrate our economic and social value in order to draw in the financial and human resources to invest and innovate.

We need to focus on what people care about; we need to be helpful. We must do things in real time and not in the rear view mirror; in a personalised way; to fit with people's experience and locality and

draw information together in a way that makes sense to the recipient. We must engage with our users continuously so our service will help them make better informed decisions.

To be helpful we must be professional. When we collect data, citizens and businesses are trusting us to hold their data, keep it safe and make sure it is used for the public good. When we publish our statistics we want users to trust us to publish a fair view, making it clear what the data shows and its limitations.

We need to be innovative. We have to make a step change in our thinking, being restlessly curious about how we can do better. We must be demanding of ourselves and change fast enough to reflect the imperatives of the data revolution.

Public funds will continue to be tightly constrained. We will have to be efficient in order to succeed, demonstrate that the costs to government of not providing our services are substantially greater than the costs of providing them and to diversify our funding.

Underpinning all this must be a focus on stepping up our capability. Over the next five years statisticians will come to rely on new skills and new tools. The change will be cultural as well as technological; to make the most of these tools we must be more collaborative, more open, and more flexible in how we work.

We have committed staff who deliver an enormous quantity of high quality work often in highly demanding circumstances. It was especially pleasing that during the year ONS' work on continuous improvement won at the British Quality Foundation UK Excellence Awards and that ONS moved up to 15th in the Stonewall Workplace Equality

Index. Meeting with members of the Government Statistical Service around the UK, I have seen many examples of excellence where statistics are being used to help decision-making.

There are many positives to draw on from the past year, however the year has not been without problems – a number of releases have required correction. Many people in ONS feel they are running to stand still. We have an ambitious programme and tight resources. As we seek to develop, we need to make sure day to day delivery of statistics is not put in jeopardy.

On appointment I set out three priorities: economic statistics, contributing to public policy and building data capability.

In the area of economic statistics we have celebrated the successful publication, in September 2014, of the annual Blue and Pink Books, which involved 'once in a generation' changes to the way National Accounts and Balance of Payments statistics are reported. It was the result of many months of work, planning and engagement with our stakeholders to explain the revisions and complete a comprehensive programme of analysis and quality assurance. As a further improvement to the service we provide, The Economic Forum was introduced in April 2014 and has gone from strength to strength, supported by the monthly publication of an Economic Review, providing up to date analysis and insight to our stakeholders.

The way forward has been made clearer in the past year by two major reviews – Dame Kate Barker's review of National Accounts, published in July 2014, and Paul Johnson's Review of Consumer Price Statistics, published in January 2015. Both have been well received and will

require a lot of work and consideration to implement. This task will be led by the newly appointed Deputy National Statistician for Economic Statistics, Jonathan Athow.

Glen Watson has been appointed Deputy National Statistician for Population and Public Policy (Director General) and will lead efforts across the statistical service to ensure statisticians understand the needs of decision makers, both inside and outside of government. He will review the data collection and data gathering strategy to ensure effective and modern processes are in place and will drive forward the successful delivery of the Census in 2021.

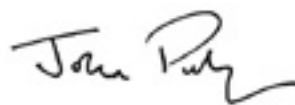
The recommendation for a predominantly online census in 2021, supplemented by further use of administrative and survey data, was welcomed by the then Minister for the Cabinet Office, Rt Hon. Francis Maude in July 2014. The Census Transformation Programme has now been launched to take this work forward and seeks to make the case for joining up administrative and other data for statistical and research purposes; there are legal, ethical and public acceptability questions to be addressed.

In April 2015 Heather Savory was appointed Deputy National Statistician for Data Capability and will drive greater capability at the system level to bring to bear the information held across the public and private sector on the questions policy-makers, businesses and citizens are asking. There is huge potential in using modern tools and open methods to improve the collection, processing and dissemination of our statistics.

Over the course of 2014/15 we have taken steps to modernise the way we communicate with our customers. A new

prototype “alpha” website was launched in December 2014 to positive feedback from a wide community of external users as well as the Government Digital Service (GDS) and this will be followed by a more developed “beta” version. In addition we have launched “Visual.ONS”, a new part of our online portfolio aimed at the enquiring citizen seeking to understand economic and social trends and learn more about their own local communities.

I have set out some of the highlights of my first year as National Statistician, the following sections give more detail on progress against our 2014/15 Business Plan. I look forward to further progress in 2015/16 in our collective mission to provide high quality statistics, analysis and advice to help Britain make better decisions.



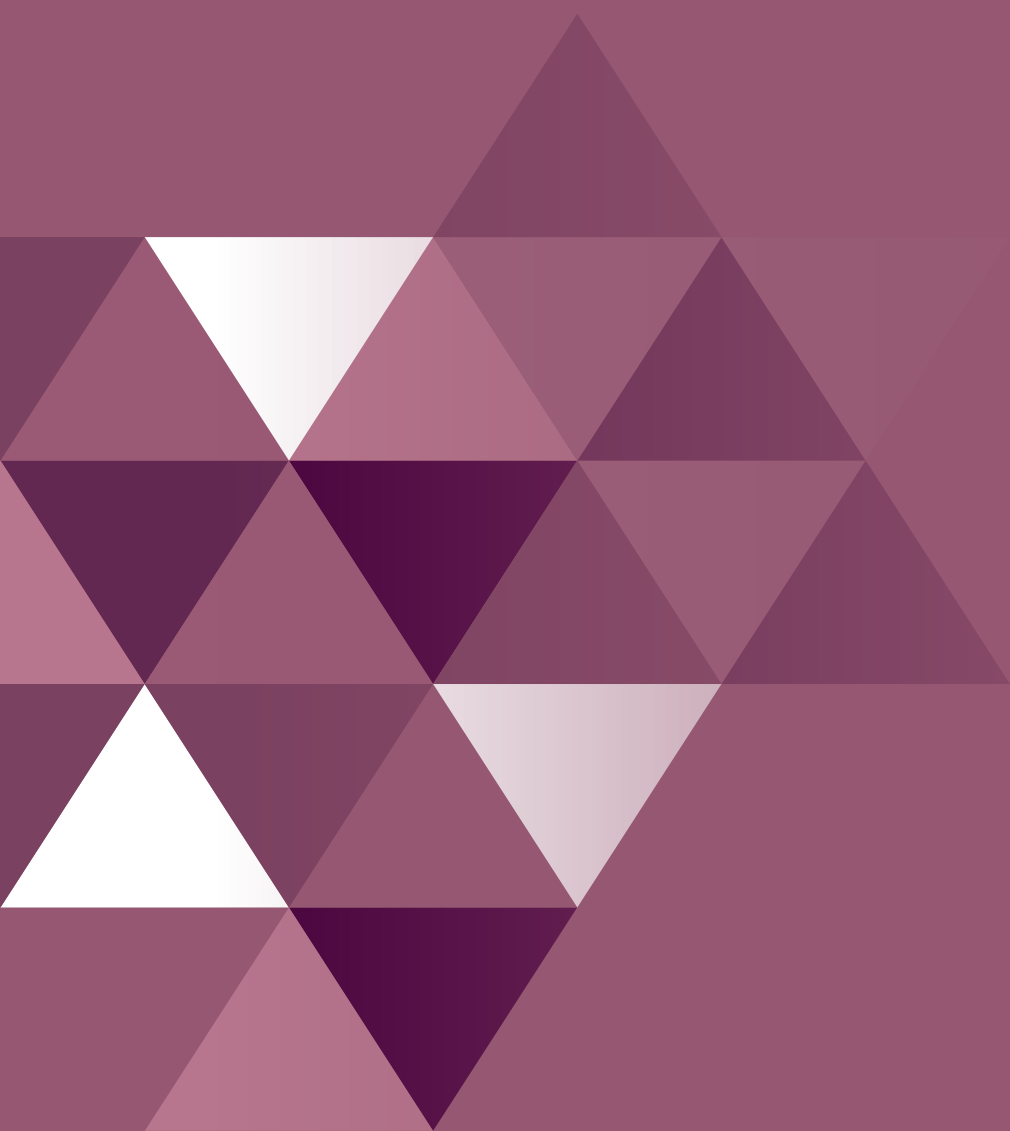
John Pullinger CB CStat
National Statistician
UK Statistics Authority
29 October 2015



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Chapter 2

Strategic Report



2.1 STRATEGIC OBJECTIVES

The Authority's strategy sets out a five year vision for the UK official statistics system which includes more data provided in realtime; services that are digital by default giving greater understanding around statistics as National Statistics will be accepted and used with confidence.

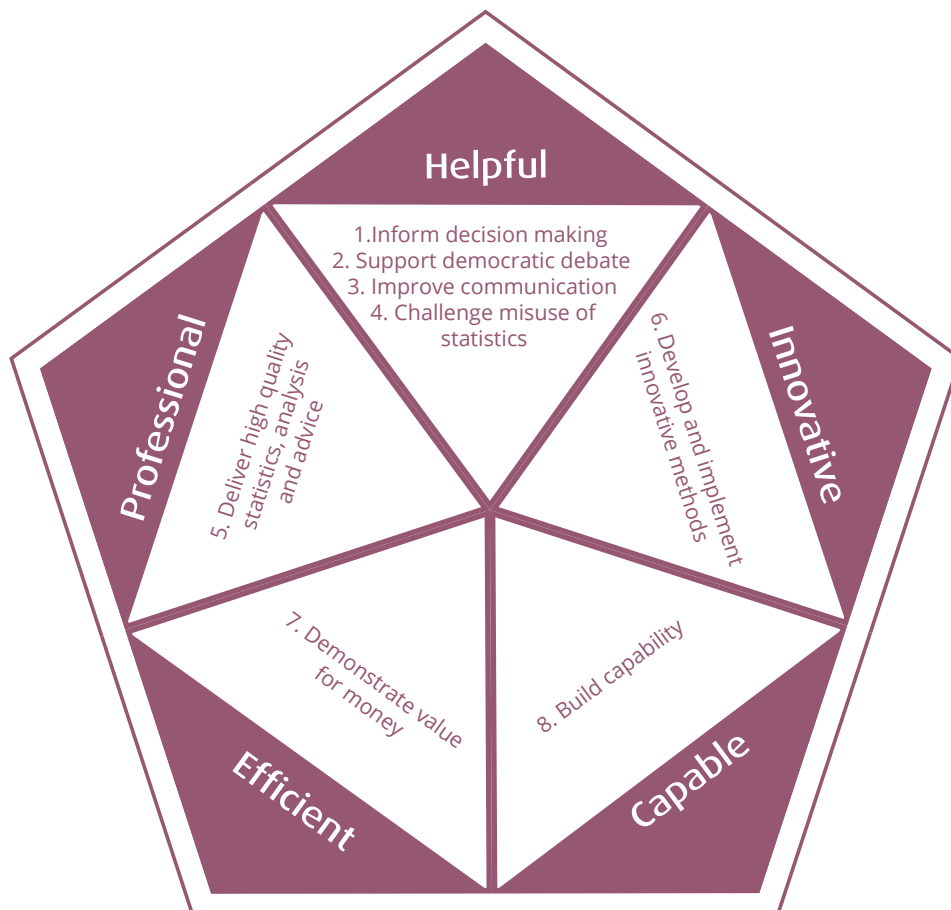
To achieve its mission over the next five years the Authority will focus on five perspectives (**helpful, professional, innovative, efficient** and **capable**) to ensure it serves the public good and helps our nation take better decisions. These perspectives describe the way the Authority will work with others to provide a quality service, to deliver in a cost effective way and to ensure we optimise the capability of the statistical community.

Building stronger relationships will enable the Authority to be more helpful and intuitive in responding to the needs of stakeholders.

Planned delivery of each perspective is identified by eight strategic objectives. These are depicted in the model below and are explained in more detail later in this report.

This chapter includes brief descriptions of each of the Authority's five strategic perspectives alongside a summary of the work that has been undertaken during 2014/15 and descriptions of further work the Authority has planned.

Work to deliver the strategy spans the breadth of the Government Statistical Service (GSS) and it would not be possible to capture all activity within one short report. We have chosen to focus on the most significant areas.



HELPING IMPROVE DECISION MAKING

Official statistics play a crucial role in enabling sound decision making and informing democratic debate. Statistics support the formulation of effective government policies, the management of public service delivery and the direction of economic and commercial activities. Improving public understanding of statistics and assuring the public that official statistics are trustworthy is central to the use of statistics for public good. The Authority is committed to providing this assurance, supporting the formulation of effective government policies and the management of public service delivery, and informing the direction of economic and commercial activities.

Engagement in statistics

The Authority is committed to increasing the level of engagement in statistics. The *'Better Statistics, Better Decisions'* seminar in November 2014 positioned the Authority as a leader in establishing the future infrastructure of UK official statistics. It was convened to coincide with the launch of our new five-year corporate strategy, and considered the statistics that decision-makers and users need in order to understand and make informed decisions on our society and economy. Other events in 2015 will consider the future shape of crime and health statistics, and the opportunities and challenges of the 'data science revolution'. A further round table event will be held towards the end of 2015 to reflect on recent developments in UK official statistics and to identify further programmes of work for the remaining four-years of the strategy.

Statistical producers across government have also engaged with users and decision-makers. For example, the Statistics Authority and NHS Scotland analysts co-hosted a user engagement event which brought together key users including representatives from the Scottish Press, NHS Scotland, Local Authorities and Scottish Government. This event led to a change to the publication schedule for official statistics – moving away from a single monthly publication day as a result of feedback from delegates.

The Department for Communities and Local Government (DCLG) led a joint working group with statisticians in ONS, the Valuation Office Agency and the devolved administrations to share their expertise to deliver the recommendations set out in the 2012 National Statistician's *Review of Official Housing Market Statistics*. This collaboration produced the first of a new series of annual articles, published in September 2014, describing and displaying key trends in the UK Housing Market.

The value of the National Statistics brand

Over the course of the year, the Authority's regulatory function has ensured that users of official statistics understand the value of the National Statistics quality mark and of the Authority's wider regulatory work. Compliance of official statistics against the Code of Practice for Official Statistics has continued to be assessed, and concerns expressed about aspects of particular sets of statistics have been investigated and reported on. The level of statistical quality has been raised by setting formal requirements, which producers of official statistics must comply with in order to be designated as National Statistics.

In certain instances, where sets of official statistics do not maintain the high standards expected by the Code, the Authority has removed their National Statistics status. In some cases National Statistics status has been removed after the producer body approached the Authority when its statistics have temporarily fallen below expected standards, for example, through error or during a change in methods. In other cases removal has followed a more detailed assessment by the Authority, which has resulted in a range of actions for the producer body to implement before National Statistics status can be reinstated. Examples of the Authority withdrawing the National Statistics designation include: Crime Statistics in England and Wales (for which the Authority is working with the Home Office on a programme of improvement); UK Trade statistics (which had their National Statistics designation removed in November 2014) and Overseas Travel and Tourism (which had their designation removed in September 2014, but has since regained National Statistics status).

A peer review of the UK statistical system was conducted in March 2015 and recognised the value of the National Statistics brand¹. Peer reviewers noted that the recent practice of the Statistics Authority temporarily withdrawing the National Statistics label was likely to underscore the meaningfulness of the brand. Peer reviewers also recommended that the Authority should continue to systematically engage with ministers and

department Heads of Profession, i.e. the senior statistical advisers in government departments, on the use of the designation of Official/National Statistics.

Trust in official statistics

To assure the public that official statistics are trustworthy, the Authority investigates all concerns raised, and in some cases responds publicly in the form of an announcement or published correspondence. Where there are grounds for deeper investigation, the Authority might commission a review leading to a published report or other intervention.

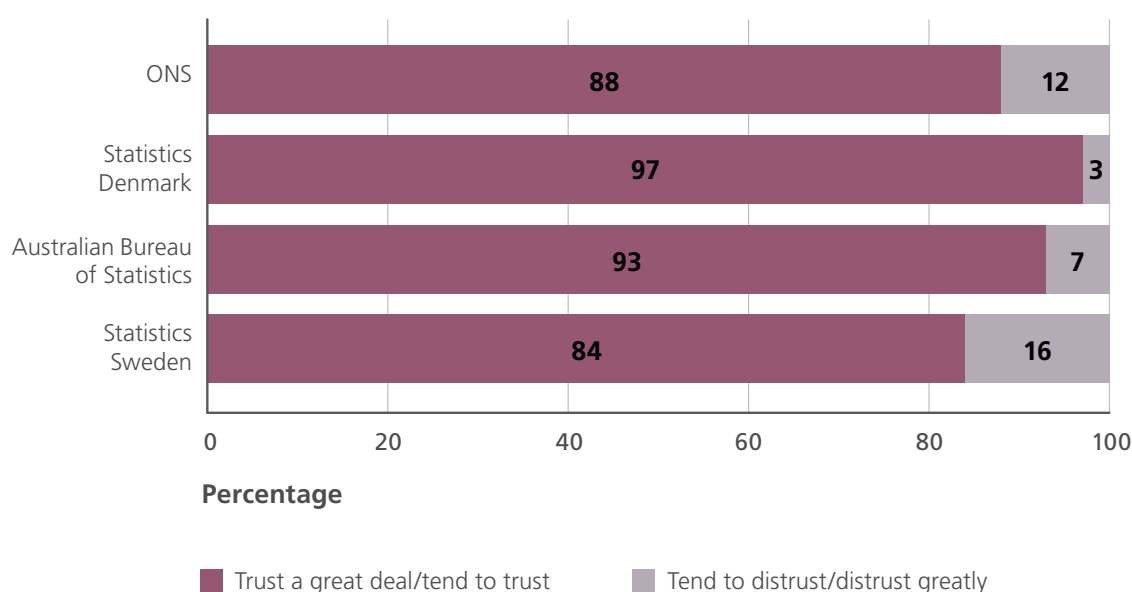
All concerns raised with the Authority, regardless of the outcome, are published on the Authority's Issues Log. Inclusion on the Log does not necessarily mean that the Authority shares the concern or is committed to further action. Over the course of 2015 the Authority has responded to a number of concerns, including accident and emergency statistics, tax compliance and the difference between debt and deficit. Correspondence is published on our website: <http://www.statisticsauthority.gov.uk/reports---correspondence/correspondence>

During 2015, the Authority commissioned NatCen Social Research to conduct a survey of public confidence in official statistics². The results indicated that the majority of the British public trust ONS, with 88 per cent of those who expressed an opinion saying that they trusted the institution and 81 per cent saying that they trust the statistics produced by ONS. This is comparable to the National Statistical Institutes of Sweden, Denmark and Australia as shown in the following chart.

1 Peer review report on compliance with the Code of Practice and the coordination role of the National Statistical Institute: United Kingdom, March 2015, Available at: <http://ec.europa.eu/eurostat/documents/64157/4372828/2015-UK-report/d44f7d3f-64c1-4450-8a37-bfadb8542607>

2 <http://www.natcen.ac.uk/our-research/research/public-confidence-in-official-statistics/>

Trust in ONS compared with trust in Statistics Denmark and the Australian Statistics Bureau (excluding 'don't knows')



Improving communication

Improving the communication of official statistics is vital to ensuring that they make the right impact and serve the public good. As part of this, the Authority has committed to making material improvements to the ONS website. During 2014, the deployment of a new subject taxonomy caused instability to the ONS website, inconveniencing users of the site. In 2014, the Authority Board agreed to develop a new website rather than repairing the old one – a fundamentally different approach. Work was completed on a new Alpha site in less than 12 weeks and made available to the public in December 2014 for feedback.

In parallel with the development of the ONS Alpha site, ONS launched the Visual.ONS project in January 2015. Visual.ONS is geared towards 'Inquiring Citizens' who are increasingly demanding more accessible ways to interact with ONS data. Initial content included blog-style short stories and analysis, info-graphics

and interactive material. These were presented in a visually responsive format, optimised for a tablet or smartphone.

A range of improvements have been made to the way statistics from across the GSS are communicated. For example, the GSS has improved the way statistics are communicated via social media. The number of departments with dedicated statistical Twitter feeds has increased, with more departments planning to introduce statistician led accounts in 2015/16. Additionally, ONS has supported a team of 'tweeting statisticians' who cover the main statistical areas providing further commentary and insight. A stronger GSS presence on social media has helped improve the awareness and communication of official statistics, as well as enabling statistical producers to engage quickly and directly with users.

Improving democratic debate

This year the UK statistical system has worked to develop further the role official statistics play in informing public debate through producing a diverse range of official statistics which support democratic debate. For example, this year ONS undertook to provide a series of analytical articles drawing together official statistics by theme to provide an overview of key aspects of the UK over the last three decades. These 'UK Perspectives' releases addressed a number of themes including: population; the economy; and the labour market.

The current arrangements for pre-release access – the practice of making official statistics available to specific individuals in advance of their publication – are deeply unsatisfactory. This year the question of pre-release was asked as part of the Public Confidence in Official Statistics³ survey. The research supported the Authority's position, with the majority of the British public in favour of a change to the current pre-release access rules. Seventy-one per cent responded that official statistics should be made equally available to everybody at the same time.

A PROFESSIONAL SERVICE

The Authority is committed to ensuring that official statistics: are of high quality and produced to consistently high professional standards in accordance with international best practice; are trustworthy, and meet the needs of those who wish to use them.

ONS continues to produce high quality statistics on a range of key economic, social and demographic topics. Key outputs include measuring changes in the value of the UK economy (Gross Domestic Product), estimating the size, geographic distribution and characteristics of the population (including statistics from the Census), and providing indicators of price inflation (Consumer Price Index), employment, earnings, crime and migration.

Many UK official statistics, including those produced by ONS, are based on data collected through business and social surveys. This data collection is a significant undertaking and we rely on businesses and individuals, supported by our field force operations across the country, to respond to our surveys and provide the data on which our statistics rely. Over the course of the year, we achieved a 97 per cent response rate for business surveys. This is above our own target of 90 per cent and therefore gives us confidence that our statistics are accurate with bias minimised. Response rates for social surveys, such as the Labour Force Survey, are lower due to their voluntary nature but were at an acceptable level around our 60 per cent target.

While ONS met its target of 99 per cent for statistical releases produced without major errors, incidences of major corrections have occurred for a variety of reasons during the course of the year. Such incidents are taken seriously and are formally reviewed.

In order to ensure our statistics are of the highest possible quality a programme of National Statistics Quality Reviews was re-established in 2013/14, with reviews of the National Accounts and Balance of Payments, and the Labour Force Survey undertaken. The recommendations for

3 http://www.natcen.ac.uk/media/833802/public-confidence-in-official-statistics_-final.pdf

improvement from these reviews were endorsed by ONS and will be put in place during the next financial year. Upcoming reviews include the Living Costs and Food Survey, Foreign Direct Investment, and International Trade in Services.

ONS Key Accounts

Each year, we ask our key stakeholders including central government departments, the Bank of England and the Office for Budgetary Responsibility to assess our performance. Areas identified for improvement included the ease of finding ONS statistics and analyses on the website and also information on the re-designation of outputs such as CPIH, UK Trade and Construction as National Statistics. ONS continues to work with key account organisations to respond to their feedback and to ensure its statistics and analyses inform policy and decision making.

In 2013/14, ONS incorporated its key account assessments into the first annual ONS Customer Satisfaction Survey⁴ in 2014/15. ONS invited almost 1,100 organisations to take part in the survey with over 250 customers responding. Customer opinion of ONS remains very positive, with customers continuing to value and trust the high quality, independent and reliable outputs it provides. Overall, there was a slight improvement in satisfaction levels over the previous 12 months – 92 per cent of customers were satisfied with the overall performance of ONS as a National Statistics Institute (compared with 89 per cent in 2013/14) and 96 per cent of respondents reported they feel ONS

statistics are trustworthy (compared with 94 per cent in 2013/14). ONS will publish a summary of the findings, together with all responses in full, in summer 2015. It will also publish an updated survey report setting out the actions it has taken in response to the feedback from customers.

Improving the quality of official statistics

The statistical system continues to improve the quality of official statistics, including the following:

- The Department for Work and Pensions, (DWP) has transformed their Quarterly Work Programme National Statistics bulletin to provide a succinct, easy to read, well structured publication. They have used a range of annotated graphs to reinforce the main messages from the data and these, combined with a simplified narrative, provide a helpful summary of a complex range of statistics.
- The Department for Communities and Local Government (DCLG) developed a more compact and easier-to-use version of the previously GSS-developed 'Quality and Methodology Harmonisation Tool' (QMHT). The tool comes with an easy-to-use Quality Assurance 'Checklist' which can be applied to any statistical release and is designed to ensure compliance with the key principles set out in the Code of Practice for Official Statistics.
- Following the Authority's investigation of statements about the amount spent by the Government on flood defences undertaken⁵, the Department for Environment, Food and Rural Affairs

4 <http://www.ons.gov.uk/ons/about-ons/get-involved/consultations-and-user-surveys/satisfaction-surveys/ons-customer-satisfaction-survey/index.html>

5 A number of pieces of correspondence. Available at: <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/index.html>

(DEFRA) introduced a new statistical release⁶. This provides an accessible overview of spending by a range of bodies.

There are also examples of where GSS quality principles have been used to inform broader analytical assurance processes:

- The Department of Health led work to respond to the Macpherson review⁷ of quality assurance of business critical models. As well as promoting the role of statisticians in policy focussed activity, this work has helped to ensure that the models and technical analysis produced by the GSS met the needs of users.
- Since September 2014, the GSS Good Practice Team has created and nurtured a network of quality champions from across government departments making use of web technology to create a thriving and collaborative community. Having this community in place has increased the sharing of good practice, leading to significant improvements in quality.

The Authority's independent regulatory function examines systemic issues and emerging threats and opportunities facing the statistical system. One such area was statistics from the DWP Work Programme

which, while of great public interest, were found to be complex and confusing when first published in 2011. As such, they were the subject of investigation by Parliamentary Select Committees. In response, the Authority carried out a review highlighting the need to improve the coherence, presentation and accessibility of the statistics. DWP took steps to address the recommendations from the review, using the guidance of the GSS Good Practice Team. The statistics were assessed during 2014 and designated as National Statistics in December.

The Authority's Monitoring Review, *The Coherence and Accessibility of Official Statistics on Income and Earnings*, published in February 2015, recommended that the GSS engage with stakeholders to address the limited availability and timeliness of statistics on income from self employment. It also recommended that the GSS consider how best to provide users with more themed analyses in a way that remains current and sustainable. Working to improve the accessibility of statistics, their underpinning data, as well as providing better guidance on their strengths and limitations. The Authority held an event in the Summer to bring together statistics producers and users, to gather feedback on recent and planned work to improve the coherence and accessibility of income and earnings statistics and gather views on the future landscape of these statistics. The Authority will also monitor progress against the recommendations outlined in the review report.

Reviewing prices statistics

In January 2015, the Authority published a review of UK Consumer Prices statistics led by Paul Johnson, Director of the

6 Department for Environment, Food and Rural Affairs, Central Government Funding for Flood and Coastal Erosion Risk Management in England, February 2015. Available at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/401305/Central_Government_Funding_for_Flood_and_Coastal_Erosion_Risk_Management_in_England_feb_2015.pdf

7 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/206946/review_of_qa_of_govt_analytical_models_final_report_040313.pdf

Institute for Fiscal Studies. This review was commissioned to consider what changes are needed to the range of UK consumer price statistics in order to best meet current and future user needs. The review consulted with users and worked with an advisory group of prominent prices experts. The Authority will launch a formal public consultation in the summer of 2015.

INNOVATION

The Authority's strategy emphasises the importance of anticipating new opportunities and responding to new requirements using innovative, efficient and effective methods. Official statistics should be at the forefront of using new technology, identifying and exploiting new methods and data sources. This includes the use of administrative data, moving to digital services for data collection and, specifically, the Census.

Use of administrative data

The Authority has established the Governance Board for the Administrative Data Research Network (ADRN) to provide a bespoke service for researchers to carry out social and economic research using administrative data. The ADRN is a UK-wide partnership between universities, government departments and agencies, national statistics authorities, the third sector, funding organisations and researchers. This year an ADRN website has been developed; an Approvals Panel set up to consider potential projects; the majority of staff across the network have been recruited; and the ADRN has organised a series of training courses. More information will be in the ADRN Annual Report.

In light of the withdrawal of the National Statistics designation from Police Recorded Crime Statistics in England and Wales in January 2014, the Authority launched a programme of work to better understand the implications of using administrative data for producing official statistics. The project culminated in the publication in January 2015 of the Authority's regulatory standard⁸ and a tool-kit for producers that confirms the quality assurance arrangements required for statistics compiled using administrative data to comply with the Code of Practice for Official Statistics.

NHS England responded to the regulatory standard by investigating the information assurance arrangements of the Ambulance Services; these included obtaining additional data to demonstrate that the data used to monitor the eight minute emergency response target is unaffected by the potential distortions that may occur with performance measures.

The guidance on Quality Assurance of Administrative Data (QAAD) has been welcomed by statistical producers as providing clear, practical guidance on the assurance of administrative data. The guidance is being applied by those producing official statistics.

The future of the Census

The 'Beyond 2011 Programme', considering the future of the Census in England and Wales, reached its conclusion in 2014. A proposal was accepted by the UK Government of the need for an online Census in 2021, supplemented by administrative and survey data to enable additional and

⁸ <http://www.statisticsauthority.gov.uk/assessment/monitoring/administrative-data-and-official-statistics/index.html>

more frequent outputs. January 2015 saw the closure of the 'Beyond 2011' programme and its replacement by the Census Transformation Programme. This Programme will take forward the vision to make the best use of all available population data to deliver a modern Census in 2021 and as such will be a major focus for ONS over the coming years.

Economic statistics

Significant progress has been made with improvements to Economic Statistics. ONS achieved a major milestone in October 2014 when the National Accounts Blue Book and Balance of Payments Pink Book were published, resulting in conceptual compliance with up-to-date international standards⁹. These releases represented a significant step towards a major programme of improvements undertaken by ONS to ensure these major economic statistics continue to provide the best possible framework for analysing the UK economy and comparing it with other countries.

Online data collection

ONS has made progress with its digital transformation programmes focussing on developing methods for online data collection and the dissemination of statistics and analysis via digital channels. Developing effective, efficient and secure tools for online data collection is a real challenge for ONS but progress has been made during 2014/15 which will enable the first key business surveys to be online in 2015/16.

DEFRA has successfully reduced the amount of data collected on paper

questionnaires through the use of an online option for data providers to complete their two main farm-based surveys. Approximately 50 per cent of respondents now complete these surveys online and have provided good feedback in relation to them. This change has generated cost savings for DEFRA, through reduced printing, postage, scanning and keying costs. Further efficiencies result from the online questionnaires including validation checks, with less data cleansing undertaken compared to paper-based surveys.

Open data

ONS has continued to focus on the release of more data in an open data format this year, meeting our target of delivering at least 30 open datasets by the end of 2014/15.

EFFICIENCY

The Authority is committed to demonstrating value for money in all aspects of its business, against a context of scarce public resources. Budgets for statistics have reduced over recent years and there is likely to be increasing pressure on resources over time. In some cases it will be necessary to cease lower priority work to enable higher priority user needs to be met elsewhere.

Delivering Value for Money

The Authority continued to focus on and deliver increased value for money and operational efficiency in 2014/15. Building on the £9 million in efficiency savings made in 2013/14 the Authority delivered a further £1.2 million in 2014/15. This additional saving was delivered through various means including:

⁹ The 2010 European System of Accounts and Balance of Payments Manual Version 6

- statistical and back-office process improvements delivered through the ONS Continuous Improvement Zone using Lean Six Sigma methodology;
- more efficient engagement of specialist contractors in our Technology and Project Management communities; and
- third party contract price reductions.

The efficiency programme will continue in 2015/16 with plans for reducing workforce numbers, savings from reducing data collection, creating lower cost back office functions and through greater exploitation of information technology (i.e. the digital dividend).

To maximise the effectiveness and efficiency of the assessment process, during 2014 the Authority developed clear criteria to define priorities for its Assessment Work Programme¹⁰. The criteria have been used to score and rank different potential assessments, and will help the Authority to prioritise its efforts on assessment.

Minimising reporting burden

DCLG carried out a comprehensive review of the financial data it regularly collects from local authorities in order to minimise their reporting burden. It developed proposals for data requests to be discontinued through consulting with users and ran a full 'User Engagement' exercise to assess the impact of the proposals. The resulting reductions in data collection amounted to approximately 10 per cent of the overall burden previously associated with data collection questionnaires for local authorities.

¹⁰ Criteria for prioritising assessments. Available at: <http://www.statisticsauthority.gov.uk/assessment/assessment/programme-of-assessment/criteria-for-prioritising-assessments.pdf>

The Authority is committed to minimising the burden of surveys on businesses. This year ONS managed to reduce the annual cost of completing business surveys to within its £25 million target. ONS is also on track to meet its target of staying within 150,000 respondent hours for time spent completing social surveys.

CAPABILITY

The system of UK official statistics must be built on a solid foundation of people and technological capability. This includes developing a diverse, skilled and resilient workforce that is fully engaged in the business and able to deliver innovative solutions and improvements necessary to achieving our strategy. We must ensure that we have the right people, in the right place and at the right time with the skills that a modern statistical system needs. The Authority has appointed a new Director General for Data Capability in recognition of the importance of this priority, and our wider role in developing capability across government.

Both the Authority and GSS are facing significant programmes of change which require the development and recruitment of relevant specialist skills (including in programme management, statistical computing, digital exploitation and dissemination).

From a GSS perspective this extends to building skills in the policy arena in order to put statistics and analysis at the forefront of decision making. The GSS are investing in data capability to drive the transformation of data services available to analysts, decision makers and the public. This will continue to be a key focus in the year ahead.

Data capability

During 2014, the Government Digital Service (GDS), Cabinet Office (CO), ONS, and the Government Office for Science (GO-Science) established a data science partnership in government. A series of pilot projects raised the profile of the transformative potential of the use of new analytical techniques, technologies and data sources. The programme also highlighted current capability gaps in this area across government. Work on an 'accelerator programme', aimed at up-skilling early adopter analysts, further underlined the challenge of building skills in this area.

ONS is taking a leading role in the government's Big Data Project which is investigating the benefits and challenges of deploying big data and data science for official statistics. New data sources have the potential to improve efficiency, increase output quality and save money across government by augmenting existing outputs or enabling the generation of new, timelier sources. ONS has established a 'private cloud' computing facility that enables agile research into new technologies and tools, exploration of new sources of public data and the development of new skills. An 'Innovation Lab' underpins the Big Data Project, and also has a potentially wider impact as a general enabler of innovation and creativity within ONS and across government.

Developing talent

We continue to develop new skills to meet the digital agenda while ensuring we invest in our people, nurturing and developing talent to ensure we have the highest level of skills to move the organisation forward. As part of this work ONS conducted a leadership development

programme for senior managers. This programme recognises the importance of leadership improvement in order to enable ONS to continue delivering its business whilst also transforming into a more modern, efficient and capable organisation. The majority of ONS senior managers attended this programme during the course of 2014/15.

Linked to the skills challenge is the need to identify and nurture talent within the GSS to ensure those with potential develop skills to reach positions where they can influence decision makers.

2.2 SUMMARY FINANCIAL INFORMATION

Comparison of 2014/15 Outturn with the 2014/15 Estimate

During 2014/15 the Authority has seen significant improvements to its financial management. Following a reorganisation within finance, staff have been empowered to think more innovatively, improving financial management information produced, to better inform decision making across the organisation.

During the year, the Authority received approval to drawdown additional funding of £15 million from the Reserve. This was primarily required to meet new legislative demands from European Union and critical support to some of our key strategic programmes. The additional £15 million of funding allowed the Authority to progress a number of our key strategic programmes, including:

- European System of Accounts 2010;
- Electronic Data Collection;
- Web Data Access; and
- Redevelopment of Consumer Price Index/Retail Price Index systems.

The key outturns (including the £15 million Reserve Claim funding) are shown below:

Departmental Expenditure Limit – Resource

Resources	2014/15 Estimate	2014/15 Outturn	Saving
	£'000	£'000	£'000
Departmental Expenditure Limit – Resource (Excluding Depreciation)	155,440	155,181	259

The resource position highlights the continued improvements to financial management within the Authority. The outturn represents the utilisation of 99.8 per cent of available resource funds.

Depreciation

	2014/15 Estimate	2014/15 Outturn	Saving
	£'000	£'000	£'000
Depreciation	15,300	14,980	320

The outturn on depreciation represents the allocation of costs over the useful life of the asset. The reduction of the useful economic life of certain assets during the year has contributed to the outturn.

Departmental Expenditure Limit – Capital

	2014/15 Estimate	2014/15 Outturn	Saving
	£'000	£'000	£'000
Departmental Expenditure Limit – Capital	12,100	11,861	239

The outturn on Capital represents the continued investment required to develop new assets, replacing old legacy systems, and undertaking essential property works.

Annually Managed Expenditure

	2014/15 Estimate	2014/15 Outturn	Saving
	£'000	£'000	£'000
Annually Managed Expenditure – Resource	238	(236)	474

The Annually Managed expenditure (AME) under-spend is attributed to a reduction in a number of provisions.

The Authority's financial position remains under significant pressure, and a detailed efficiency programme is being developed for 2015/16 and beyond.

Included within resource expenditure are staff costs which are analysed in Note 3 to the accounts. This Note shows the number of full time equivalent staff (FTEs) and their costs, which include wages, social security and pension costs. Employees are Civil Servants to whom the conditions of the Superannuation Acts of 1965 and 1972 and subsequent amendments apply.

The Remuneration Report and Note 1 to the accounts provide further information on the relevant pension schemes.

In accordance with IAS24 Related party disclosures, all executive directors, non-executive directors and deputy directors are required to complete declarations that they have not entered into agreements or undertaken any material transactions with a related party during the year. Further information is in Note 19 of the accounts.

The accounts of the Authority are audited by the Comptroller and Auditor General and his Certificate and Report to the Houses of Parliament is presented in the Annual Accounts at pages 68 to 69.

The financial statements are audited in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board, and in accordance with the Government Resources and Accounting Act 2000.

Audit fees charged in the accounts amount to £78,000 (2013/14 £82,000). There were no non-audit fees charged in either 2013/14 or 2014/15.

Reconciliation of net resource expenditure between Estimates, budgets and accounts

	2014/15	2013/14
	£'000	£'000
Net Resource Outturn (Estimates)	170,978	176,697
<i>of which</i>		
Departmental Expenditure Limits (DEL)	170,740	177,838
Annually Managed Expenditure (AME)	238	(1,141)
Adjustments include:		
Reduction in depreciation	(320)	(3,721)
Reduction in provisions	(474)	-
Reduction in expected impairment	-	(1,724)
Reduction in DEL Resources spend	(259)	(529)
Net Operating Costs (Accounts)	169,925	170,723

CORE TABLES

The following table shows expenditure records and plans over the period 2009/10 to 2015/16. Machinery of Government (MOG) changes for Crime Statistics and the Housing Survey Index applied in the 2012/13 Main Estimate are included in the planned year 2015/16 but not included in outturn years.

Total departmental spending

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Planned
Resource DEL							
Section A: Programme Expenditure	205,899	304,690	311,853	181,109	173,588	170,161	174,172
Section B: Departmental Unallocated Provision	-	-	-	-	-	-	-
Total Resource DEL	205,899	304,690	311,853	181,109	173,588	170,161	174,172
<i>Of which:</i>							
Pay	110,196	125,285	158,457	112,912	115,163	116,667	116,662
Net current procurement ¹	81,136	166,678	138,986	54,107	47,208	39,096	65,010
Current grants and subsidies to the private sector and abroad	(70)	(781)	(1,044)	(1,153)	(799)	(582)	(24,000)
Current grants to local government	-	-	-	-	-	-	-
Depreciation	15,849	13,436	14,721	15,243	11,779	14,980	16,500
Other	(1,212)	72	733	-	237	-	-
Resource AME							
Section C: Provisions	14,420	7,056	(719)	1,069	(913)	982	(29)
Section D: Utilised Provisions	(13,849)	(10,072)	(5,559)	(3,837)	(1,952)	(1,218)	(834)
Total Resource AME	571	(3,016)	(6,278)	(2,768)	(2,865)	(236)	(863)
<i>Of which:</i>							
Pay	-	-	-	-	-	-	-
Net current procurement ¹	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-
Current grants to local government	-	-	-	-	-	-	-

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Planned
Net public service pensions ³	-	-	-	-	-	-	-
Take up of provisions	13,956	3,038	(1,736)	1,069	(1,630)	158	255
Release of provisions	(15,216)	(10,072)	(5,559)	(3,837)	(1,952)	(1,218)	(1,118)
Depreciation ²	469	4,018	1,017	-	717	824	-
Other	1,362	-	-	-	-	-	-
Total Resource Budget	206,470	301,674	305,575	178,341	170,723	169,925	173,309
<i>Of which:</i>							
Depreciation ²	16,318	17,454	15,738	15,243	12,496	15,804	16,500
Capital DEL							
Section A: Programme Expenditure	14,374	14,627	19,853	19,414	15,290	11,861	16,800
Total Capital DEL	14,374	14,627	19,853	19,414	15,290	11,861	16,800
<i>Of which:</i>							
Net capital procurement ⁴	14,374	14,627	19,853	19,414	15,290	11,861	16,800
Capital grants to the private sector and abroad	-	-	-	-	-	-	-
Capital support for local government	-	-	-	-	-	-	-
Capital support for public corporations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital AME							
Total Capital AME	-	-	-	-	-	-	-
<i>Of which:</i>							
Capital grants to the private sector and abroad	-	-	-	-	-	-	-
Net lending to the private sector and abroad	-	-	-	-	-	-	-
Capital support for public corporations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Capital Budget	14,374	14,627	19,853	19,414	15,290	11,861	16,800
Total departmental spending⁵	204,526	298,847	309,690	182,512	173,517	165,982	173,609
<i>of which:</i>							

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Planned
Total DEL	204,424	305,881	316,985	185,280	177,099	167,042	174,472
Total AME	102	(7,034)	(7,295)	(2,768)	(3,582)	(1,060)	(863)

Notes

- 1 Net of income from sales of goods and services.
- 2 Includes impairments.
- 3 Pension schemes report under FRS 17 accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items.
- 4 Expenditure on tangible and intangible fixed assets net of sales.
- 5 Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

Assets and Liabilities on the Statement of Financial Position at the end of year:

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Planned

Assets of which:

Non-Current Assets 313 319 112 99 84 67 52

Current assets 12,122 23,044 14,549 11,799 8,614 13,517 13,711

Intangible assets :

Software licences 3,187 2,431 5,670 5,678 6,334 3,066 3,532

In-house developed software applications and applications under construction 31,773 32,755 35,275 35,475 38,908 39,462 41,478

Tangible assets:

Property plant and equipment and building refurbishments under construction 50,724 45,722 43,016 42,528 40,271 39,671 39,812

98,119 104,271 98,622 95,579 94,211 95,783 98,585

Current liabilities (30,538) (39,949) (41,198) (33,509) (31,380) (22,321) (22,628)

Non- current liabilities (25,116) (20,846) (14,195) (12,076) (8,715) (8,026) (7,906)

Capital Employed 42,465 43,476 43,229 49,994 54,116 65,436 68,051

Capital employed is a measure of the value of assets that add to the Authority's ability to support its future business activities. It represents the Authority's investment in its continuing operations.

SPENDING REVIEW

The Spending Review is a HM Treasury (HMT) led process to allocate resources across all government departments, according to the Government's priorities. Spending Reviews set firm spending budgets over one or more years for each department. Spending Review 2010 covered the four years from 2011/12 to 2014/15 and subsequently Spending Review 2013 set the budget for 2015/16. The Authority will respond to Spending Review 2015 and an announcement on the outcome is to be made on 25 November 2015.

PROMPT PAYMENT TARGET

The Authority is committed to both the Confederation of British Industry Prompt Payment Code and Department for Business Innovation and Skills Better Payment Practice. The policy is that all bills should be paid in accordance with contractual conditions.

Where no conditions exist, payment will be made within 30 working days of the receipt of goods or services, or the presentation of a valid invoice, whichever is the later. We achieved payment in accordance with this policy in 94 per cent of transactions for the year ended 31 March 2015. The performance is measured in accordance with HM Treasury guidelines which requires a 90 per cent target.

In addition to the 30 day target, we endeavour to pay suppliers, especially small and medium sized enterprises, within five days. We achieved payment in accordance with this policy in 83 per cent of transactions for the year against a target of 80 per cent.

REPORTING TO PARLIAMENT

This report forms part of the annual reporting process to Parliament. To allow Parliamentary scrutiny, the Authority also prepares estimates of its expenditure, with the Main Estimate in the early part of the financial year, and the Supplementary Estimate normally published in February. Estimates can be found at: www.hm-treasury.gov.uk/psr_estimates_mainindex.htm

2.3 OTHER CORPORATE INFORMATION

TRANSPARENCY

The Government has a clear commitment to greater transparency of public information. It believes members of the public should be able to access information on how departments are organised and what they spend.

The Authority believes that transparency is a key condition and driver for the delivery of our services. As a publicly funded organisation, we have a duty to our stakeholders to be transparent about our business operations and outcome.

To give greater transparency across its operations the Authority publishes information which is regularly updated on the website and/or the ONS website.

This includes:

- board members and senior directors expenses and hospitality received;
- organisation charts;
- details of senior and junior posts and senior staff salaries;
- details of payments to suppliers each month over £25,000;
- monthly prompt payment information; and
- exception reporting.

CONTRACTUAL

To deliver its objectives the Authority works with a number of key suppliers. These have been selected in accordance with government procurement guidelines. The Authority manages these suppliers using a defined contract management process and in some cases works with these suppliers as part of an integrated project team.

Those that provide longer term support to the Authority include Fujitsu Services Ltd, British Telecom and Landmark who provide information technology services and organisations such as (but not limited to) Steria, Parity Resources Ltd and LA International who provide specialist IT contractors. For facilities management services we work with Mitie Facilities Services whilst British Telecom manage our communications. TNS Research International work with us on key statistical outputs.

Financial information on contracts is included in Note 16 of the Financial Accounts.

SUSTAINABILITY

This section of the Annual Report and Accounts presents progress against targets for sustainable development. In 2011/12 the Government established a set of 'Greening Government Commitments' that all departments were required to meet by 2015. The Authority has not only met the commitments by the deadline, but has exceeded them substantially in a number of areas including Greenhouse gas emissions, reductions in water consumption and waste volume. A summary of achievements is shown in Table 1.

Table 1: Summary of Authority Performance against Greening Government Commitments

Area	Actuals	Actuals	Target Performance
	2013/14	2014/15	2015
Carbon (tonnes Carbon Dioxide)	5,779	5,899	7,464
Waste (tonnes) ¹	574	438	493
Water consumption (cubic metres)	15,854	12,923	18,526
Water expenditure (£'000) ²	75	63	-
Energy consumption ('000 kilowatt hours) ³	9,178	8,981	-
Energy expenditure (£'000) ^{2,4}	902	780	-

Notes:

1. Construction waste is excluded from the waste figures as it is out of scope of the Greening Government Commitments.
2. There is no target to reduce expenditure as expenditure depends on a number of factors, of which consumption is only one.
3. Consumption in kilowatt hours is a recognised measure but the target is based on the tonnes of carbon dioxide emitted.
4. Energy expenditure figures are taken from the interim final accounts.

Greenhouse Gas emissions

The Authority had the following Greening Government targets set by Central Government:

- cut greenhouse gas emissions from the whole estate by 25 per cent by 31 March 2015 as compared with the 2009/10 baseline;
- cut greenhouse gas emissions from business related transport by 25 per cent by 31 March 2015 as compared with the 2009/10 baseline; and
- cut domestic business flights by 20 per cent by 31 March 2015 from 2009/10 baseline.

The Authority has met all of these targets. The excellent performance to date with regard to buildings emissions has been achieved through a number of measures that were introduced in earlier years. These include improving the thermal performance of the Newport building through installation of double glazed windows and installing new boilers at Newport and Titchfield. New Building Management Systems were installed in Newport and Titchfield during 2012/13.

Carbon emissions from road vehicles come from two sources: travel between offices and other locations on day to day administrative business, and travel required by the field force to conduct surveys.

Table 2: Greenhouse Gas emissions, energy consumption and travel on official business

Greenhouse Gas Emissions		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Non-Financial Indicators (tonnes Carbon Dioxide)	Total Building Emissions ¹	7,105	6,165	4,719	4,090	3,494	3,672
	Total Emissions Road Vehicles ²	2,881	2,963	4,842	1,684	1,961	1,886
	Total Emissions Rail Travel	184	147	132	155	121	168
	Total Emissions Air Travel	391	257	202	191	203	172
Energy consumption (‘000 kilowatt hours)	Electricity	9,530	8,781	7,583	6,429	5,999	5,703
	Gas	10,424	7,476	3,486	3,681	3,179	3,278
	Bio Fuels	0	364	1,304	1,440	1,184	1,098
	Oil	0	647	200	21	0	0
	Total Buildings Energy Consumption	19,954	17,268	12,573	11,571	10,362	10,079
Financial Indicators (£'000)	Total Expenditure on Energy	1,633	1,075	1,068	889	902	780
	CRC Gross Expenditure (2010 onwards)	-	3	69	67	66	85
Kilometers travelled	Road Travel	13,074,156	13,352,896	24,245,763	8,557,111	9,974,118	9,894,440
	Rail Travel	3,058,182	2,435,697	2,171,871	2,569,791	2,561,784	2,814,146
	Air Travel (Domestic)	572,962	530,410	430,275	243,223	269,500	334,919
	Air Travel (Short Haul)	1,139,084	513,411	596,365	561,681	602,546	705,246
	Air Travel (Long Haul)	1,126,975	809,121	417,982	563,275	768,656	512,426

1. Emissions from buildings increased in 2014/15 despite lower energy consumption because the carbon conversion factors (gas and electricity) are higher.
2. Total emissions from road vehicles increased significantly in 2011/12 due to the 2011 Census

Figure 1: Greenhouse Gas Emissions

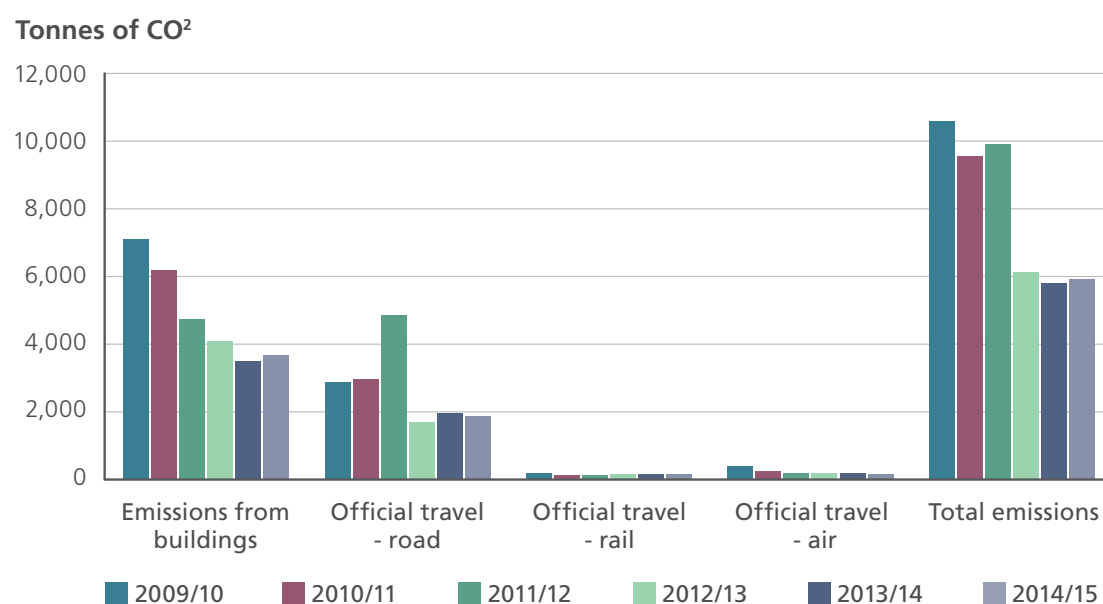
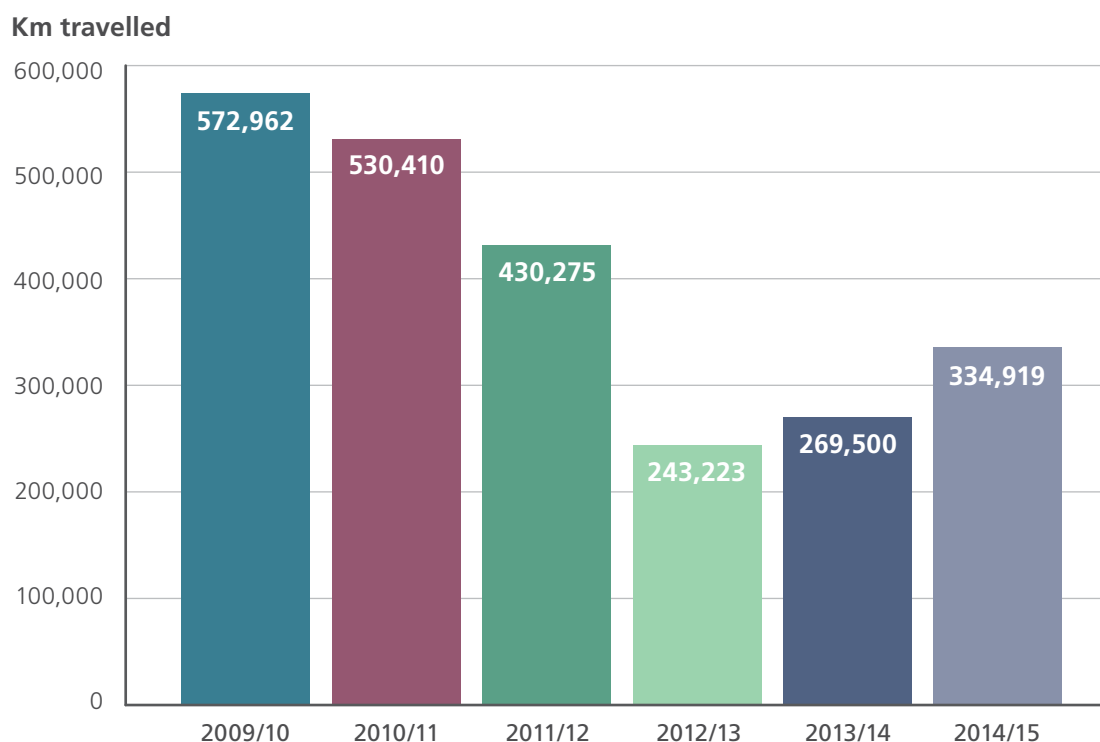


Figure 2: Domestic Air Travel



The Authority has met required performance standard for domestic flights in 2014/15 making only 753 flights from a target quota of 1,214.

After an initial period of improvement, there has been a slight increase in travel. This remains less than travel during 2009/10 and the most economical travel methods are always used.

Table 2 shows our performance across these areas.

Waste

The Authority had the following Greening in Government targets set by Central Government:

- cut the amount of waste generated by 31 March 2015 by 25 per cent as compared with the 2009/10 baseline; and
- ensure that all redundant Information, Communication and Technology (ICT) equipment is re-used or recycled responsibly.

The Authority met the 2015 target for waste, as shown in Table 3 and Graph 3.

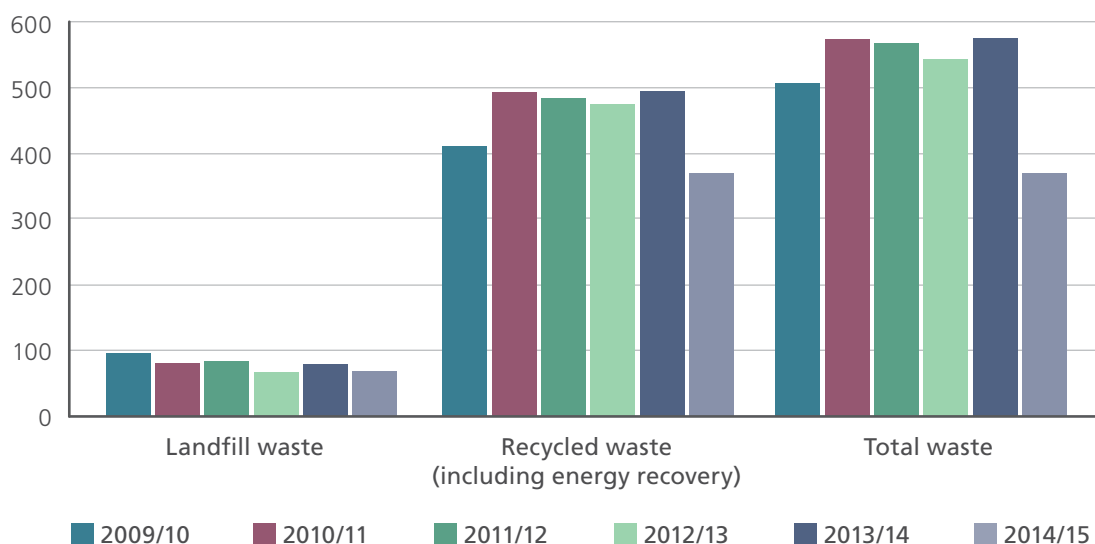
The totals shown are due to two factors. There is an underlying downward trend across the office estate. Over the last few years ONS has introduced new policies such as the removal of under desk bins and segregation of refuse types. We have required suppliers to minimise the amount of packaging (or its removal after delivery). We have introduced compacting and the percentage of waste compacted each year is increasing. All ICT equipment is disposed of via an established contract which helps to ensure that all redundant ICT equipment is re-used or recycled responsibly.

Table 3: Total waste by disposal method and paper consumption

	Waste	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Non-Financial Indicators (tonnes)	Landfill Waste	121	81	84	68	80	69
	Recycled Waste (including energy recovery)	536	493	483	475	495	369
	Total Waste	657	574	567	543	575	438
Non-Financial Indicators (%)	Total Waste Recycled	82	86	85	87	86	84
Paper usage (A4 ream equivalent)	Total reams used	48,701	n/a	42,210	37,902	34,174	39,215
Financial Indicators (£'000)	Total waste disposal costs	57	92	74	69	76	99

Figure 3: Waste volumes

Tonnes of waste



A significant factor influencing the data is that ONS stores a great volume of historical records which are destroyed and recycled according to a schedule. Over the period 2009 – 2014 this volume increased each year. However, in 2014/15, there was little scheduled for recycling resulting in a sudden reduction in total waste volume this year.

Finite Resource Consumption

Water

The Authority had the following Greening in Government targets set by Central Government:

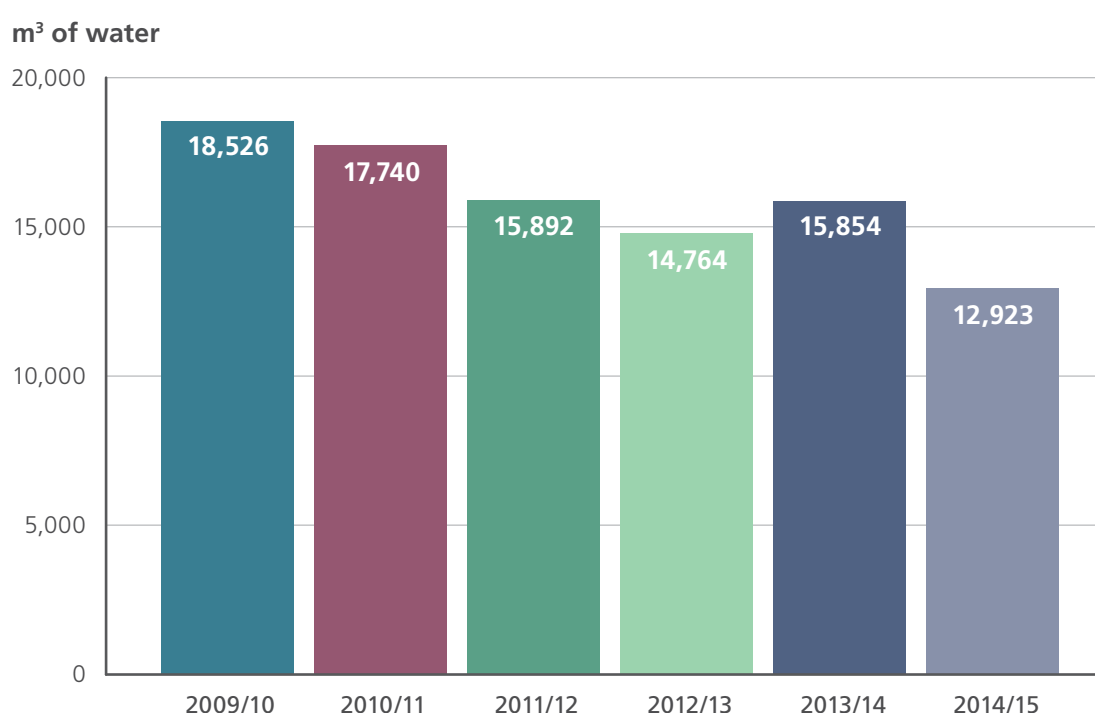
- cut the amount of water used in the whole estate to below 2009/10 levels by 2015; and
- meet the good practice benchmark of less than 6m³ per Full Time Equivalent (FTE) per annum on the office estate.

The 2015 target of reducing consumption to below 2009/10 levels has been achieved, as a result of gradually replacing older style facilities with more modern water saving devices and reducing wastage through efficiencies

Table 4: Total water consumption

Water		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Non Financial Indicators (cubic metres)	Consumption	18,526	17,740	15,892	14,764	15,854	12,923
	m ³ /FTE	6.0	6.1	6.2	5.8	6.1	5.0
Financial Indicators (£'000)	Costs	62	55	68	83	75	63

Figure 4: Water Consumption



There was an increase in 2013/14. However, this was due to leakage rather than consumption. Water consumption significantly reduced in 2014/15 once remedial work addressed these issues.

Bio-diversity

The Authority does not have any responsibility for Sites of Special Scientific Interest but takes action where it can to promote, conserve and enhance bio-diversity for example by specification of environmentally friendly measures of control in its Grounds Maintenance contract, maintaining and planting trees and having 'wild' spaces.

Sustainable Procurement

The Authority has embedded objectives into appropriate staff performance agreements, introduced Government Buying Standards into contracts, engaged with all suppliers and

reached Level 2 of the Flexible Framework tool for Sustainable Development. We encourage staff to consider the carbon footprint when sourcing goods, and to include the benefits of using local suppliers as part of the value for money provision.

Six new members of staff are studying towards their Chartered Institute of Procurement and Supply qualifications, which educates them on the importance of sustainable sourcing and corporate social responsibility.

The Authority continually aspires to the target of awarding 25 per cent of contracts to Small and Medium sized Enterprises (SME). However, the Authority is finding it difficult to achieve the 25 per cent because a significant number of contracts are placed using the Government Buying Standards conduit which tend to be larger companies.

Sustainable Development Governance and Decision making

Project proposals are vetted by the Business Investment Group which has a Sustainable Development assessment built-in.

DIVERSITY

Equality, Diversity and Inclusion

We believe that our business goals can only be achieved if we promote and sustain an open, inclusive and supportive working environment, thus enabling our people to make the most of their particular qualities and skills and achieve their full potential in line with their abilities and aspirations. We value the fact that we have a diverse workforce and welcome people who represent the broad range of UK life. We fully realise the benefits that come from having a team who feel comfortable in being able to put forward their views, ideas and perspectives. We have been recognised as the number one government department in the UK for the Disability Standard benchmark by the Business Disability Forum (scoring 92 per cent). We are one of the leading employers of gay, lesbian, and bisexual staff, and Top 3 leading government departments according to the Stonewall Workplace Equality Index, in which we rank 15th.

To support this approach, we have built a comprehensive governance structure in the Authority, which drives and monitors our strategic approach to equality, diversity and inclusion and ensures that we are meeting our legal obligations. Our Equality and Diversity Strategy highlights that we will seek to: improve our external facing services and analysis of protected characteristics; consistently meet our equality duties in the way we develop and deliver our policies and practices; reduce any differentials in the engagement and experience of staff with protected characteristics; and, ensure we measure, evaluate and publish the outcomes of our work on equality and diversity. Progress towards these goals is detailed in our annual Equality and Diversity Report and Diversity Dashboard.

Progress against Senior Civil Service and Senior Management Grade Targets

In early 2015 the Authority reviewed its representation targets making only minor changes to the previously set targets. Although we have seen a significant decrease in the representation of women, particularly in top management, we have recently appointed a new female Director General who joined the Authority in April 2015. We have in place a gender, disability, and ethnicity action plan to progress positive change. The table shows our current targets as well as the actual figures achieved by March 2015 and March 2014. It is worth noting that as headcount is low at both Senior Civil Service (SCS) and Grade 6 level, one person (more or less) can significantly impact the figures.

SCS Measures	% Target for 2014	% Actual at March 2014	% Actual at March 2015
Females in Top Management (TMP) payband 2 and above	40	25	0
Females in SCS	40	31	27
Ethnic minority in SCS	4	0	0
Employees with disabilities in SCS	4	0	0

Feeder grade measures	% Target for 2014	% Actual at March 2014	% Actual at March 2015
Grade 6			
Females in Grade 6	45	38	38
Ethnic minority in Grade 6	5	2	1
Employees with disabilities in Grade 6	5	0	0
Grade 7			
Females in Grade 7	44	45	45
Ethnic minority in Grade 7	4	1	1
Employees with disabilities in Grade 7	3	3	3
AA-SEO			
Females	N/A	58	58
Ethnic minority	N/A	5	6
Employees with disabilities	N/A	5	7

ENGAGEMENT

The Authority regularly and systematically provides employees with information on matters of concern to them. A variety of communication channels are used including the internal Intranet which is updated on a daily basis, monthly Divisional cascades and newsletters.

The National Statistician has also engaged with employees by conducting interactive talk sessions at three office locations and also blogs on a weekly basis, updating employees on his key activities and any developments. Blogs are interactive and encourage employees to leave comments. Other Senior Civil Servants also use blogging periodically as a means of engaging with employees.

Employees are kept up to date with information and changes relating to, but not limited to, health and well-being, accommodation, terms and conditions, pay and benefits, job

opportunities, learning and development, publication of ONS statistics, media reports relating to the Authority and ONS, social activities and key projects and programmes. The communication channels used include the intranet, ONS Daily, briefings, verbal cascades and Training Liaison Officers communications. Each year, the Authority hosts an annual award ceremony which recognises the contribution of employees in helping the organisation achieve its strategic aims.

ONS has a longstanding tradition of good employee relations and recognises three trade unions, PCS (Public and Commercial Services), FDA and Prospect. Regular meetings take place to discuss issues affecting staff when the introduction of a new policy or any changes that affect staff are proposed, a meaningful, two-way consultation with the trade unions will always take place.

Every year, the Authority participates in the Civil Service wide 'People Survey' which measures levels of staff engagement across the organisation. In 2014, the Employee Engagement Index for the Authority was 60 per cent. This was a two per cent rise in staff engagement. This represents a significant achievement and it is of benefit to the Authority and ONS to have an engaged workforce who recognise the importance of their role in helping Britain make better decisions.

The Authority recognises that success can only be achieved as an organisation by recognising the value of our differences, and the benefits of a diverse workforce to deliver better outcomes. Over the year we have achieved a variety of recognition in these areas. In January 2015 ONS achieved 15th in the Stonewall Workplace Equality Index, moving up 20 places since 2014. The Authority is proud to be recognised as one of the top 20 employers for Lesbian, Gay and Bisexual Staff. In 2014 we were recognised for our commitment to disabled customers, stakeholders and staff by being awarded the Gold Disability Standard; only one of four organisations to achieve this benchmark and also the first UK public sector organisation to do so.

SOCIAL RESPONSIBILITY

Our Corporate Social Responsibility policy supports staff taking up to three days' paid special leave per calendar year to undertake volunteering in line with our objectives and Civil Service policy.

At our main offices in Newport and Titchfield we work with Business in the Community, a business led charity and we are expanding our corporate social responsibility activities with the local communities benefitting. In Titchfield we also work with the local business community through the Segensworth Business Forum which is a group that represents the interests, concerns and issues of businesses on the Segensworth Industrial Estates. Examples of some of our activities in 2014/15 include:

- Titchfield office staff took part in Give and Gain Day: for the Second Chance Charity to help transform the grounds of an old garden centre to make it serviceable for a group of underprivileged youngsters. A learning day was supported by staff at the Titchfield site for a local secondary school.
- right to Read and Number Partner programmes at St. David's school (Newport);

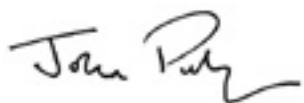
- Newport staff took part in Give and Gain Day: On 16 May 2014, 20 staff went to Malpas Primary School to help improve the garden and patio area: and
- one member of Newport staff raised the funds to provide an on-site Christmas lunch for 160 pensioners and veterans, with the help of Gather and Gather and 40 volunteers who acted as waiters and escorts around the site.

RISK MANAGEMENT

Our internal controls accord with HM Treasury guidance and Government Management of Risks(M_o_R) Standards/professional best practice. The Authority Risk Policy and Framework ensure the effective management of operational and strategic risks.

Our strategic risks are managed by the National Statistical Executive Group, who focus on the strategic topics which could affect the achievement of our policies, aims and objectives. These cover the following themes: strategy; finance; innovation; political; international; outputs; data collection; workforce; and security. These nine strategic risks are currently under review and will soon be superseded by five new strategic risks which are based on the five themes of the Organisation's Strategy which are: Helpful, Professional, Innovative, Efficient and Capable.

Details of financial risk management are set out in Note 9 to the financial statements.



John Pullinger CB CStat
Accounting Officer
UK Statistics Authority
29 October 2015



UK Statistics
Authority

Chapter 3

Statement of Accounting Officer's Responsibilities and Governance Statement



STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the UK Statistics Authority to prepare, for each financial year, resource accounts detailing the resources required, held or disposed of during the year and the use of resources by the department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of the affairs of the Authority and of its net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Permanent Secretary of the Authority as the Accounting Officer of the Authority.

The responsibilities of an Accounting Officer, including responsibility for the

propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the UK Statistics Authority's assets, are set out in Managing Public Money published by HM Treasury.

GOVERNANCE STATEMENT

As Accounting Officer, working with the UK Statistics Authority Board, I have responsibility for maintaining effective governance and a sound system of internal control to support the achievement of the Authority's policies, aims and objectives. As part of this role I safeguard the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I took over this role in July 2014 after the retirement of the previous Accounting Officer.

This statement sets out the key challenges faced by the Authority, the issues that have arisen, the risks that remain, and the system of control to manage these risks. This year the implementation of the new UK Statistics Authority Strategy has strengthened the links between the Authority, GSS and ONS. This is most evident by the inclusion of GSS in high level committees to achieve a broader perspective of the challenges and risk faced by the system of UK official statistics.

Membership of the Authority board during 2014/15

In accordance with the 2007 Act, the Authority's Board is comprised of a majority of non-executive directors (including a Chair) appointed through open competition, and three executive members.

The Chair of the Authority, Sir Andrew Dilnot CBE was appointed by HM The Queen following open competition and subject to a pre-appointment hearing by the Public Administration Select Committee and a formal debate on the floor of the House of Commons. Sir Andrew took up his post on 1 April 2012 and his term of appointment will end on 31 March 2017.

The other non-executive members of the Authority during 2014/15, were:

- Professor David Rhind CBE FRS FBA (Deputy Chair);
- Professor Sir Adrian Smith FRS (Deputy Chair);
- Dame Colette Bowe DBE;
- Mr Partha Dasgupta (to 30 June 2014);
- Ms Carolyn Fairbairn;
- Dame Moira Gibb DBE;
- Professor David Hand OBE FBA; and
- Dr David Levy.

The Authority's executive members during 2014/15 were as follows.

- Mr John Pullinger CB CStat (from July 2014) – Chief Executive and National Statistician. The National Statistician is a Crown Appointment and a member of the Authority under the provisions of the 2007 Act.
- Mr Ed Humpherson – Director General for Regulation. Mr Humpherson was appointed a member of the Authority Board by the non-executive members in January 2014.
- Mr Glen Watson – Director General of ONS. Mr Watson was also appointed a member of the Authority Board by the non-executive members in October 2012.
- Dame Jil Matheson, the former National Statistician was an executive member of the Authority Board to 30 June 2014.

The Authority Board met on eight occasions during 2014/15.

Remuneration of the members of UK Statistics Authority are set out on pages 59 to 67.

Governance and committees of the board during 2014/15

During 2014/15 the committees which reported to the Authority Board were as follows.

- The Regulation Committee, chaired by Professor Rhind. Its purpose is to oversee the programme of Assessment of sets of official statistics against the Code of Practice and other work related to Assessment and regulation. The Committee met on four occasions during 2014/15.
- The National Statistics Executive Group, chaired by Mr Pullinger. The purpose of the Group, is to support the National Statistician in the exercise of his functions as the Head of the Government Statistical Service (GSS) and Chief Executive of the UK Statistics Authority and ONS so as to achieve the collective mission and strategic objectives of the official statistics system. This Group met on six occasions during 2014/15.
- The Administrative Data Research Network (ADRN) Board, chaired by Professor Hand. The Board's role is to promote and safeguard the linkage of administrative data within the ADRN for research and statistical purposes that serve the public good. It also provides assurance to Parliament and the public, through the UK Statistics Authority Board, on the achievements of the Network. The Board met on five occasions during 2014/15.
- The Audit and Risk Assurance Committee, chaired by Dame Colette Bowe DBE (Mr Dasgupta to 30 June 2014). The Committee's remit concerns risk assurance, control and governance in the Authority. It met six times during 2014/15. Ms Alison White is an

external independent member of this Committee.

- The Remuneration Committee, chaired by Sir Andrew Dilnot. It determines the 2014/15 performance bonuses for the members of the Senior Civil Service (SCS) employed by the Authority and to consider other staff pay issues. It met on three occasions during 2014/15.

The Authority Board approved a number of governance changes in July 2014. These established, the Regulation Committee and National Statistics Executive Group. Prior to July 2014 the following sub-committees supported and reported to the Authority Board.

- The ONS Board, chaired by Professor Sir Adrian Smith. Oversaw the strategy and priorities of ONS and monitored the ONS budget and work programme. It met twice during 2014/15.
- The Committee for Official Statistics, chaired Professor Rhind. Provided strategic oversight of the UK official statistics system, including its scope and capacity and the extent to which it met the full range of user needs. It met on three occasions during 2014/15.
- The Assessment Committee, chaired by Professor Rhind. Its purpose was to oversee the programme of Assessment of sets of official statistics against the Code of Practice and, other work related to Assessment and scrutiny. The Committee met on three occasions during 2014/15.

Support to the chair and board of the UK Statistics Authority

The Authority is supported by a small headquarters staff, the Central Policy Secretariat. Its main responsibilities are to manage the business of the Authority Board and its committees; to manage the

Authority's public face including its website, media relations and other communications activities; public enquiry facilities; programme of events; to coordinate and manage its casework and formal correspondence; to assist the Board in the development and implementation of its policies and strategy; and to provide other support and advice to the Chair and other Authority members as required.

Risks to Delivery, Quality and Reputation

Throughout the year we assess how the achievement of our policies, aims and objectives might be affected by the risks we face. Within the Authority we have designed a system of internal control which mitigates those risks. As with most systems it is not possible to eliminate all risk completely but we attempt to balance the risks we take with the controls in place and the cost.

The UK Statistics Authority Board and Audit and Risk Assurance Committee have primary responsibility for identifying and monitoring the key risks faced by the Authority. In order to improve the organisation's management of risk we have carried out a coordinated programme of improvement, this has included a refresh of our understanding of the Strategic Risks that we face, the introduction of a revised Risk Management Policy and a review of all of the risks that are managed within the organisation (in order to improve our understanding of the risks we face and how we manage them).

The Audit and Risk Assurance Committee, in conjunction with our internal auditors, supports the Authority Board and me, as Accounting Officer, in their responsibilities for risk management, control and governance within the Authority. In line with the Public Sector Internal Audit Standards our internal audit is subject to an independent external assessment every five

years. An External Quality Assessment of the Internal Audit function against the HM Treasury Quality Assessment Framework has recently been completed and a final report was presented to the Audit and Risk Assurance Committee in September 2015. The opinions of our Head of Internal Audit and the Chair of the Authority's Audit and Risk Assurance Committee are included at the end of this Governance Statement.

As set out in this Annual Report, the Authority's Executive Office, the Office for National Statistics (ONS), has continued to deliver its large portfolio of high quality statistics and analyses to inform debate and aid decision making on the UK economy and society. This is in parallel with addressing legacy issues and investing in a significant programme of change to improve its outputs, processes and systems. As the Executive Office of the Authority the ONS must be an exemplar for the Government Statistical Service. Any failure of ONS outputs, or high profile errors, reduces utility of the statistics and would damage public trust in statistics and undermine the Authority's credibility.

All official statistics must comply with the Code of Practice for Official Statistics. This is a vital element of our control framework. Last year 23 assessments were carried out across the Government Statistical Service. There were a number of occasions where the National Statistics designation was removed, which shows that the Assessment function will act when necessary to ensure the quality of statistics. These de-designations included statistics on crime recorded by Police, the April UK Trade statistics and the September 2014 Overseas Travel and Tourism statistics. The latter was a specific release which contained errors and, after correction, the release regained National Statistics status. The statistics on Police Recorded Crime

required improvement in terms of the quality of the data collected and a programme of improvement is underway between ONS and the Home Office.

Over the course of this year ONS published 95 per cent of its releases by the 09:30 deadline as set in the Code of Practice and 99 per cent of its releases free from major errors. This represents a failure against our own target of 97 per cent of outputs released to time. Our ability to publish all data at 09:30 has been hindered by our publishing platform which requires improvement. ONS met its target KPI for the quality of statistics (99 per cent). A number of potential issues were addressed pre-publication therefore showing the strength of our control framework, however there were a small number of further issues, including those mentioned above, that highlight the importance of addressing legacy issues in ONS statistical production.

The production of high quality, easy to use, statistics and analyses is a key element of the organisation's strategy and there are policies in place to promote a culture of continuous improvement and quality management. A programme of National Statistics Quality Reviews has been put in place and this year reviews of the National Accounts and Balance of Payments and Labour Force Survey were undertaken. The reviews made a number of recommendations for improvement which were endorsed by ONS and will be put into place.

ONS has faced a number of challenges this year which represent areas of risk to both the delivery of statistical outputs and the reputation of the organisation. In December 2013 a major piece of work was completed to make improvements to the navigation of content on the ONS website. However, the changes resulted in the site being unstable, despite efforts to

fix the problem. The improvements were removed and the website returned to an earlier version. Although ONS has delivered some improvements to its website, and the presentation of its statistics online, there is a recognised need to significantly improve the ONS web presence. Work is underway on this with the Alpha site released in December 2014 and work on a Beta site beginning in February 2015, this phased approach is in line with Government Digital Service standards and will ensure the development of a platform which meets user needs.

Significant progress has also been made with improvements to Economic Statistics. In October 2014 the release of the 2014 Blue Book and Pink Book represented a long and intense programme of improvement to ensure conceptual compliance of the National Accounts and Balance of Payments with the 2010 European System of Accounts. Improvements to our economic statistics, including responding to NSQR recommendations (as above) will continue into 2015/16.

We have sought feedback from users on our statistics and overall satisfaction is high (92 per cent satisfied and seven per cent neutral as measured by the ONS Customer Survey), it is also clear that the majority of our users feel that our outputs are trustworthy (96 per cent trust and three per cent neutral). The ONS Customer Survey (alongside direct feedback from our stakeholders) remains an integral part of our control and performance management framework.

This year we also commissioned research into the level of confidence the public has in official statistics. The results showed that 81 per cent of people expressing an opinion trust the statistics produced by ONS, and 88 per cent trust ONS as an institution. This is broadly in line with the level of trust in other countries' national statistics institutions.

However, trust in the way our statistics are subsequently used is not high, with only 28 per cent of people agreeing that the Government presents figures honestly. An important focus for us is making sure the statistical evidence base can be accepted and used with confidence.

Information Security and Confidentiality

With significant levels of confidential data collected, information security is a primary consideration where people, processes and systems interface with the external world. Staff working in some parts of the Authority have access to business and personal data in order to produce high quality, accurate statistics and there is a recognised strong cultural understanding that assets must be handled lawfully, accurately and securely, supported by strong legal, technological and business processes.

We have a range of policies and controls in place to ensure that access to information is managed throughout the lifecycle. In accordance with Cabinet Office requirements we complete an annual Security Risk Management Overview (SRMO). My responsibilities as Accounting Officer in this area are supported by the Board level Senior Information Risk Owner (SIRO), the Departmental Security Officer (DSO), the IT Security Officer (ITSO) and a network of Information Asset Owners (IAOs) who cover all the information assets held by the organisation. In addition we have a network of Information Asset Liaison Officers (IALOs) who assist the IAOs in completing their Assurance to the SIRO and ensure that assets are handled correctly.

In line with other government departments we are required to report any incidents relating to classified personal data to the Information Commissioners Office and I am pleased to confirm that there have been

no incidents regarding information security notified to the Information Commissioner during 2014/15.

As an organisation we comply with the Security Policy Framework and use the Government Security Classifications System.

Resources and Organisation

The Authority must be able to demonstrate the value of its role, add sufficient value proportionate to its costs and have the resources and capability to be able to safeguard the comprehensiveness and coherence of official statistics across government. During the year the organisational structure was changed to simplify accountability and corporate governance directly to support our key priorities: economic statistics, population and public policy, and data capability. Three Director Generals have been appointed to lead these areas.

During 2013/14 we undertook a Chartered Institute of Public Finance and Accountancy (CIPFA) financial maturity assessment to inform how we improve our financial management, business planning and governance. The review made a number of recommendations, which largely aligned with our finance strategy, and these have been taken forward during the year. In particular, medium term financial planning and integrated planning are being treated as a high priority. We intend to invite CIPFA to review our progress during 2016/17. Good progress has been made in the implementation of these recommendations and regular updates are provided to the Audit and Risk Assurance Committee.

To manage our financial risks, which are largely associated with managing the effects of a diminishing resource base, we have improved our budgetary planning and critical business processes to demonstrate

the best use of resources and compliance with key financial controls.

The Authority's delegated budget for 2014/15 was set as part of the 2010 Spending Review and is detailed in our Annual Accounts. We continue to face significant financial challenges as a result of the cuts to our budget and a claim on the reserve for £15 million was required during the year. This enabled us to continue development of key programmes, such as the implementation of European Statistical standards (ESA10) and building a new website.

A significant proportion of our work is set by legislation and we therefore do not have the option of reducing our outputs in these areas. We can of course make the processes for data collection more efficient and more economical, and we are doing this through the development of an electronic data collection system. However this requires investment and funding was provided through the reserve to take this forward. Continued investment will be required to drive these programmes towards completion and generate longer term efficiencies.

We have in place business plans that are aligned with strategic objectives and have introduced an integrated business planning process to align workforce, finance and operational planning. We report and review how well we are progressing against our plans quarterly through an organisational performance report that includes information related to workforce, risk, finance and management information. In addition we have in place assurance processes such as corporate governance assurance statements and an assurance map, both of which are evidence based and help provide assurance that the Authority can respond effectively to business, operational and financial risk.

In relation to our people, we continue to experience challenges in recruitment and in maintaining and improving workforce engagement. The Authority saw a two per cent rise in staff engagement, as measured by the Civil Service People Survey, with an overall response rate one per cent higher than the Civil Service average. Both the Authority and GSS are facing a significant programme of change requiring the development and recruitment of relevant specialist skills (for example in programme management, statistical computing, digital exploitation and dissemination), and to use our resources effectively. From a GSS capability perspective this extends to building skills in the policy arena to put statistics and analysis at the forefront of decision making. If the GSS and Authority do not acquire the data science and policy skills then decision makers will seek answers from other sources.

We must also identify talent within the GSS with the aim of ensuring that those with potential reach the positions where they can influence decision makers. This programme of work is now underway with ONS and the Authority linking their talent management frameworks. The Authority has advised and trained GSS members on compliance with the Code of Practice; how to use social media to better engage with users of statistics and the presentation of statistics through charts and infographics. This role will continue to be important as ONS and the wider GSS community extend their use of new methods of engagement with users.

The organisation faces a number of challenges with regard to IT and Digital projects summarised as follows:

- Age of the technology estate and difficulty of support and update. Since the majority of our systems have been in existence for many years they are neither based on currently supported

technology nor have they been developed using languages that are the current best in class or even sufficiently flexible and efficient to allow for cost efficient maintenance and growth. This, coupled with the complexity inherent in systems developed piecemeal over many years, means that many are in urgent need of replacement.

- Lack of scope control and extended periods of delivery. The historical tendency to develop systems over many years, with inevitable changes in scope and requirement as a result of extended project lifecycles, has resulted in the development of monolithic and inflexible applications. The ability to reuse many of these applications is limited, especially in light of significant advances in generally available and more cost effective new technologies. This results in the need to re-platform and/or redevelop these applications over time and subject to resource availability to make them fit for an online age.
- Digital by Default. Whilst in some cases it is feasible to attach web “front ends” to current applications, this will not yield the efficiencies that we need nor will it eliminate the risks and costs inherent to the old and obsolete technology estate. We need a full transformation of our technology based on Government Technology Codes of Practice, and on Digital by Default; this means setting out a rational well scoped product set for each functional area, specified in a way which minimises technological and functional obsolescence in the future, and which allows the iterative development of smaller modules each of which can be split out, replaced or redeveloped as future circumstances

dictate. Our new development approach embraces agile tools and techniques with a rigorous approach to user needs and cost constraints. The revised Electronic Data Collection programme is an example of this new approach.

We will work on these challenges over the next few years to modernise and reduce our platforms. In the meantime, existing platforms will continue to be used as originally conceived by the organisation.

We are re-visiting our governance to ensure it is in line with best practice, supports timely decision making and to ensure that the use of agile working enables the prioritisation of resources across all of our work in line with our strategic priorities:

To help strengthen our project and programme delivery, we undertook a Capability and Capacity Review with Atkins Global in 2014. As a result of this, we have implemented a number of recommendations including strengthening the portfolio delivery team within our portfolio management function. The focus of this team is on improved project and programme planning; setting and assuring standards and better management of dependencies across the portfolio. In tandem with this, we are in the process of centralising the Project and Programme Management (PPM) capability to help us develop a cadre of PPM professionals and match their individual skills, capability and experience to the requirements of our projects and programmes.

These challenges increase the complexity of valuing our in-house software assets and a comprehensive review of certain assets has been required. The review has been the primary reason why we have delayed the laying of our Annual Report and Accounts before Parliament. Further

information on the review of these assets is set out in note 1.22.

Opinion of the Head of Internal Audit

The Head of Internal Audit has provided an annual opinion of 'Moderate' assurance for the 12 months ended 31 March 2015. HM Treasury's definition of 'Moderate' is as follows (as per guidance issued on 31 March 2014):

'Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control'.

A total of 38 audit reviews have been undertaken in the 2014/15 financial year. Of these reviews, two were assessed as substantial, 21 were moderate, and three were assessed as limited assurance. In addition, nine follow up reviews were undertaken. Three concluded that good progress had been made; four concluded that reasonable progress had been made, and two concluded that only limited progress had been achieved. Three advisory reviews were also undertaken which did not provide an audit opinion.

There have been no reviews in 2014/15 that warranted an 'unsatisfactory' opinion.

Opinion of the Chair of the Audit and Risk Assurance Committee, Dame Colette Bowe

'There have been considerable changes to the governance structure of the Authority over the last year. These changes are now complete and, in my opinion, the Accounting Officer can take a satisfactory degree of assurance that this new structure is sound from the standpoint of risk and controls. In October 2014 I refocused the Audit and Risk Assurance Committee to examine

strategic risk in greater detail. This process has complemented the development of a set of new strategic risks being embedded into the Authority business plan and each risk will be monitored in detail by the Audit and Risk Assurance Committee during 2015/16. The Accounting Officer can take a moderate degree of assurance that the control regime is robust and functioning effectively. There are, however, increasing risks arising from issues of resources and capability and, with the increasing pressure on funding, these risks are likely to increase and I have some reservation that the organisation is fully ready and equipped to meet these challenges'.

Additional Information

The governance structure of the UK Statistics Authority <http://www.statisticsauthority.gov.uk/about-the-authority/index.html>

The governance structure of ONS <http://www.ons.gov.uk/ons/about-ons/index.html>

Papers and minutes of meetings of the Authority Board are published at <http://www.statisticsauthority.gov.uk/about-the-authority/board-and-committees/minutes-and-papers/index.html>



John Pullinger CB CStat
Accounting Officer
UK Statistics Authority
29 October 2015

Chapter 4

Directors' Report



4.1 ESTABLISHMENT AND STATUTORY FRAMEWORK

The UK Statistics Authority was established under the *Statistics and Registration Service Act 2007* (2007 Act) and on 1 April 2008 formally assumed its powers. The Authority is an independent statutory body. It operates at arm's length from government as a non-ministerial department and reports directly to the UK Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.

The work of the Authority is further defined under secondary legislation made under the Act by the UK Parliament or the devolved legislatures.

4.2 STATUTORY OBJECTIVE

The Authority has a statutory objective of promoting and safeguarding the production and publication of official statistics that 'serve the public good'. The public good includes:

- informing the public about social and economic matters;
- assisting in the development and evaluation of public policy; and
- regulating quality and publicly challenging the misuse of statistics.

Official statistics are for the benefit of our society and our economy as a whole; not only in the formulation of government policy-making and monitoring of government performance, but also in informing the direction of economic and commercial activities. Statistics provide valuable data and evidence for use by analysts, researchers and public and voluntary bodies, enabling the public to

hold to account all organisations that spend public money, and informing wider public debate.

4.3 BETTER STATISTICS, BETTER DECISIONS

On 29 October 2014 the Authority published its strategy for the UK official statistics system for the five years, 2015 to 2020. Further information on the strategy is provided in Chapter 2.

4.4 OUR MISSION

The collective mission of our official statistics system is:

High quality statistics, analysis and advice to help Britain make better decisions.

4.5 FUNCTIONS

The Authority's strategy covers the three principal elements of the UK official statistics system for which the Authority has oversight. The Authority provides professional oversight for the Government Statistical Service (GSS), and has exclusive responsibility for the Office for National Statistics and independent regulation.

The Government Statistical Service (GSS)

The GSS is a cross-government network spread across a range of public bodies, including components of the devolved administrations and UK government departments. Led by the National Statistician, it includes statisticians, researchers, economists, analysts, operational delivery staff, IT specialists and other supporting roles. The GSS

community works together to provide the statistical evidence base required by decision-makers, publishing around 2,000 sets of statistics each year, and providing professional advice and analysis. ONS has an important role at the heart of the GSS, providing guidance, support, standards and training.

The Office for National Statistics (ONS)

ONS is the executive office of the UK Statistics Authority. It is the UK's National Statistical Institute and largest producer of official statistics. ONS produces statistics on a range of key economic, social and demographic topics. Key services include measuring changes in the value of the UK economy (GDP), estimating the size, geographic distribution and characteristics of the population (including statistics from the Census), and providing indicators of price inflation (CPI), employment, earnings, crime and migration.

Independent regulation

The Authority's independent regulatory function, based in offices in England, Scotland and Wales, ensures that statistics are produced and disseminated in the public interest. It acts as guardian of the statistical system, watchdog against abuse, and advocate of the highest standards. It does so by assessing official statistics for compliance with the *Code of Practice for Official Statistics*, monitoring and reporting publicly on statistical issues, and challenging the misuse of statistics.

4.6 PURPOSE OF THIS REPORT

The Authority attaches particular importance to its direct reporting and

overall accountability to the UK Parliament and devolved legislatures. The 2007 Act requires that the Authority produces a report annually to Parliament and the devolved legislatures on what it has done during the year, what it has found during the year and what it intends to do during the next financial year. This Annual Report fulfils that responsibility.

4.7 ENGAGEMENT AND TRANSPARENCY

The Authority's website, telephone and email enquiry services are at the forefront of the Authority's public 'face'. The Authority continues to engage with the statistical user community, in particular the Royal Statistical Society (RSS), Statistics User Forum (SUF) and groups of statistical users.

The Authority has a central email enquiry point: authority.enquiries@statistics.gov.uk and a central telephone enquiry line 0845 604 1857. Enquiry handling is managed by the Secretariat.

The Authority operates transparently and openly. It publishes the minutes and papers of its meetings and correspondence regarding issues of public concern and information about other aspects of its work on its website: www.statisticsauthority.gov.uk.

The Authority did not receive any complaints about its services during 2014/15.

MEMBERS OF THE UK STATISTICS AUTHORITY AS AT 31 MARCH 2015

Chair



Sir Andrew Dilnot
CBE

Deputy Chairs



Professor David
Rhind CBE FRS FBA



Professor Sir Adrian
Smith FRS

Non-Executive Members



Dame Colette Bowe
DBE



Professor David Hand
OBE FBA



Dame Moira Gibb
DBE



Ms Carolyn Fairbairn



Dr David Levy

Executive Members



Mr John Pullinger
CB CStat



Mr Ed Humpherson



Mr Glen Watson

4.8 STAFF INFORMATION

The table below shows 3,704 in headcount and 3,116 Full Time Equivalent staff working for the Authority on 31 March 2015.

	UK Statistics Authority		Of which ONS	
	Head Count	Full time Equivalent	Head Count	Full time Equivalent
March 2014	3,662	2,984	3,599	2,924
March 2015	3,704	3,116	3,633	3,048

Note: Staff on Suspended Assignment and not paid are excluded from these figures

Average sickness absence for the period ending 31 March 2015 equated 8.2 Average Working Days Lost (AWDL). Comprehensive training in absence management best practice has been developed and is being rolled out across the business. This training will ensure that managers balance the needs of the business and the individual and reminds managers of relevant legal issues and obligations.

Information regarding pensions arrangements are set out on pages 64 to 67.

4.9 INFORMATION ASSURANCE

In order to fulfil ONS' key objective to produce statistics that inform the public about social and economic matters and that assist in public policy making, we source information from both businesses and individuals. Often, the information we collect from them is both personal and confidential and we continue to take steps to improve our culture of statistical confidentiality and information security, and to strengthen the technical measures we have in place to protect the information we hold.

This work is overseen at the highest levels of the organisation and good progress has been made to further strengthen the security of the ONS infrastructure and increase security awareness.

The rolling programme of information systems security accreditation continues ensuring that information assurance issues are routinely reassessed helping to maintain and enhance security across the organisation. The work on the Census Transformation Programme is progressing, considering options to deliver the Census work in the future. This work may result in a significantly different approach to future Census data collation.

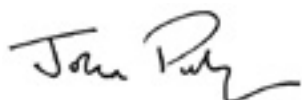
As part of our information governance regime we have implemented a requirement for staff to complete both e-learning training in Information Security and sign a confidentiality declaration detailing their obligations under the Code of Practice for Official Statistics.

We suffered the loss of five laptops in the last year. The encryption with which all our laptops are built, ensures that personal information is secure.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as the Accounting Officer is aware:

- there is no relevant audit information of which the Authority's auditors are unaware; and
- he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Authority's auditors are aware of that information.

A handwritten signature in black ink, appearing to read 'John Pullinger', with a stylized flourish at the end.

John Pullinger CB CStat

Accounting Officer

UK Statistics Authority

29 October 2015

Chapter 5

UK Statistics Authority Annual Accounts



REMUNERATION REPORT

The members of the UK Statistics Authority are set out on page 55.

The remuneration of members of the UK Statistics Authority and Executive Directors of the Office for National Statistics are set out below.

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances where appointments may otherwise be made.

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

Further information about the work of the Civil Service Commissioners can be found at: www.civilservicecommissioners.gov.uk.

Remuneration (including salary) and pension entitlements

The following sections provide details of the remuneration and pension interests of the Senior Directors and Non-Executive Members of the UK Statistics Authority. The Authority does not make payments-in-kind. These disclosures have been subject to audit.

Remuneration of Executive Directors for the UK Statistics Authority and the Office for National Statistics, 2014/15 and 2013/14

Senior Directors	2014/15	2013/14
Name and title	Salary £'000	Salary £'000
John Pullinger CB Stat National Statistician Statistics Authority Fixed- term contract 1 July 2014 to 30 June 2019	110-115 (full-year equivalent 150-155)	N/A
Dame Jil Matheson DCB National Statistician Statistics Authority Fixed- term contract To 30 June 2014	35-40 (full-year equivalent 150-155)	150-155
Ed Humpherson Head of Regulation	140-145	30-35 (full-time equivalent 140-145)
Glen Watson Director General Office for National Statistics	105-110 (plus ex-gratia payment 0-5)	105-110 (plus bonus 0-5)
Guy Goodwin Director of Analysis and Dissemination of Economic and Social Statistics	85-90	10-15 (plus bonus 5-10) (full-time equivalent 85-90)

Senior Directors	2014/15	2013/14
Name and title	Salary £'000	Salary £'000
Joe Grice Director of the Office of the Chief Economic Adviser and ONS Chief Economist	110-115	105-110
Paul Layland Director of Finance	85-90 (plus bonus 5-10)	65-70 (plus bonus 5-10) (full year equivalent 85-90)
Caron Walker Director of National Accounts and Economic Statistics To 3 October 2014	45-50 (plus bonus 5-10) (full-year equivalent 90-95)	65-70 (plus bonus 5-10) (full year equivalent 90-95)
Neil Wooding Director of Strategy, Planning, Performance & Capability	95-100 (plus bonus 5-10)	90-95 (full-time equivalent 95-100)
Nicholas Vaughan Director of National Accounts and Economic Statistics From 8 September 2014	40-45 (full-year equivalent 85-90)	N/A
Ian Cope Director of Population and Demography	90-95	90-95 (plus bonus 0-5)
Ritin Patel Director of Research Development and Infrastructure From 1 September 2014	75-80 (full-year equivalent 130-135)	N/A
Peter Fullerton Interim Director of Data Collection From 1 April 2014 stepped down from the Board 1 February 2015	70-75 (full-year equivalent 85-90)	N/A
Peter Benton Director of Data Collection From 2 February 2015	10-15 (full-year equivalent 85-90)	N/A

Note

Dame Jil Matheson DCB left the Authority on the 30 June 2014, and Caron Walker left the Authority on 3 October 2014.

Nicholas Vaughan joined the Authority on 8 September 2014; however HM Treasury met the cost of his salary until 1 October 2014.

The National Statistics Executive Group was convened on 23 October 2014. It has oversight of the strategic direction of business of the Office for National Statistics and replaced the ONS Board and the Executive Leadership Team.

The National Statistics Executive Group includes two board members in an advisory capacity; Siobhan Carey who is employed by the Department for Innovation and Skills and Glyn Jones is employed by the Welsh Assembly. No remuneration has been provided by the Authority.

	2014/15	2013/14
Band of highest paid director's total remuneration £'000	150-155	150-155
Median total remuneration	£19,734	£20,942
Ratio	7.60	7.16

The Authority's administrative staff (including the Social Survey Interviewers) account for 43 per cent of the workforce, leading to a comparatively low median salary. During 2014/15, 346 new administrative staff were recruited. These staff have been employed at the lower end of their respective pay ranges, lowering the median salary.

The following table details the total number of non-payroll engagements in excess of £220 per day for a period longer than 6 months (between the 1 April 2014 and 31 March 2015)

	2014/15
Number of new engagements or those that reached six months in duration between 1 April 2014 and 31 March 2015	31
Number of new engagements which include contractual clauses giving the department the right to request assurance in relation to Income Tax obligations and National Insurance obligations	31
Number for whom assurance has been requested	30
Of which:	
Number for whom assurance has been received	30
Number for whom assurance has not been received	0
Number that have been terminated as a result of assurance not being received	0

Note

Where assurance has not yet been requested this is due to contractors not yet reaching the period (six months) for which assurance is required.

The following table identifies all non-payroll engagements as at 31 March 2015 for more than £220 per day for a period longer than 6 months

Number of existing engagements as at 31 March 2015	70
Of which:	
Number that have existed for less than 1 year at the time of reporting	22
Number that have existed between 1 – 2 years at the time of reporting	13
Number that have existed between 2 – 3 years at the time of reporting	19
Number that have existed between 3 – 4 years at the time of reporting	5
Number that have existed for 4 years or more at the time of reporting	11
Number of off-payroll engagements of board members with significant financial responsibility during the financial year.	0
Number of individuals that have been deemed board members with significant financial responsibility during the financial year. This figure should include both off-payroll and on-payroll engagements.	23

Remuneration of Non-Executive Directors of the UK Statistics Authority: 2014/15 and 2013/14

	2014/15	2013/14
Name/Title	Salary £'000	Salary £'000
Sir Andrew Dilnot CBE Chair of UK Statistics Authority Fixed contract From 1 April 2012 to 31 March 2017	70-75	70-75
Professor Sir Adrian Smith FRS Deputy Chair Fixed contract From 1 September 2012 to 31 August 2015	30-35	30-35
Professor David Rhind CBE FRS FBA Deputy Chair Fixed contract From 1 July 2012 to 30 June 2015	30-35	30-35
Partha Dasgupta Non-Executive Director Fixed contract From 1 February 2013 to 30 June 2014	0-5 (full time equivalent 15-20)	15-20
Dame Moira Gibb DBE Non-Executive Director Fixed contract From 1 February 2013 to 31 January 2016	15-20	15-20
Dr David Levy Non-Executive Director Fixed contract From 1 August 2014 to 31 July 2017	15-20	15-20
Dame Colette Bowe DBE Non-Executive Director Fixed contract From 1 February 2013 to 31 January 2016	15-20	15-20
Carolyn Fairbairn Non-Executive Director Fixed contract From 1 April 2013 to 31 March 2016	15-20	15-20
Professor David Hand OBE FBA Non-Executive Director Fixed contract From 1 April 2013 to 31 March 2016	20-25	15-20

Note

Mr Partha Dasgupta stepped down from his role as Non-Executive Director on 30 June 2014.

The increase in Professor David Hand's remuneration in 2014/15 was for additional work in his new role as Chair of the Administrative Data Research Network Board.

Salary

Non-Executive Members are paid a fee, plus expenses, and have no pension entitlement.

'Salary' refers to gross salary and includes performance-related pay or bonus; overtime; reserved rights to London weighting or London allowance; recruitment and retention allowance; private office allowance; and any other allowances that are subject to UK taxation. All payments made by the Authority are recorded in these accounts.

The Remuneration Committee concluded the pay arrangements for the UK Statistics Authority's Senior Civil Servants. The committee consists of:

- Chair – Sir Andrew Dilnot CBE
- John Pullinger CB CStat
- Professor David Rhind CBE FRS FBA
- Professor Sir Adrian Smith FRS
- Carolyn Fairbairn

The UK Statistics Authority Senior Civil Service (SCS) salary arrangements follow the guidance set out by the Cabinet Office in response to the Senior Salaries Review Body. SCS pay consists of two elements: a consolidated increase to base pay and a non-consolidated bonus payment. Both elements are performance-related and determined by an individual's performance in the previous appraisal year.

The remuneration for the National Statistician is not agreed by the Authority's Remuneration Committee but is determined independently, no bonus payments have been made.

All of the above information is based on payments made by the Department and is recorded in these accounts.

Benefits in Kind

None of the above received benefits in kind.

Bonus Payments

These are determined by an individual's performance in the previous appraisal year and are evaluated as part of the appraisal process, i.e. payments made in 2014/15 relate to performance outcomes in 2013/14 and the comparative bonuses reported for 2013/14 relate to performance in 2012/13.

Pension Benefits

The following table identifies pension benefits for Executive Directors of the UK Statistics Authority and the Office for National Statistics

Senior Directors	Real increase in pension and related lump sum at age 60	Accrued pension at age 60 as at 31 March 2015 and related lump sum	Cash Equivalent Transfer Value at 31 March 2014	Cash Equivalent Transfer Value at 31 March 2015	Real Increase in Cash Equivalent Transfer Value
	£'000	£'000	£'000	£'000	£'000
John Pullinger CB Stat National Statistician Statistics Authority	7.5-10 plus 27.5-30 lump sum	60-65 plus 185-190 lump sum	1,031	1,237	188
Ed Humpherson Head of Assessment	2.5-5 plus 0-2.5 lump sum	45-50 plus 45-50 lump sum	555	620	30
Glen Watson Director General Office for National Statistics	0-2.5 plus 2.5-5 lump sum	30-35 plus 100-105 lump sum	560	604	13
Guy Goodwin Director of Analysis and Dissemination of Economic and Social Statistics	0-2.5 plus 2.5-5 lump sum	25-30 plus 85-90 lump sum	463	498	9
Paul Layland Director of Finance	2.5-5 plus 10-12.5 lump sum	10-15 plus 40-45 lump sum	132	183	39
Neil Wooding Director of Strategy, Planning & Capability	0-2.5 lump sum nil	15-20 lump sum nil	228	263	17
Caron Walker Director of National Accounts and Economic Statistics	0-2.5 plus 0-2.5 lump sum	35-40 plus 115-120 lump sum	724	757	6
Joe Grice Director of the Office of the Chief Economic Adviser and ONS Chief Economist	2.5-5 plus 0-2.5 lump sum	70-75 plus 135-140 lump sum	1,474	1,525	51
Nicholas Vaughan Director of National Accounts and Economic Statistics	2.5-5 lump sum nil	20-25 lump sum nil	285	321	31
Ian Cope Director of Population and Demography	0-2.5 plus 2.5-5 lump sum	35-40 plus 105-110 lump sum	593	634	10
Peter Fullerton Interim Director of Data Collection	2.5-5 plus 10-12.5 lump sum	30-35 plus 100-105 lump sum	584	673	56

Senior Directors	Real increase in pension and related lump sum at age 60	Accrued pension at age 60 as at 31 March 2015 and related lump sum	Cash Equivalent Transfer Value at 31 March 2014	Cash Equivalent Transfer Value at 31 March 2015	Real Increase in Cash Equivalent Transfer Value
	£'000	£'000	£'000	£'000	£'000
Peter Benton Director of Data Collection	0-2.5 plus 2.5-5 lump sum	20-25 plus 60-65 lump sum	263	295	16
Ritin Patel Director of Research Development and Infrastructure	0-2.5 lump sum nil	0-2.5 lump sum nil	0	23	17
Dame Jil Matheson DCB National Statistician	nil	70-75 plus 215-220 lump sum	1,589	-	-

Note

The posts held by the non-executive members of the UK Statistics Authority are non pensionable.

Dame Jil Matheson DCB opted out of the pension scheme on 31 March 2014.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus** and **nuvos** are increased annually in line with Pensions Increase legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 3% and 6.85% pensionable earnings for **classic** and 3.5% and 8.85% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions will apply from 1 April 2015. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum.

Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in **premium**. In **nuvos** a member builds up a pension based on pensionable earnings during the period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The **partnership** pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of **classic**, **premium** and **classic plus** and 65 for members of **nuvos**.

A new pension scheme **alpha** was introduced on 1 April 2015. The majority of PCSPS members will move into **alpha** from that date, new employees will also join **alpha**. Classic members who move to **alpha** will pay between 3% and 8.05%; those previously in **classic plus**, **premium** and **nuvos** will pay between 4.6% and 7.35%. Members who were 10 years or less away from their Normal Pension Age (NPA) on 31 March 2012 will continue in their current pension scheme.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/pensions>.

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.

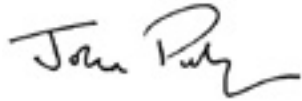
The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own 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 period.

Signed by

A handwritten signature in black ink, appearing to read 'John Pullinger', with a stylized, cursive script.

John Pullinger CB CStat
Accounting Officer
UK Statistics Authority
29 October 2015

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Statistics Board (referred to as the UK Statistics Authority) for the year ended 31 March 2015 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2015 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2015 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued there under.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in Chapters 1-4 of the Annual Report, excluding the core tables, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse

Comptroller and Auditor General

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

4 November 2015

Statement of Parliamentary Supply

Summary of Resource and Capital Outturn 2014/15

	2014/15 Estimate			2014/15 Outturn			2014/15 Voted outturn compared with Estimate: saving/ (excess)	2013/14 Outturn
	Voted	Non-Voted	Total	Voted	Non-Voted	Total		Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental Expenditure Limit								
– Resource	170,740	-	170,740	170,161	-	170,161	579	173,588
– Capital	12,100	-	12,100	11,861	-	11,861	239	15,290
Annually Managed Expenditure								
– Resource	238	-	238	(236)	-	(236)	474	(2,865)
Total	183,078	-	183,078	181,786	-	181,786	1,292	186,013
Total Resource	170,978	-	170,978	169,925	-	169,925	1,053	170,723
Total Capital	12,100	-	12,100	11,861	-	11,861	239	15,290
Total	183,078	-	183,078	181,786	-	181,786	1,292	186,013

Net Cash Requirement 2014/15

	2014/15		2014/15	2014/15	2013/14
	Estimate	Note	Outturn	Outturn compared with Estimate: saving/ (excess)	Outturn
	£'000		£'000	£'000	£'000
	181,789	SOPS 3	180,537	1,252	174,748

Figures in the areas outlined in bold are voted totals that are subject to Parliamentary control. Any breach of the budget will result in an excess vote.

The Authority's net expenditure is classed as programme costs.

Explanations of variances between estimates and outturn are given in the Management Commentary on pages 24 to 30.

The notes on pages 79 to 118 form part of these accounts.

Notes to the Resource Accounts

(STATEMENT OF PARLIAMENTARY SUPPLY)

SOPS1.Statement of accounting policies

The Statement of Parliamentary Supply and supporting notes have been prepared in accordance with the 2014/15 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The Statement of Parliamentary Supply accounting policies contained in the FReM are consistent with the requirements set out in the 2014/15 Consolidated Budgeting Guidance and Supply Estimates Guidance Manual.

SOPS1.1 Accounting convention

The Statement of Parliamentary Supply and related notes are presented so as to be consistent with Treasury budget control and Supply Estimates. The budgeting system, the consequential presentation of Supply Estimates, the Statement of Parliamentary Supply and the related notes have different objectives to IFRS-based accounts.

The system supports the achievement of macro-economic stability by ensuring that public expenditure is controlled, with the relevant Parliamentary authority, in support of the Government's fiscal framework.

SOPS1.2 Comparison with IFRS-based accounts

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

Provisions – Administration and Programme expenditure

Provisions recognised in IFRS-based accounts are not recognised as expenditure for national accounts purposes until the actual payment of cash (or accrual liability) is recognised. To meet the requirements of both resource accounting and national accounts, additional data entries are made in the Statement of Parliamentary Supply across Annually Managed Expenditure (AME) and Departmental Expenditure Limit (DEL) control totals, which do not affect the Statement of Comprehensive Net Expenditure.

SOPS 2 NET RESOURCE AND CAPITAL OUTTURN

for the period ending 31 March 2015

SOPS 2.1 Analysis of net resource outturn

	Outturn 2014/15				Estimate	2014/15	2013/14
	Other Current	Gross Resource Expenditure	Income	Net Total	Net Total	Net Total outturn compared with Estimate	Prior-year outturn
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limit							
Voted							
A. Programme Expenditure	197,543	197,543	(27,382)	170,161	170,740	579	173,588
Annually Managed Expenditure							
Voted							
B. Resource AME	(236)	(236)	-	(236)	238	474	(2,865)
Resource Outturn	197,307	197,307	(27,382)	169,925	170,978	1,053	170,723

Note

The programme costs within the Annually Managed Expenditure (AME) reflect the utilisation of provisions and impairments charged to AME.

SOPS 2.2 Analysis of net capital outturn by section

	2014/15 Programme Outturn			Estimate	2014/15	2013/14
	Gross Capital Expenditure	Income	Net Total	Net Total	Net Total outturn compared with Estimate	Prior-year outturn
	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limit						
Voted						
A. Programme Expenditure	12,341	(480)	11,861	12,100	239	15,290
Capital Outturn	12,341	(480)	11,861	12,100	239	15,290

SOPS 3 RECONCILIATION OF NET RESOURCE OUTTURN TO NET CASH REQUIREMENT

for the period ending 31 March 2015

	Note	2014/15 Estimate £'000	2014/15 Outturn £'000	2014/15 Net total Outturn compared with estimate: saving / (excess) £'000	2013/14 Outturn £'000
		£'000	£'000	£'000	£'000
Resource Outturn		170,978	169,925	1,053	170,723
Capital Outturn		12,100	11,861	239	15,290
Accruals to cash adjustments					
Depreciation and amortisation	4	(15,300)	(14,980)	(320)	(11,779)
Adjustments to provisions	4	(966)	(158)	(808)	1,630
Other non-cash items	4	(500)	(902)	402	(1,331)
Other adjustments	4,6 & 7	-	-	-	(441)
Adjustments to reflect movements in working balances					
Increase/(Decrease) in receivables	10	-	4,498	(4,498)	(422)
Decrease in trade and other payables	12	14,249	8,688	5,561	1,908
Other movements in working capital not reflected in operating costs		-	387	(387)	(2,782)
Utilisation of provisions	13	1,228	1,218	10	1,952
Net cash requirement		181,789	180,537	1,252	174,748

Primary Statements to the Accounts

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Authority to prepare a Statement of Parliamentary Supply and supporting notes to show resource and capital outturn against the Supply Estimate presented to Parliament, in respect of each budgetary control limit.

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the Year to 31 March 2015

	Note	2014/15	2013/14
		£'000	£'000
Programme Expenditure			
Staff	3	116,667	115,163
Other	4	80,640	82,498
Operating Income	5	(27,382)	(26,938)
Net Operating Costs for the year ending 31 March 2015		169,925	170,723
Other Comprehensive Net Expenditure			
Net (gain)/loss on:			
– revaluation of property, plant & equipment	6	(486)	136
– revaluation of intangibles	7	336	(122)
Total Comprehensive Expenditure for the year ending 31 March 2015		169,775	170,737

Reconciliation of Net Operating Costs to Statement of Parliamentary Supply

	2014/15	2013/14
	Outturn	Outturn
Total resource outturn in Statement of Parliamentary Supply	169,925	170,723
Net Operating Costs for the year ended 31 March 2015	169,925	170,723

The notes on pages 79 to 118 form part of these accounts

STATEMENT OF FINANCIAL POSITION

as at 31 March 2015

	Note	2014/15	2013/14
		£'000	£'000
Non-current assets:			
Property, plant and equipment	6	39,671	40,271
Intangible assets	7 & 7.1	42,528	45,242
Financial assets	10	67	84
Total non-current assets		82,266	85,597
Current assets:			
Trade and other receivables	10	2,969	3,101
Other current assets	10	9,331	4,684
Cash and cash equivalents	11	1,217	829
Total current assets		13,517	8,614
Total assets		95,783	94,211
Current liabilities:			
Trade and other payables	12	(21,464)	(30,152)
Current early retirement provision	13	(857)	(1,228)
Total current liabilities		(22,321)	(31,380)
Total assets less current liabilities		73,462	62,831
Non-current liabilities:			
Other provisions	13	(6,904)	(6,830)
Early retirement provision	13	(1,122)	(1,885)
Total non-current liabilities		(8,026)	(8,715)
Assets less liabilities		65,436	54,116
Taxpayers' equity and other reserves			
General fund		53,446	42,283
Revaluation reserve		11,990	11,833
Total equity		65,436	54,116

Signed by



John Pullinger CB CStat
Accounting Officer
UK Statistics Authority
29 October 2015

STATEMENT OF CASH FLOWS

for the period ending 31 March 2015

The Statement of Cash Flows shows the changes in cash and cash equivalents of the Authority during the reporting period.

This statement illustrates how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash arising from operating activities is a key indicator of service costs and the extent to which these operations are funded, by way of income from receipts or services, provided by the Authority. Investing activities represent the extent to which cash inflows and outflows have been made for resources, which are intended to contribute to the Authority's future Public Service delivery. Cash flows arising from financing activities include Parliamentary Supply and other cash flows including borrowing.

		2014/15	2013/14
	Note	£'000	£'000
Cash flows from operating activities			
Net operating costs	2	(169,925)	(170,723)
Adjustment for non-cash transactions	4	16,040	11,478
(Increase)/Decrease in trade and other receivables	10	(4,498)	422
<i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>	20	480	-
Decrease in trade payables	12	(8,688)	(1,908)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Expenditure</i>	6, 7 & 12	(7)	6,189
Use of provisions	13	(1,218)	(1,952)
Net cash outflow from operating activities		<u>(167,816)</u>	<u>(156,494)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(5,139)	(4,519)
Purchase of intangible assets	7 & 7.1	(7,582)	(13,736)
Net cash flow from investing activities		<u>(12,721)</u>	<u>(18,255)</u>
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		180,925	171,971
Advances from the Contingencies Fund		29,374	5,000
Repayments to the Contingencies Fund		(29,374)	(5,000)
Net Financing		<u>180,925</u>	<u>171,971</u>
Net increase/(decrease) in cash and cash equivalents in the period	11	388	(2,778)
Cash and cash equivalents at the beginning of the period	11	829	3,607
Cash and Cash equivalents at the end of the period	11	<u>1,217</u>	<u>829</u>

The notes on pages 79 to 118 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the period ending 31 March 2015

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 1 April 2013		38,135	11,859	49,994
Changes in taxpayers' equity for 2013/14				
Net Parliamentary Funding – drawn down		171,971	-	171,971
Advances from the Contingencies Fund		5,000	-	5,000
Repayments to the Contingencies Fund		(5,000)	-	(5,000)
Comprehensive expenditure for the year		(170,723)	-	(170,723)
Non cash adjustments				
Non cash charges – auditor's remuneration	4	82	-	82
Movements in reserves				
Transfers between reserves		40	(40)	-
Net loss on revaluation of property, plant and equipment	6	-	136	136
Net gain on revaluation of intangible assets	7	-	(122)	(122)
Amounts issued from the Consolidated Fund for supply but not spent at year end		(829)	-	(829)
Deemed supply	11	3,607	-	3,607
Balance at 31 March 2014		42,283	11,833	54,116
Changes in taxpayers' equity for 2014/15				
Net Parliamentary Funding – drawn down		180,925	-	180,925
Advances from the Contingencies Fund		29,374	-	29,374
Repayments to the Contingencies Fund		(29,374)	-	(29,374)
Comprehensive expenditure for the year		(169,925)	-	(169,925)
ARDC capital income received	20	480	-	480
Non cash adjustments				
Non cash charges – auditor's remuneration	4	78	-	78
Movements in reserves				
Transfers between reserves		(7)	7	-
Net gain/loss on revaluation of property, plant and equipment	6	-	486	486
Net gain/loss on revaluation of intangible assets	7	-	(336)	(336)
Amounts issued from the Consolidated Fund for supply but not spent at year end		(1,217)	-	(1,217)
Deemed supply	11	829	-	829
Balance at 31 March 2015		53,446	11,990	65,436

Note

The General Fund is used to account for all financial resources, except for capitalised assets.

The Revaluation Reserve records unrealised gains and losses on revaluation of assets.

The notes on pages 79 to 118 form part of these accounts.

Notes to the Accounts

1. STATEMENT OF ACCOUNTING POLICIES AND ACCOUNTING CONVENTIONS

These financial statements have been prepared in accordance with the 2014/15 Government Financial Reporting Manual (FReM) issued by HM Treasury.

The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the UK Statistics Authority (hence forward referred to as Authority) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Authority are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

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

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and in-house software.

The Authority is primarily resourced by funds approved by the House of Commons through the annual Appropriation Act. Resources are drawn down each month to meet expenditure requirements and are credited to the General Fund. The functional currency for the Authority is pounds sterling; the Authority retains a small cash balance of sterling and euros as well as shopping vouchers and postage stamps.

Accounts are produced in £'000s.

1.1 ADRC-E COLLABORATIVE AGREEMENT

During the year the Authority entered into a collaborative agreement to create the Admin Data Research Centre for England (ADRC-E) with:

- The University of Southampton;
- University College London;
- The London School of Hygiene and Tropical Medicine;
- The Institute for Fiscal Studies; and
- The Institute of Education.

The Economic and Social Research Council funds the arrangement via the University of Southampton who is the lead applicant to the collaborative agreement.

The Authority has disclosed the expenditure and income relating to the arrangement in line with the requirements of IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interest in other Entities.

1.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) assets include land and buildings, computers and associated equipment, office machinery and furniture and fittings.

Civil Estate property is occupied in Newport, Titchfield and Christchurch. The land and buildings are stated at current market value using professional valuations on an annual basis, which fully reflects specific local market conditions.

Any expenditure on leasehold assets is stated at current cost using indices taken from the Authority's publication 'Price Index Numbers for Current Cost Accounting'. The properties occupied at Titchfield, Christchurch and Newport were professionally valued as at 31 December 2014 by the District Valuer Service (DVS), a commercial company qualified to undertake these valuations. They are prepared in accordance with the appropriate sections of the Practice Statements (PS) and the United Kingdom Practice Statements (UKPS) contained within the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards.

All other PPE assets are re-valued from the beginning of the quarter of acquisition. These assets are stated at current costs by using indices taken from the Authority's publication 'Price Index Numbers for Current Cost Accounting'. To qualify for valuation PPE assets must exceed the capitalisation threshold of £2,000 (including VAT) and have a life greater than one year.

1.3 INTANGIBLE ASSETS

Intangible assets consist of software licenses and in-house developed software.

Software licenses are not re-valued and are included at depreciated historical cost.

In-house developed software is stated at current costs by using indices taken from the Authority's index developed by the Office for National Statistics (ONS) National Accounts Division. To qualify for valuation, software assets must exceed a capitalisation threshold of £2,000 (including VAT) and have a life greater than one year.

1.4 STATISTICAL RECORDS

Statistical information has built up over many years and is stored for reference purposes. No attempt is made to value this data as there is no realistic way of doing so that would arrive at a meaningful valuation. The cost of storing and maintaining the data is charged to the Statement of Comprehensive Net Expenditure as incurred.

1.5 DEPRECIATION AND AMORTISATION

Depreciation is calculated so as to write off the re-valued cost of assets over the estimated useful economic life on a straight line basis (except where otherwise indicated), as follows:

Classification	Depreciation/Amortisation period
Civil Estate Land	Not depreciated
Leasehold property	Over the term of the lease
Freehold property	Between 3 and 20 years
Computer assets > £50,000	7 years
Computer assets < £50,000	4 years
Office machinery > £50,000	7 years
Office machinery < £50,000	4 years
Furniture and fittings	10 years
In-house developed software	Between 9 and 15 years
Software licences	4 years

For property, plant and equipment a full year's depreciation is charged in the year of acquisition with the exception of building refurbishments where depreciation is charged from the quarter in which the assets are completed.

In-house developed software and applications are amortised between a range of 9 and 15 years, (subject to an annual review), charged from the quarter in which the assets are completed. Perpetual software licenses are amortised on a reducing balance basis over a life of 4 years. Where software licenses are over a specific period they are depreciated over this useful life. Each group of assets is reviewed annually for impairment. With the exception of the Web Data Access and Web Development Project which are currently being depreciated over 3 years.

1.6 ASSETS IN THE COURSE OF CONSTRUCTION

Assets under construction are capitalised where they meet the requirements of IAS 16 or IAS 38 as appropriate and are transferred out of assets under construction into the relevant category of PPE or intangibles on completion.

1.7 RESEARCH AND DEVELOPMENT

The Authority undertakes certain research into statistical and survey methodology and costs are charged to the Statement of Comprehensive Net Expenditure as they arise.

1.8 OPERATING INCOME

Operating income which relates directly to the operating activities of the Authority is comprised of the invoiced value of services supplied to the private sector, the wider public sector and other government departments. Income represents the value of invoices raised on completion of work and the value of work completed. Prices are

calculated in accordance with 'Managing Public Money' (published by HM Treasury) and aim to recover the full economic cost of service provision.

1.9 FOREIGN EXCHANGE

The Authority conducts a small number of transactions in foreign currency which are reviewed in accordance with IAS 21 and 39 (derivatives). Transactions, are translated into sterling at the prevailing exchange rate on the date of each transaction. Assets and liabilities are translated into sterling at the exchange rate on the date of the Statement of Financial Position.

1.10 LEASES

Leases are reviewed in accordance with IAS 17, and the total costs of operating leases are expensed in equal instalments over the life of the lease.

1.11 FINANCIAL INSTRUMENTS

The Authority does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised at fair value less any impairments. A provision for impairment is made when there is evidence that the Authority will be unable to collect an amount due in accordance with the agreed terms.

1.12 PROVISIONS

The Authority provides for legal or constructive obligations which are of uncertain timing or amount at the date of the Statement of Financial Position on the basis of best estimate of the expenditure required to settle the obligation. Where the effect of time value is significant, provisions are discounted at the general rate of -1.50 per cent for a time period up to five years, -1.05 per cent for a time period of six to ten years, and 2.20 per cent for time periods greater than ten years. The discount rate for pension provisions is 1.30 per cent; discount rates are published by HM Treasury. These provisions are reviewed each year in accordance with IAS 37.

1.13 TRADE RECEIVABLES

Trade receivables are recognised at fair value less provisions for any impairments. A provision for impairment is made when there is evidence that the Authority will be unable to collect an amount due in accordance with the agreed terms.

1.14 STAFF COSTS

Under IAS19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any leave accrued but not taken at the year end.

1.15 EARLY DEPARTURE COSTS

The Authority is responsible for meeting the additional costs of employees who take voluntary early severance or who retire early by paying the amounts required over the period between early departure and normal retirement date. The Authority provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments which are discounted by the HM Treasury discount rate of 1.30 per cent.

1.16 CASH AND CASH EQUIVALENTS

The Authority holds balances of cash and cash equivalents; these include cash balances, shopping vouchers and postage stamps.

1.17 VAT

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

1.18 PROGRAMME EXPENDITURE

The Statement of Comprehensive Net Expenditure is analysed between staff costs, other costs and income. The classification of programme expenditure and income follows the definition of programme costs set out in the 'HM Treasury Consolidated Budgeting Guidance', and as voted by Parliament in the Treasury's Supply Estimate.

1.19 PENSIONS

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes as described in notes to the accounts and within the Authority's Remuneration Report. The Authority recognises the expected costs of these elements on a systematic and rational basis over a period during which it benefits from employees' services by payment to the Principal Civil Service Pension Schemes (PCSPS) of amounts calculated on an accruals basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the schemes, the Authority recognises the contribution payable for the year.

1.20 CONTINGENT LIABILITIES

In addition to contingent liabilities disclosed in accordance with IAS 37, the Authority discloses for parliamentary reporting and accountability purposes certain statutory and non-statutory contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money.

Where the time value of money is material, contingent liabilities that are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament is separately noted. Contingent liabilities not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

The development, selection and disclosure of significant accounting estimates and judgements has been disclosed and agreed with the Audit and Risk Assurance Committee.

1.21 REVALUATIONS

Land and buildings have been acquired by the Authority at market value and the Authority re-values its estate on an annual basis. The valuations are undertaken by an independent organisation in accordance with the appropriate sections of the United Kingdom Practice Statements contained within the Royal Institution of Chartered Surveyors Appraisal Standards. The valuations are therefore an estimate of the estate based on their professional judgement.

The Authority uses the indexation method (modified historic cost accounting) to adjust the value of its other tangible assets; namely Drummond Gate refurbishment costs, Office Machinery, Computer Hardware and Furniture and Fittings. Indexation is used to adjust the asset values to take market factors into consideration. This provides an estimate of their value based on judgements about the economy by the Office for National Statistics.

Increases in valuation are credited to the Revaluation Reserves and negative revaluations (impairments) are initially written off against previously upward revaluations taken to the revaluation reserves. Where no previous revaluation reserves exist the impairments are written off as an expense in the Statement of Comprehensive Net Expenditure.

The indexation method is an estimate only as it deals with categories as a whole without consideration for individual assets.

1.22 INTANGIBLE ASSETS USEFUL ECONOMIC LIFE

Applicable expenditure incurred in the development of internally created software is capitalised and recognised as an intangible asset if the criteria set out in the relevant accounting standards are met. The Authority has made judgments and assumptions when assessing whether a project meets these criteria and recognises an intangible asset, whether purchased or built in-house (at cost) if, and only if:

- the Authority intends to complete the asset and bring it into use;
- the Authority has the ability to use the asset;
- there are adequate technical, financial and other resources to complete the development and use the asset;
- it is probable that the future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Having recognised the costs and determined the economic life attributable to an intangible asset by applying IAS38, the Authority undertakes an annual review of in-house developed software by applying IAS 36, adapted by HM Treasury for the public sector. The software does not generate future cash flows; its purpose is the support of future service potential and where an asset is not held for the purpose of generating cash flow, the value of the asset is assumed to equal the cost of replacing the asset, unless there has been a reduction in the service level. The Authority gauges the continued service potential of each in-house developed software asset by referring to the following factors:

- management information from the in-house software, including usage statistics where available;
- future plans highlighted by the ONS Strategic Roadmap and the Digital, Technology and Methodology transformation plan;
- information technology reviews;
- business area expectations and intelligence of ongoing requirements; and
- the estimated remaining useful economic life of the asset.

The remaining economic lives for intangible assets are estimated at between two and thirteen years for internal projects. Further details of the amounts of, and movements in, such assets are given in note 7.

A reduction in the value of in-house developed software, or impairment of assets in the course of construction, resulting from decisions undertaken by the Authority in the course of normal business operations is charged to Departmental Expenditure Limit (DEL). Normal business operation covers all loss and damage to assets that result from management or staff action, and the actions of third parties.

As set out in the Governance Statement, since the year end we have undertaken a comprehensive review of three assets in respect of the 2014/15 financial year. The following provides a summary of the review:

Web Data Access (WDA)

WDA is an Open Data platform that includes back office capability for loading and publishing data, and front office functions that allow users to consume the data via a Data Explorer and an Application Programme Interface. The original project focus was to build the infrastructure and software to disseminate the 2011 Census data. Further to the original scope and in an effort to drive greater value and further integrate the platform, WDA and Improving Dissemination Programme (IDP) have been developing a solution that enhances delivery of other social and economic data to the user. Examples of such economic data include Consumer Price Indices, Annual Survey of Household Expenditure and Products of the European Community.

Having joined the Authority in the latter part of 2014/15, our new Digital Leaders expressed concerns over the operational costs of the asset and a review was subsequently undertaken.

The review concluded that the functionality provided by WDA allows the organisation to disseminate data in a highly cost effective way, in comparison with other ways such as CDs/DVDs/Emails. In addition the review concluded that the Net Book Value (NBV) of the asset as at 31 March 2015 is reasonable and the probable economic benefit to the organisation of having this functionality continues to exceed its carrying value.

With the expectation that a replacement system will be available sometime during 2016/17, the life of the asset has been reduced to coincide with the replacement asset.

Note 7 sets out the valuation of the asset as at 31 March 2015 and states the remaining useful economic life as 2 years from that date.

Life Events redevelopment project (LERP)

LERP is a risk and cost reduction project to ensure that Life Events systems meet the required Communications-Electronics Security Group, Information Assurance, quality, and legislative standards. The project focuses largely on replacing the legacy M204 mainframe system. The scope also includes replacement of related components with a modernised flexible system built on a strategic corporate platform.

The project has the objective to address the following:

- The M204 system is 20+ years old and has significant issues in relation to data security, and ongoing running and support costs;
- The software will be supported and in line with ONS development resources skill base;
- The staffing resource currently employed to maintain M204 are nearing retirement age; and
- To determine the potential for wider use across the organisation in terms of the development of business registers.

The M204 system enables the production of statistics on births, deaths, marriages and other Life events topics, using data captured via external sources; Life Events business validates, processes, codes and analyses data in order to publish statistics to external stakeholders nationally and internationally including Parliament, DH, the NHS, the DCLG, and to the European statistical community.

Due to increasing costs of the project, a review was commissioned to explore whether the life events system offered a solution to other business areas. The sprint completed during the summer of 2015 with the following conclusion from the Chief Technology Officer:

“My view at this point in time is that we will need to fund the continuation of this project, complete the build of the functionality, migrate the data across and bring the asset into use. There are a number of factors that are driving this decision, which demonstrate that this choice is the only viable option”.

Significant benefits from the project include significant reductions for ongoing maintenance and security costs, staff savings and cost avoidance of further upgrades required to support and mitigate the increasing age of the M204 system.

The review concluded the NBV of the asset as at 31 March 2015 is reasonable and that the probable economic benefit to the organisation of continuing to develop and bring this asset into use exceeds the current valuation of the asset.

Note 7 sets out the valuation of the asset under construction as at 31 March 2015.

Electronic Data Collection (EDC)

The EDC solution is split into three main parts: A portfolio based respondent registration system, a survey management system (essentially to case manage and support businesses in online completion), and an online questionnaire component – all of which have been integrated to provide an end-to-end experience for internal ONS and external business users.

Integration is the key to better statistics and EDC will allow data to flow from the Inter-Departmental Business Register (IBDR) and, following survey submission, into the Common Open-Road Architecture (CORA) for downstream processing. It is relatively complex and multi-layered operation.

Following the arrival of a new Digital leadership team, the EDC programme has assessed the potential for a more flexible, scalable and service oriented solution. This represents a broadening of the current scope (which focuses on business surveys alone) and would position ONS to provide solutions for Census and Government as a Platform.

The EDC solution to date has successfully delivered a working respondent and survey management system and the solution has been successfully receiving Excel based returns since January 2014.

More recently, the solution (following usability and operational tests) has also enabled the piloting of a Monthly Wages and Salaries Survey and, separately, potential social survey take-up via a pilot module of the Labour Force Survey.

Costs of the project are largely associated with in-house development to date but the project is expected to deliver significant benefits including staff savings as we move from traditional data collection methods to online collection.

The review concluded the NBV of the asset as at 31 March 2015 is reasonable and that the probable economic benefit to the organisation of continuing to develop and bring this asset into use exceeds the carrying value of the asset.

1.23 PROVISIONS

A provision is a reserve to provide against any future cost that maybe incurred by taking into account an expected expense and disclosing it as a liability on the Statement of Financial Position. The Authority will create a provision in the period in which the liability becomes apparent and will charge the related entry as an expense to the Statement of Comprehensive Net expenditure in the same period. The Authority has specific provisions based on historical evidence and professional judgements for potential claims.

1.24 PROVISIONS FOR BAD DEBTS

Where there is sufficient evidence to suggest that amounts cannot be recovered, they are initially provided for with any subsequent recognition of a bad debt being charged against the provision. This will increase the amount of expenditure to the Statement of Comprehensive net Expenditure in year (an increased charge to provision for bad debt) and correspondingly reduce the level of Debtors held within the Current Assets (within the Statement of Financial Position).

1.25 PROVISION FOR POTENTIAL CLAIMS

The value of provisions for tribunals and personal injury claims are based on ongoing cases at the year end and the likely outcome, with the probabilities being derived from the judgement of legal expertise the Authority has employed. If there is doubt over the value and timing of a claim it will be treated as a Contingent Liability and disclosed in the notes to the accounts and will not appear in the financial statements. All provisions are reviewed each year in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

1.26 ESTATES DILAPIDATIONS

The terms of any lease entered into by the Authority may state that the building shall be returned to its original state before being returned to the landlord. At any such time the Authority should consider whether there is any liability to return the property to its original state and commence discussion with the landlord.

The accounting treatment for Potential Claims and Dilapidations is to charge the costs to the Statement of Net Comprehensive Expenditure in the accounting period in which they arise, along with increasing the creditor balances held on the Statement of Financial Position. When an actual payment is made relating to these specific entries, it is made against the provision with no charge to the Statement of Net Comprehensive Expenditure.

1.27 DISCOUNTING OF LONG TERM PROVISIONS

Where the effect of time value is significant, provisions are discounted at the following rates:

	Short term	Medium term	Long term
	0 to 5 years	5 to 10 years	Exceeding 10 years
Early departure costs	1.30%	1.30%	1.30%
All other provisions	-1.50%	-1.05%	2.20%

Rates are published annually by HM Treasury.

1.28 ACCRUALS

Accruals are an accounting methodology that records income and expenditure when they occur to ensure costs are recorded in the same period as the activity regardless of when cash is exchanged. The term accrual refers to any individual entry recording income and expense in the absence of a cash transaction. These occur throughout the year to ensure monthly reporting is as complete as possible, but its primary purpose is to ensure the Annual Accounts represent a true and fair view of the Authority's financial position.

When goods or services are received prior to the financial year end but the invoice is not expected until the following financial year, an accrual is made to ensure that the charge is recognised in the correct accounting period. The accrual can be based on a quote previously provided or calculation, such as a timesheet multiplied by the hourly rate for an employment agency accrual.

Holiday and flexi leave pre-payments and accruals are calculated by comparing the expected year-end balance against the actual balance at 31 March. The expected balance is calculated by spreading the entitlement evenly over the year taking into consideration the leave year start date for each member of staff. This is compared to the actual balance held; the balance is valued by grade using staff planning rates.

1.29 STANDARDS NOT YET ADOPTED

The following standards have been utilised or amended and should be considered when reading the accounts. The Authority will review their impact once they have been adopted by the FReM.

IFRS 13 Fair Value Measurement has been prepared to provide guidance on fair value measurement for all relevant balances and transactions covered by IFRS, except where IFRS 13 explicitly states otherwise. The standard requires fair value to be measured using the most reliable data and inputs available to determine an exit price for an asset or liability. The application is subject to further review by HM Treasury and other relevant authorities following a consultation which took place in 2013. The Authority anticipates this will have a minor impact on its financial statements.

IFRS 9 Financial Instruments this review includes three phases.

- Phase one addresses classification and measurement;
- Phase two addresses impairment, particularly how impairments are calculated and recorded; and
- Phase three addresses hedge accounting.

IFRS 9 is subject to consultation, the Authority anticipates this will have no impact on its financial statements.

IFRS 14 Regulatory Deferral Accounts is an interim standard, applicable to first-time adopters of IFRS that provide goods or services to customers at a price or rate that is subject to rate regulation by the government eg the supply of gas or electricity.

This will have no impact on the Authority as these Accounts are already prepared under IFRS requirements.

IFRS 15 Revenue for Contract with Customers specifics when revenue should be recognized when contracting with customers. The standard specifically focuses on long term contracts having staged payments. The Authority has limited involvement with this type of contract and anticipates that the standard will have little impact on its financial statements.

1.30 FUTURE DEVELOPMENTS

IAS 17 Replacement Leases. The proposals would eliminate current operating lease categorisation for virtually all leases with the exception to short term leases. Assets and liabilities will be recognised on a 'right to use' basis. There is no effective target date as HM Treasury and relevant bodies will review the implications once the standard has been finalised. The Authority anticipates this will have a minor impact on its financial statements.

IAS 18 Replacement Revenue and Liabilities Recognition. Re-issued in November 2011, the Exposure Draft sought to develop a single conceptual model and principles for determining when revenue should be recognised in the financial statements replacing IAS18 and IAS11. The Authority anticipates this will have no impact on its financial statements.

2. SEGMENTAL INFORMATION OF EXPENDITURE AND INCOME

The following information is regularly provided in order to inform decision making by the National Statistician's Executive Group and the primary Chief Operating Decision Maker (CODM) of the Office for National Statistics to make decisions regarding planning, resource allocation and income, as well as performance monitoring.

	2014/15 Gross expenditure	2014/15 Income	2014/15 Net expenditure	2013/14 Gross expenditure	2013/14 Income	2013/14 Net expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Reportable Segments						
Census	3,796	(164)	3,632	8,912	(195)	8,717
Data Collection	44,102	(12,242)	31,860	36,796	(7,696)	29,100
National Acc & Economic Stats	23,622	(515)	23,107	27,477	(5,746)	21,731
Analysis & Dissemination	13,958	(2,676)	11,282	15,708	(3,419)	12,289
Population & Demography	7,843	(1,303)	6,540	9,094	(1,015)	8,079
Research Development and Infrastructure	44,659	(395)	44,264	44,005	(3,069)	40,936
Beyond 2011	6,826	(40)	6,786	5,782	-	5,782
Corporate Support	30,137	(9,717)	20,420	33,053	(5,609)	27,444
UK Statistics Authority	5,093	(330)	4,763	4,589	(189)	4,400
	180,036	(27,382)	152,654	185,416	(26,938)	158,478

Reconciliation between segment information and net operating cost in the statement of comprehensive net expenditure

	Note	2014/15 Gross expenditure	2014/15 Income	2014/15 Net expenditure	2013/14 Gross expenditure	2013/14 Income	2013/14 Net expenditure
		£'000	£'000	£'000	£'000	£'000	£'000
Total reported by segment		180,036	(27,382)	152,654	185,416	(26,938)	158,478
Reconciling items							
Depreciation	4	14,980	-	14,980	11,779	-	11,779
Provisions created in year	13	299	-	299	79	-	79
Provisions not required in year	13	-	-	-	(1,650)	-	(1,650)
Bad debt write off	4	-	-	-	43	-	43
Unwinding discount on provisions	4	(141)	-	(141)	(59)	-	(59)
Downward revaluations of fixed assets	4	824	-	824	1,013	-	1,013
Performance related pay year end accrual	3	1,503	-	1,503	606	-	606
Loss on disposal of equipment	4	-	-	-	192	-	192
Movement in holiday pay	10 & 12	(194)	-	(194)	242	-	242
Statement of Comprehensive Net Expenditure		197,307	(27,382)	169,925	197,661	(26,938)	170,723

Net assets are not reported separately to the CODM.

The 2013/14 comparatives have been reanalysed following a re-organisation of the Authority's reporting structure.

3. STAFF NUMBERS AND RELATED COSTS

as at 31 March 2015

3.1 Staff Costs

	2014/15	2014/15	2014/15	2013/14
	Total	Permanently employed staff	Others	Total
	£'000	£'000	£'000	£'000
Statistical Services Staff Costs	95,700	84,308	11,392	94,750
Social security costs	5,794	5,794	-	5,775
Other pension costs	15,173	15,173	-	14,638
Total	116,667	105,275	11,392	115,163
Less recoveries in respect of outward secondments	(110)	(110)	-	(26)
Total net costs	116,557	105,165	11,392	115,137

3.2 Staff Numbers (full-time equivalent)

	2014/15	2014/15	2014/15	2013/14
	Total	Permanently employed staff	Others	Total
	£'000	£'000	£'000	£'000
Statistical Services	3,161	3,010	151	3,029

Note

The Statistical Services staff numbers are calculated using the average number of staff on the payroll each month.

3.3 Capitalised Staff Costs

	2014/15		2013/14	
	Cost	FTEs	Cost	FTEs
	£'000		£'000	
Web Data Access	-	-	342	7
Electronic Data Collection	181	4	239	5
Consumer and Retail Price Indices	225	6	185	5
Common Open Road Architecture platform (CORA)	233	6	233	5
Life Events	139	4	185	4
Social Survey	-	-	57	2
Central ONS Repository for Data (CORD)	204	4	-	-
Longitudinal Study	153	4	29	2
Administrative Data Research Centre	52	1	17	5
Total	1,187	29	1,287	35

Notes

The 2014/15 salary figures reflect a net yearly movement of (£194,000) of accrued holiday and flexi pay, and PRP of £1.50 million, refer to notes 10 and 12.

In addition to the £116.7 million in note 3.1, £1.2 million (2013/14 £1.3 million) of salary costs are categorised as capital expenditure and are not included in the Operating Cost Statement. An analysis by capital project is provided in note 3.3.

Recoveries of £110,000 (2013/14 £26,000) in respect of outward secondments are included as operational income shown in note 5.

Pensions

The Principal Civil Service Pension Schemes (PCSPS), is an unfunded multi-employer defined benefit scheme, but the Authority is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out on 31 March 2012, and details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2014/15, employers' contributions of £15.12 million were payable to the PCSPS (2013/14 £14.64 million) at one of four rates in the range of 16.7 to 24.3 per cent (2013/14 16.7 to 24.3 per cent) of pensionable pay, based on salary bands.

The scheme's Actuary reviews employer contributions every four years following a full scheme valuation.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees can opt for a partnership pension account, a stakeholder pension with an employer contribution.

Employers' contributions of £166,235 (2013/14 £162,000) were paid to one or more of a panel of three appointed stakeholder pension providers.

Employers contributions are age-related and range from 3 to 12.5 per cent (2013/14 3 to 12.5 per cent) of pensionable pay.

The Authority will also match employee contributions up to 3 per cent of pensionable pay.

In addition, employers contributions of £11,044 representing 0.8 per cent; (2013/14 £11,000 0.8 per cent) of pensionable pay were payable to PCSPS to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £18,468 (2013/14 £17,300).

Contributions prepaid for both 2014/15 and 2013/14 were nil.

Four members of staff (2013/14 six members of staff) retired early on ill-health grounds. These costs are centrally funded by the Civil Service Vote managed by My Civil Service Pension.

There were no additional accrued pension liabilities in either 2014/15 or 2013/14.

An actuarial valuation of the PCSP was completed during the 2014/15 financial year, with an effective date of 31 March 2012. This revaluation was conducted in line with Directions made by HM Treasury, made under the Public Services Pensions Act 2013. The results of this valuation increases the average employer contribution rate paid to the scheme from 1 April 2015. The employer contributions rates will now be 20 to 24.5 per cent

A new pension scheme alpha will be introduced on 1 April 2015. The majority of PCSPS members will move into alpha from that date, new staff will only have the option to join the alpha scheme.

3.4 Reporting of Civil Service and Other Compensation Schemes/Exit Packages

as at 31 March 2015

Exit package cost band	Total number of compulsory redundancies agreed within the year		Total number of other departures agreed within the year		Total value of exit packages agreed within the year by cost band £'000	
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14
<£10,000	4	-	1	-	12	-
£10,000 – £25,000	-	-	-	17	-	298
£25,000 – £50,000	-	-	-	20	-	800
£50,000 – £100,000	-	-	-	14	-	860
£100,000 – £150,000	-	-	-	1	-	137
£150,000 – £200,000	-	-	-	-	-	-
More than £200,000	-	-	-	-	-	-
Total number of exit packages by type (total cost)	4	-	1	52	12	2,095

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme under the Superannuation Act 1972. Exit costs are accounted for in full for the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service Pension Scheme.

Ill-health retirement costs are met by the Pension Scheme and are not included in the table.

4. PROGRAMME COSTS

as at 31 March 2015

	2014/15	2013/14
Rentals under Operating leases	£'000	£'000
Other operating leases	4,125	3,999
Hire of plant and machinery	23	38
	4,148	4,037
<i>Non-cash items</i>		
Depreciation	14,980	11,779
Impairment of fixed assets	824	1,013
Unwinding and rewinding of discount on provisions	(141)	(59)
Write off aged debtor and credit notes	-	43
External audit fee ¹	78	82
Loss on disposal of equipment	-	192
Net change/(release) of provisions	299	(1,572)
	16,040	11,478
Information technology	24,739	26,630
Accommodation	11,956	14,240
Payments for carrying out surveys	7,883	9,391
Travel and subsistence	5,477	5,441
Other expenditure	4,600	5,643
Telecommunications	1,672	1,247
External training	1,240	1,688
Census Services	1	(398)
Postage	905	817
Consultancy	514	681
Miscellaneous fees	888	765
Stationery	370	479
Hospitality	146	199
Exchange rate gains/(losses)	56	(13)
Ex-gratia payments	5	46
Eurostat ²	-	127
	80,640	82,498

Note

1 There were no non-audit fees incurred in either 2014/15 or 2013/14

2 In 2013/14 the Authority obtained approval from HMT to pay a penalty of £153,717 to Eurostat plus an interest charge of €837, the sterling equivalent being £127,352.

5. INCOME

as at 31 March 2015

	2014/15	2013/14
	£'000	£'000
Operational income	9,913	8,347
Statistical services	16,887	17,792
EU Income	582	799
	27,382	26,938

An analysis of income from services provided to external and public sector customers is as follows.

	2014/15	2014/15	2014/15	2013/14	2013/14	2013/14
	External	Public Sector	Total	External	Public Sector	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operational income	1,808	8,105	9,913	509	7,838	8,347
Statistical services	2,979	13,908	16,887	508	17,284	17,792
EU Income	582	-	582	799	-	799
	5,369	22,013	27,382	1,816	25,122	26,938

6. PROPERTY, PLANT AND EQUIPMENT

as at 31 March 2015

	Land	Buildings	Computers	Office Machinery	Furniture and Fittings	Building Refurbishments Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At April 2013	9,882	23,328	27,427	4,215	10,842	631	76,325
Additions	-	-	2,033	291	56	1,670	4,050
Transfers from assets under construction	-	1,659	-	-	-	(1,659)	-
Disposals	-	(155)	(403)	(55)	(2,974)	-	(3,587)
March 2013 accrual adjustment	-	-	(18)	-	-	(43)	(61)
Impairment	-	(1,149)	-	-	-	(236)	(1,385)
Revaluations	-	(200)	(398)	6	(2)	-	(594)
At 31 March 2014	9,882	23,483	28,641	4,457	7,922	363	74,748
Depreciation							
At April 2013	-	872	21,460	2,965	8,500	-	33,797
Charged in year	-	1,561	2,663	398	846	-	5,468
Disposals	-	(40)	(333)	(43)	(2,975)	-	(3,391)
Impairment	-	(577)	-	-	-	-	(577)
Revaluations	-	(617)	(204)	2	(1)	-	(820)
Transfer out of group	-	-	-	-	-	-	-
At 31 March 2014	-	1,199	23,586	3,322	6,370	-	34,477
Cost or valuation							
At April 2014	9,882	23,483	28,641	4,457	7,922	363	74,748
Additions	-	-	1,879	215	180	2,656	4,930
Transfers	-	2,068	(68)	-	-	(2,068)	(68)
Disposals	-	-	(55)	-	-	-	(55)
Impairment	-	(1,458)	-	-	-	-	(1,458)
Revaluations	-	(18)	89	7	120	-	198
At 31 March 2015	9,882	24,075	30,486	4,679	8,222	951	78,295
Depreciation							
At April 2014	-	1,199	23,586	3,322	6,370	-	34,477
Charged in year	-	1,666	2,438	447	584	-	5,135
Disposals	-	-	(54)	-	-	-	(54)
Impairment	-	(634)	-	-	-	-	(634)
Revaluations	-	(440)	49	4	99	-	(288)
Transfer out of group	-	-	(12)	-	-	-	(12)
At 31 March 2015	-	1,791	26,007	3,773	7,053	-	38,624
Net book value at 31 March 2014	9,882	22,284	5,055	1,135	1,552	363	40,271
Net book value at 31 March 2015	9,882	22,284	4,479	906	1,169	951	39,671
Asset financing:							
Owned	9,882	22,284	4,479	906	1,169	951	39,671
Net book value at 31 March 2015	9,882	22,284	4,479	906	1,169	951	39,671

Note

Included in the £4.9 million of additions are £770,000 of capital creditors. The total amount of capital creditors brought forward from 2013/14 was £979,000.

The properties at Titchfield, Christchurch and Newport were professionally valued as at 31 December 2014 by the District Valuer Service (DVS), the commercial arm of the Valuation Office Agency who are qualified to undertake these valuations. The valuations were prepared in accordance with the appropriate sections of the Practice Statements and the United Kingdom Practice Statements contained within the Royal Institution of Chartered Surveyors Appraisal and Valuation Standards.

The Authority calculates and publishes indices, which are used to value non-property assets on a quarterly basis.

7. INTANGIBLE FIXED ASSETS

for the period ending 31 March 2015

In-house developed software applications

	Ness Projects	CORD (Odyssey) Projects	I-Dissemination Project	CASPA (The Social Survey Repository)	Web Data Access	Web Development Project	CPI/RPI	Social Survey Data Collection Transformation	CORA (Common Open Road Architecture)	Electronic Data Collection	Software Licences	Total
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valuation												
At April 2013	13,319	7,171	2,587	14,383	-	5,773	5,482	1,445	-	-	17,995	68,155
Additions	-	-	-	-	-	-	-	-	-	-	1,660	1,660
Transfers from assets under construction	-	416	-	-	9,627	-	-	-	1,607	2,145	-	13,795
Transfer between projects	-	-	(2,587)	1,445	-	2,587	-	(1,445)	-	-	-	-
March 2013 accrual adjustment	-	-	-	-	-	-	-	-	-	-	(423)	(423)
Impairment	-	-	-	-	-	(182)	-	-	-	-	-	(182)
Revaluations	(80)	(47)	-	(105)	-	(23)	(36)	-	-	7	-	(284)
At 31 March 2014	13,239	7,540	-	15,723	9,627	8,155	5,446	-	1,607	2,152	19,232	82,721
Amortisation												
At April 2013	11,184	4,928	1,224	9,237	-	1,111	152	80	-	-	12,317	40,233
Charged in year	237	264	-	733	670	1,340	532	-	80	59	2,396	6,311
Transfer between projects	-	-	(1,224)	80	-	1,224	-	(80)	-	-	-	-
Impairment	-	-	-	-	-	(96)	-	-	-	-	-	(96)
Revaluations	(64)	(31)	-	(58)	-	(7)	(2)	-	-	-	-	(162)
At 31 March 2014	11,357	5,161	-	9,992	670	3,572	682	-	80	59	14,713	46,286
Valuation												
At April 2014	13,239	7,540	-	15,723	9,627	8,155	5,446	-	1,607	2,152	19,232	82,721
Additions	-	-	-	-	-	-	-	-	-	-	1,005	1,005
Transfers from assets under construction	-	499	-	763	2,297	-	2,811	-	821	1,991	-	9,182
Transfer	-	-	-	-	-	-	-	-	-	-	68	68
Revaluations	(124)	(78)	-	(172)	(129)	(84)	(56)	-	(17)	(25)	-	(685)
At 31 March 2015	13,115	7,961	-	16,314	11,795	8,071	8,201	-	2,411	4,118	20,305	92,291
Amortisation												
At April 2014	11,357	5,161	-	9,992	670	3,572	682	-	80	59	14,713	46,286
Charged in year	237	298	-	840	3,674	1,347	372	-	213	350	2,514	9,845
Transfer	-	-	-	-	-	-	-	-	-	-	12	12
Revaluations	(106)	(55)	-	(109)	(13)	(51)	(10)	-	(3)	(2)	-	(349)
At 31 March 2015	11,488	5,404	-	10,723	4,331	4,868	1,044	-	290	407	17,239	55,794
Net book value of in-house software 31 March 2014	1,882	2,379	-	5,731	8,957	4,583	4,764	-	1,527	2,093	4,519	36,435
Net book value of in-house software 31 March 2015	1,627	2,557	-	5,591	7,464	3,203	7,157	-	2,121	3,711	3,066	36,497
Remaining useful economic life	7	7	-	7	2	2	13	-	8	8		

Notes

The net book value of in-house developed software would be £40.0million if historic cost accounting had been applied.

The Authority calculates indices to value in-house developed software assets on a quarterly basis. The Authority does not revalue software licences.

Included in the £1,005,000 software licences additions is £31,000 of capital creditors and the amount brought forward from 2013/14 is £205,000.

The Neighbourhood Statistics Service (NeSS) website is an online resource for people working in regeneration and social research, or, for anyone interested in knowing about where they live. It provides information relating to deprivation about local communities, such as crime, drugs, unemployment, community breakdown, and schools with low educational attainment. This supports the development and measurement of integrated and sustainable solutions to local problems.

Central ONS Repository for Data (CORD) is the corporate platform for processing aggregate level time series data. It is used to compile National Accounts, Workforce Jobs and the Retail Sales Index. The platform incorporates standard statistical tools for processing time series data.

The I-Dissemination project is a Publication Hub which has provided a 'one-stop-shop' for statistics users, where they can find links to all of the new National Statistics from across Government since 2011. As part of the on going review of Intangible Assets this now falls under the Web Development Programme.

The Social Survey Repository replaced the Annual Population Survey/Labour Force Survey re-weighting and Scientific Information Retrieval 2002 systems based in Newport, which currently weight, re-weight, impute, produce derived variables, attach geographies and store the APS and LFS data. It is built on the CASPA platform (Common Architecture for Statistical Processing and Analysis).

Web Data Access (WDA) enables the dissemination of a range of social and economic data sets in a way that maximises use in line with government policy and transparency. A review of this software has been undertaken during the year, resulting in a reduction to its remaining useful economic life to 2 years from 31 March 2015.

The Web Development Programme is delivering a new ONS website with improved search and navigation. The programme also delivers new internal systems for statistical production areas to release their outputs onto the website. The Authority has undertaken a review of the website, which has resulted in a remaining useful economic life of 2 years from 31 March 2015.

The CPI/RPI Re-engineering Project delivers a new generation of price index systems to produce CPI and RPI statistical outputs, which has improved the efficiency, quality and flexibility of the systems used to produce economic statistics, central to Government policy-making. The new application, Pretium, delivers a significant reduction in the risk of publication error, as well as increased flexibility, reporting and analysis capability, to enable the Authority to better meet user needs. Pretium has been designed as a reusable platform with the ability to produce additional price indices in the future.

CORD (Central ONS Repository for Data) is the primary system used to compile the National Accounts including Quarterly National Accounts, Retail Sales Index and Trade (Goods and Services). The CORD platform capability is continually enhanced to support the processing requirements to deliver the National Accounts in-line with the European System of Accounts 2012 Programme. This will be achieved through progressive improvements in statistical methods, data and system performance.

CORA (Common Open Road Architecture) is a software platform for the processing of business-related statistical surveys and it currently hosts the following surveys: Foreign Direct Investments, Mergers and Acquisitions, International Trade in Service and Outward Foreign Affiliates Statistics.

The Electronic Data Collection programme (EDC) aims to develop systems, methods and processes to improve the collection, integration and processing of data in relation to the UK's economy and society. The programme will modernise antiquated data collection modes, such as paper based questionnaires, with a range of electronic data collection channels, making further use of the Web and administrative sources.

7.1 Assets Under Construction

	Longitudinal Study Redevelopment	CPI/RPI Re- engineering Project	Central ONS Repository for Data CORD	Social Survey Data Collection Transformation	Web Data Access	Electronic Data Collection	European Systems Accounts 2010	Life Events	CORA Platform	ADRC-E	Website Delivery	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At April 2013	-	290	27	434	9,475	743	797	1,465	-	-	-	13,231
In year expenditure	198	1,309	485	329	2,449	1,812	462	2,186	350	-	-	9,580
Impairment	-	-	-	-	-	(209)	-	-	-	-	-	(209)
Transfers to fixed assets	-	-	(416)	-	(9,627)	(2,145)	(1,257)	-	(350)	-	-	(13,795)
At 31 March 2014	198	1,599	96	763	2,297	201	2	3,651	-	-	-	8,807
At April 2014	198	1,599	96	763	2,297	201	2	3,651	-	-	-	8,807
In year expenditure	376	1,212	492	-	-	1,822	-	1,072	913	155	364	6,406
Transfers to fixed assets	-	(2,811)	(499)	(763)	(2,297)	(1,991)	-	-	(821)	-	-	(9,182)
Transfer between projects	-	-	-	-	-	-	(2)	-	2	-	-	-
At 31 March 2015	574	-	89	-	-	32	-	4,723	94	155	364	6,031

	2014/15 Total	2013/14 Total
	£'000	£'000
Net book value of assets under construction at	6,031	8,807

Notes

Included in the additions of £6.406million is £110,000 of capital creditors. The amount of capital creditors brought forward from 2013/14 is £107,000.

Assets under construction are not revalued or depreciated.

The Longitudinal Study provides valuable social research which links life events and Census data back to 1971. This programme aims to improve the analysis of occupational mortality and provide better information on fertility and birth rates.

The Life Events redevelopment project is replacing a legacy mainframe system for processing births, deaths and other events with a new system built on the strategic corporate IT platform. In addition to delivering a strategic solution, the system will be easier and cheaper to operate and maintain.

The Authority entered into a collaborative agreement to create the Admin Data Research Centre for England (ADRC-E). This will provide a facility for researchers to review and analyse administrative data.

The Authority entered into a collaborative agreement to create the Admin Data Research Centre for England (ADRC-E). This will provide a facility for researchers to review and collate administrative data.

A full breakdown of non current assets is shown below.

	2014/15 Total £'000	2013/14 Total £'000
Non-current assets	£'000	£'000
In-house developed software & software licences	36,497	36,435
Assets under construction	6,031	8,807
Intangible assets	42,528	45,242

8. IMPAIRMENTS

as at 31 March 2015

8.1 Property Plant & Equipment

Note		Newport Building Revaluation	Total
		£'000	£'000
6	Component value as at 31 March 2015	1,458	1,458
6	Depreciation relating to the component	(634)	(634)
	Reserves related to the component	-	-
6	Assets under construction prior year reclassified as resource	-	-
4	Total cost of impairment 2014/15	824	824

Note

Following a market valuation undertaken by DVS the Newport buildings were impaired. This was due to flatline market values and additional refurbishment in year

9. FINANCIAL INSTRUMENTS

as at 31 March 2015

As the cash requirements of the Authority are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-Public Sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Authority's expected purchase and usage requirements. The Authority is, therefore, exposed to little credit, liquidity or market risk and revalues outstanding Euro transactions at year end.

Currency risk

	2014/15 Non-interest bearing financial assets £'000	2014/15 Non-interest bearing financial liabilities £'000	2013/14 Non-interest bearing financial assets £'000	2013/14 Non-interest bearing financial liabilities £'000
Gross financial assets/liabilities – Euro	327	(384)	1,469	(363)

10. TRADE RECEIVABLES AND OTHER ASSETS

as at 31 March 2015

	2014/15	2013/14
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	2,969	3,101
Deposit and advances	24	23
Prepayments and accrued income	9,307	4,661
	12,300	7,785
Amounts falling after more than one year:		
Deposits and advances	67	84
	12,367	7,869

10.1 Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2014/15	2013/14	2014/15	2013/14
	£'000	£'000	£'000	£'000
Balances with other central government bodies	2,588	2,966	-	-
Balances with local authorities	7,046	80	-	-
Balances with NHS Trusts	34	344	-	-
Subtotal: intra-government balances	9,668	3,390	-	-
Balances with bodies external to government	2,098	3,908	-	-
Balances with staff	534	487	67	84
Total debtors at 31 March	12,300	7,785	67	84

10.2 Total Trade Receivables Outstanding

	2014/15	2013/14
	£'000	£'000
1-30 days	2,718	2,480
31-60 days	200	562
61-90 days	32	2
91-180 days	17	6
	2,967	3,050
greater than 181 days	2	51
	2,969	3,101

Statement of Financial Position (reconciliation)

	2014/15	2013/14
	£'000	£'000
Deposits and advances falling due after more than one year	67	84
Trade and other receivables	2,969	3,101
Other current assets	9,331	4,684
	<hr/> 12,367	<hr/> 7,869

Note

2014/15 figures reflect a net yearly increase of £19,000 of pre-paid holiday and flexi pay.

The Authority calculates the holiday and flexi prepayment at the year end with the figure being reflected in the category of other current assets.

11. CASH AND CASH EQUIVALENTS

as at 31 March 2015

	2014/15	2013/14
	£'000	£'000
Balance at 1 April	829	3,607
Net change in cash and cash equivalent balances	388	(2,778)
Balance at 31 March	1,217	829
The following balances at 31 March were held at:		
Government Banking Service accounts	1,096	690
Commercial banks and cash in hand	120	138
Cash equivalents	1	1
Balance at 31 March	1,217	829

12. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

as at 31 March 2015

	2014/15	2013/14
	£'000	£'000
Amounts falling due within one year:		
Other taxation and social security	3,744	3,730
Trade payables	3,946	5,452
Other payables	971	575
Accruals and deferred income	11,586	19,566
Amounts issued from Consolidated Fund for supply but not spent at year end	1,217	829
	<u>21,464</u>	<u>30,152</u>

Note

2014/15 figures reflect a net yearly decrease of £175,000 of accrued holiday and flexi pay.

The Authority calculates the holiday and flexi accrual at year end with the figure being reflected in the category of accruals and deferred income.

12.1 Intra-Government Balances

	Amounts falling due within one year	
	2014/15	2013/14
	£'000	£'000
Balances with other central government bodies	6,311	7,230
Balances with local authorities	17	3
Balances with Eurostat	4	500
	<u>6,332</u>	<u>7,733</u>
Balances with bodies external to government	9,580	16,023
Balances with staff (holiday pay and performance related pay)	5,552	6,396
Total creditors at 31 March	<u>21,464</u>	<u>30,152</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

as at 31 March 2015

	Early departure costs	Onerous contracts	Drummond Gate dilapidations	Eurostat	Ongoing legal cases	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2013	4,393	1,839	6,955	338	-	13,525
Provided in year	79	-	-	-	-	79
Provisions not required written back	-	(1,590)	-	(60)	-	(1,650)
Provisions utilised in the year	(1,449)	(225)	-	(278)	-	(1,952)
Unwinding of discount	162	(53)	(487)	-	-	(378)
Rewinding of discount	(72)	29	362	-	-	319
Balance at 31 March 2014	3,113	-	6,830	-	-	9,943
Balance at 1 April 2014	3,113	-	6,830	-	-	9,943
Provided in year	40	-	-	-	259	299
Provisions not required written back	-	-	-	-	-	-
Provisions utilised in the year	(1,218)	-	-	-	-	(1,218)
Unwinding of discount	73	-	(383)	-	-	(310)
Rewinding of discount	(29)	-	198	-	-	169
Balance at 31 March 2015	1,979	-	6,645	-	259	8,883

	2014/15	2013/14
	£'000	£'000
Current early retirement provision 2015/16	857	1,228
Other provisions 2015/16	259	-
Early retirement provision due after more than one year	1,122	1,885
Other provisions due after more than one year	6,645	6,830
Balance at 31 March 2015	8,883	9,943

Analysis of expected timing of discounted flows

	Early departure costs	Drummond Gate dilapidations	Ongoing legal cases	Total
	£'000	£'000	£'000	£'000
Up to 31 March 2016	857	-	259	1,116
Between 2017 and 2019	974	6,645	-	7,619
Between 2020 and 2025	148	-	-	148
Balance at 31 March 2015	1,979	6,645	259	8,883

Notes

Early Departure Costs

The Authority meets the additional costs of benefits, beyond the normal PCSPS benefits, in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and the normal retirement date. The Authority provides for this in full when the Early Retirement programme becomes binding by establishing a provision for the estimated payments discounted by HM Treasury pensions discount rate of 1.3%.

Ongoing Legal Cases

The Authority is currently dealing with a number of ongoing legal cases. Provisions have been included in line with professional advice.

Drummond Gate Dilapidations

The Lease expires in January 2018, and it is currently unknown as to whether an extension will be sought or granted.

The UK Statistics Authority expects to pay a sum in respect of dilapidations under the Terms of the Lease. The provision has been discounted by HM Treasury discount rate of -1.5%

14. CAPITAL COMMITMENTS

as at 31 March 2015

	2014/15	2013/14
	£'000	£'000
Contracted building refurbishments commitments	859	-
Total commitments as at 31 March not otherwise included in these financial statements	859	-

15. COMMITMENTS UNDER LEASES

as at 31 March 2015

Operating Leases

Total future minimum Lease payments under Operating Leases are detailed in the table below for each of the following periods:

	2014/15	2013/14
	£'000	£'000
Buildings:		
Not later than one year	4,331	4,359
Later than one year and not later than five years	7,215	11,186
	<u>11,546</u>	<u>15,545</u>
Other:		
Not later than one year	23	39
Later than one year and not later than five years	45	3
	<u>68</u>	<u>42</u>

The Authority has a number of sub-letting commitments and the following income streams are anticipated:

	2014/15
	£'000
Not later than one year	8,145
Later than one year and not later than five years	<u>21,086</u>
	<u>29,231</u>

16. OTHER FINANCIAL COMMITMENTS

as at 31 March 2015

The Authority has entered into non-cancellable contracts (which are not Leases or PFI contracts) for Information Management Services, Statistical Services and Facilities Management. As a result the Authority is committed to the following payments:

	2014/15	2013/14
	£'000	£'000
Not later than one year	13,927	23,908
Later than one year and not later than five years	16,506	5,013
	30,433	28,921

17. CONTINGENT LIABILITIES

as at 31 March 2015

None

18. SPECIAL PAYMENTS AND LOSSES

as at 31 March 2015

	2014/15	2013/14
	£'000	£'000
Ex-gratia claims	5	3
Special payments	3	43
	8	46

The Authority has paid £5,000 of ex-gratia and special payments to employees in keeping with the Civil Service Management code during 2014/15 (£46,000 during 2013/14).

	2014/15	2013/14
Number of Claims/Losses		
Ex-gratia claims	19	25
Special Payments	1	2
	20	27

19. RELATED PARTY TRANSACTIONS

as at 31 March 2015

The Authority has had various material transactions with other public bodies (negative value denotes income). Most of these transactions have been with:

- Department for Work and Pensions – aggregate value £(6,692,787)
- Metropolitan Police £4,041,000 (lease expenditure)
- Department for Business, Innovation, and Skills – aggregate value £(2,459,445)
- Crown Prosecution Service (£1,838,484)
- National Savings and Investments (£1,483,624)
- Scottish Government – aggregate value (£1,353,710)
- Welsh Government – aggregated value £(1,431,459)

No Board Member, Key Manager, or other party has undertaken any material transactions with the Authority during the financial year 2014/15.

20. COLLABORATIVE AGREEMENTS

as at 31 March 2015

In order to run jointly the 'Administrative Data Research Centre – England' a project funded by the Economic Social Research Council; the Authority has entered into a collaborative agreement, assessed as a Joint Operation with:

- The University of Southampton;
- University College London;
- London School of Hygiene and Tropical Medicine;
- The Institute for Fiscal Studies; and
- Institute of Education.

The agreement outlines that the Authority will retain any assets it generates as part of this agreement and will be responsible for liabilities only up to the amount of funding it has received.

The Authority's share of the transactions, assets and liabilities of this Joint Operation are incorporated within the main financial statements, and are shown below:

Statement of Comprehensive Net Expenditure

	2014/15
	£'000
Staff	636
Other	268
Operating Income	(1,601)
Net Operating Costs for the year ending 31 March 2015	(697)

Statement of Financial Position

	2014/15
	£'000
Non-current assets:	
Intangible assets	480
Bank	697
	1,177
Taxpayers' equity and other reserves	
Income Capital	480
Net Reserve Expenditure	697
	1,177

Note

The £697,000 income relates to the ADRC contribution to the Authority's overhead costs

21. MACHINERY OF GOVERNMENT – TRANSFER OF FUNCTION

On 1 April 2014, responsibility for the production of Sustainable Development Indicators was transferred from the Department for Environment, Food and Rural Affairs (DEFRA) to the Authority, via a Machinery of Government Change (MoG).

In order to facilitate this, £35,000 of resource budget was transferred from DEFRA to the Authority.

The 2013/14 Statement of Comprehensive Net Expenditure and Statement of Financial Position have not been restated to reflect this MoG, as the change is not considered material to these financial statements.

22. EVENTS ARISING AFTER THE REPORTING DATE

Technology innovations continue to move at a rapid pace, and the onset of Cloud Computing and other new developments offer many opportunities for the Authority. Acknowledging this, the Director General of Data Capability made the decision in June 2015 to review the entire technology estate, which includes its current Intangible Assets portfolio. This is a full strategic review in addition to the review outlined in Note 1.22

The Authority will consider the findings and respond with the appropriate action once the review is complete.

23. DATE OF AUTHORISATION OF THE ACCOUNTS

The Accounting Officer authorised these financial statements for issue on 29 October 2015.

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