



UK Statistics
Authority

UK Statistics Authority

ANNUAL REPORT AND ACCOUNTS 2013/14

UK Statistics Authority

ANNUAL REPORT AND ACCOUNTS 2013/14

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

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

Annual Report presented to Parliament pursuant to section 27(2) of the *Statistics and Registration Service Act 2007*

Annual Report presented to the Scottish Parliament pursuant to section 27(2) of the *Statistics and Registration Service Act 2007*

Annual Report presented to the National Assembly for Wales pursuant to section 27(2) of the *Statistics and Registration Service Act 2007*

Annual Report presented to the Northern Ireland Assembly pursuant to section 27(2) of the *Statistics and Registration Service Act 2007*

Ordered by the House of Commons to be printed 10 July 2014

HC 34
UKSA/2014/01

Note: UK Statistics Authority referred to as 'the Statistics Board' in the *Statistics and Registration Service Act 2007*

This is part of a series of departmental publications which, along with the Main Estimates 2014/15 and the document *Public Expenditure: Statistical Analyses 2013*, present the Government's outturn for 2013/14 and planned expenditure for 2014/15.

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You can download this publication from: www.statisticsauthority.gov.uk

Print ISBN: 9781474105859

Web ISBN: 9781474105866

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office

PO ID 02061401 07/14

Printed on paper containing 75% recycled fibre content minimum

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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 other staff 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.

Chapter 1

Chair's Foreword, Chief
Executive's Report and about
the UK Statistics Authority



Sir Andrew Dilnot CBE

1.1 CHAIR'S FOREWORD

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

The Statistics Authority published its statement of strategic priorities in February 2013 in which we set out five priority areas which would shape our work as a rolling programme over the next three years. The focus of this, our annual report, is on the progress we have made in these five core areas over the last year:

- Quality – to ensure and demonstrate that official statistics are of high quality, produced to consistently high professional standards in accordance with international best practice, and meet the needs of those who wish to use them and are worthy of their trust;
- Impact – to ensure that official statistics are well communicated and make the right impact;
- Efficiency – to demonstrate value for money in all that the Statistics Authority does in the context of scarce public resources;
- Coverage – to anticipate new opportunities and respond to unmet

statistical needs in innovative and effective ways; and

- Trustworthiness – to continue to press for the highest standards of openness and integrity.

During the course of this year, we have taken forward our work on the quality of official statistics by focusing particularly on some important areas in macroeconomic statistics, for example through our reviews of consumer prices statistics, National Accounts and Balance of Payments statistics. I would like to thank Professor Sir Adrian Smith, Paul Johnson, Kate Barker and Art Ridgeway for their leadership and commitment to these important pieces of work.

ONS has also pushed work to build capability across its most critical business areas, and this will be rolled out to the wider statistical service over the next year, to ensure that all government statisticians have the right tools and skills that are needed to produce, publish and communicate the right range of statistics, leading to better decision-making in the public interest.

The Authority's statutory assessment and monitoring work is also helping to raise the quality of official statistics. We have completed the comprehensive round of assessment of all National Statistics. Under the leadership of our new Head of Assessment, Ed Humpherson, our future programme for assessment will become much more prioritised and targeted so that we are seen to enhance the positive impact that the Code of Practice for Official Statistics has in the areas of most significance and importance. We will do this while communicating our recommendations and findings more clearly and in different ways.

Official statistics must be well communicated and explained so that they have impact. As well as through the findings of our assessments and monitoring work, the National Statistician's office has been leading work to raise standards in the presentation and dissemination of official statistics. Through a dedicated good practice team they are driving improvements in the communication of statistics based on an understanding of what users need and want. During the year, ONS has also delivered a range of improvements to its website, and has recently published a report setting out those improvements achieved so far as well as plans for future development work to the ONS website, and wider digital publishing more generally, which the Authority Board is keen to see continuing to proceed at pace.

In a climate of scarce public resources, the statistical service must continue to demonstrate efficiency and value for money in all that it does. We need to understand the contribution that particular sets of statistics make to the public good, which will enable us to take important decisions about future priorities. Increased data sharing and use of existing administrative data can help to reduce costs while improving efficiency and the richness of the statistical information that is available to users. During the year, the Authority, working with the Economic and Social Research Council, has established an Administrative Data Research Network governing board to guide the strategic direction of the new network. ONS will continue to be at the forefront of integrating alternative sources of data while providing approved researchers with a safe and secure setting for statistical research. The National Statistician's Office has also developed a training programme for civil servants to

promote the principles of open data and wider data-sharing.

ONS and the wider official statistics system must remain alert to maximising the coverage of its service to users, and this means anticipating new opportunities for official statistics and responding to unmet statistical needs in increasingly innovative and effective ways. This year, the National Statistician concluded an extensive programme of research looking at new ways that we might count our population, drawing on international practice. This concluded with a three-month public consultation and a final report which recommended to the Authority that a predominantly online census should take place in 2021, supplemented by the further use of administrative and survey data.

The Authority has also recently launched a 'Statistics Futures' project which aims to bring together stakeholders to identify the infrastructure which is needed for UK official statistics, and to design a blueprint for the future. A major stakeholder launch event will be held later this year. But in some cases it is necessary to stop lower priority work so that higher priority user needs can continue to be met elsewhere. During the year, ONS consulted with stakeholders on how best to prioritise its statistical outputs in a climate of a reducing budget, and the outcome of this work was published in a final report in May, concluding that of the 38 statistical outputs reviewed, seven of those lower impact outputs would need to be discontinued as no alternative sources of funding were forthcoming.

The Authority presses for the highest standards of transparency and integrity in official statistics, so as to maximise the trustworthiness of the statistical product for users. When it is necessary, we will continue to speak out publicly on matters of statistical controversy and to do so

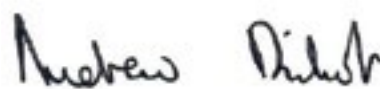
transparently so that Parliament and the public are aware of our concerns and can take a view for themselves. The Authority also wants to see official statistics informing democratic debate, particularly in the run-up to the forthcoming referendum on Scottish independence and UK General Election. For example, in October 2013, the Authority published a report designed to offer advice on the interpretation and comparability of statistics for those involved in the referendum debate, and this has been supplemented by a series of compendium reports published by ONS providing a range of comparable statistics for the four nations of the UK. Finally, the Authority's monitoring review of health indicators in NHS England's patient outcome measures resulted in an invitation from the Secretary of State for Health to formally assess the underlying statistics which we hope will enhance the trustworthiness of statistics in this area.

The Statistics Authority continues to oppose the current arrangements for pre-release access to official statistics, and we have supported the National Statistician in her drive to reduce the extent of pre-release access. ONS has reduced the number of recipients of pre-release access by around one-fifth, and while the Authority has welcomed this, we want more and faster progress to be made. Later this year, the Authority will begin work to update our earlier research on levels of trust in official statistics, and this will include a representative survey of public confidence which will assist us in understanding those factors that drive perceptions of the integrity, impartiality and credibility of official statistics.

Further summary information about the work that we have undertaken during the year to achieve our strategic priorities is set out in Chapter 2 of this report.

The Statistics Authority continues to value our relationship with and independent reporting to Parliament. We have particularly welcomed the opportunities to engage with the Public Administration Select Committee during its programme of inquiries into statistics through our oral and written evidence, and in our responses to their reports. We look forward to continuing to work with the Committee in the future.

I would like to thank and pay tribute to my fellow non-executive and executive Board members who continue to show enormous dedication and commitment to our work and to driving the future success of the UK statistical system. In November 2013, Richard Alldritt, the Authority's founding Head of Assessment retired after five years in post and in June 2014, Dame Jil Matheson DCB retired as our National Statistician, again after five years in post. On behalf of the Statistics Authority Board and staff, as well as our colleagues in ONS and across the wider statistical service, I would like to pay tribute to them both for all they have achieved. I look forward to welcoming John Pullinger who takes up post as National Statistician at the start of July.



Sir Andrew Dilnot CBE
Chair, UK Statistics Authority
27 June 2014



Dame Jil Matheson DCB

1.2 CHIEF EXECUTIVE'S REPORT

At the beginning of 2014 I announced my retirement after 39 years working in ONS and its predecessors. As I look back over my career I am proud to have been part of an organisation so central to informing debate on the UK economy and society. To have spent the last five years as National Statistician, Head of the Government Statistical Service (GSS) and Chief Executive of the UK Statistics Authority has been a particular honour.

In the past year the GSS, including the Office for National Statistics (ONS), has continued its important work, producing and publishing an array of statistics and analyses to exacting standards. Adhering to the principles of the Code of Practice for Official Statistics remains an absolute priority and the Authority has continued to assess compliance with the Code. The Authority has highlighted good practice, where statistics provided are accurate and high quality, but has also identified, where there was a lack of assurance about the quality of the underlying data, for example in the case of police recorded crime.

Maintaining quality is one aspect of making sure our statistics have the right impact. For all producers of statistics, we aim to answer the major questions of public interest, based on a thorough understanding of user needs. More detail about the challenges and issues faced by the Authority are set out in Chapter 3 of the Governance Statement from Glen Watson in his role as Interim Accounting Officer.

Over the course of 2013/14 ONS – the Authority's executive office – published 96.6 per cent of its releases on time and 99.6 per cent of these free from major errors. At the same time ONS has been developing and investing in its operations focussing on more efficient methods of data collection and greater re-use of existing data. These changes have the potential to transform our operating model, increase coherence, and reduce the burden on businesses.

ONS economic statistics have been challenged by some stakeholders and commentators. We have started a series of 'Economic Forum' meetings with external organisations to help increase dialogue with users of these statistics. This engagement with our users will become increasingly important as ONS introduces major changes to economic statistics later this year. The forthcoming changes, like all statistical releases, will need to be explained clearly, to all audiences, by ONS.

The reach and coverage of our statistics has improved markedly over recent years and we continue to enhance our communications functions. Not least of which is investing in the ONS website so it can become the highly performing platform our users need.

Over the past year, the UK has maintained its strong international reputation. Our programme of work on well-being is considered world-leading and we have been collaborating with partners across the international statistical community. Throughout the year I have chaired the the Organisation for Economic Co-operation and Development (OECD) Committee on Statistics and Statistical Policy, and was elected chair of the United Nations Statistical Commission.

I've thoroughly enjoyed the fascinating and important work I've had the privilege to be involved in. I would like to take this opportunity to wish John Pullinger and the entire GSS the very best for the future; I hope the UK's statistical system continues to go from strength to strength.



Dame Jil Matheson DCB
Chief Executive

UK Statistics Authority
27 June 2014

1.3 ESTABLISHMENT AND STATUTORY FRAMEWORK

The UK Statistics Authority was established under the *Statistics and Registration Service Act 2007* 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 and the devolved legislatures.

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

1.4 STATUTORY OBJECTIVE

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

Official statistics are for the benefit of society and the economy generally; not just in the formulation and monitoring of government policy but also through assisting the direction of economic and commercial activities, by providing valuable information for analysts, researchers, public and voluntary bodies, enabling the public to hold to account all organisations that spend public money, and informing wider public debate. The Authority seeks to promote and safeguard official statistics so that they inform and enrich society.

1.5 AIMS AND STRATEGIC PRIORITIES OF THE AUTHORITY

From its inception, the Authority has aimed to ensure that: the right range of statistics is produced, high and consistent professional standards are maintained, and official statistics are well explained, leading to better decision-making in the public interest. This requires close working with users of statistics, horizon-scanning to anticipate new user needs, and opening up statistics to new users. In this way, the Authority seeks to understand and meet the expectations of Parliament and the public.

The Authority aims to enhance trust in the statistical system in terms of quality and impartiality. A system that works transparently with users, independently of politics and politicians and with clarity

in its objectives is a prerequisite for the production of trustworthy statistics. In short, the UK statistical system must demonstrate high standards in respect of five principal aspects: quality; impact; efficiency; coverage; and trustworthiness. These five aspects have been further defined and, together with the Authority's related strategic priorities for the three years to 31 March 2016, are contained in the Authority's Statement of Strategy of 14 February 2013. This strategy covers a rolling three year period and is subject to annual review. Chapter 2 of this Annual Report provides an account of progress against achieving its strategic priorities during 2013/14.

1.6 FUNCTIONS

The Authority's functions relate to its statutory areas of responsibility:

- oversight of the UK official statistics system, which includes around 30 central government departments and the devolved administrations, and the promotion, safeguarding and monitoring of quality, comprehensiveness and good practice in relation to all official statistics, wherever produced;
- production of a *Code of Practice for Statistics* and assessment of official statistics against the Code; and
- governance of ONS the UK's National Statistical Institute and the largest producer of official statistics in the UK.

UK Official Statistics System

The GSS is the UK's decentralised statistical system which is led by the National Statistician who is the Government's and the Authority's principal adviser on official statistics. The

National Statistician works closely with statistical Heads of Profession (HoPs), appointed in all of the main producer departments, and Chief Statisticians in the devolved administrations. HoPs and Chief Statisticians are responsible for:

- overseeing their own organisation's statistical functions;
- meeting the department's statistical needs; and
- implementing the provisions set out in the *Code of Practice for Official Statistics*.

HoPs are accountable to the National Statistician for the professional integrity and quality of the statistics produced by their departments.

The GSS strategy *GSS 2020 – Building the Community* sets out the key priorities and outcomes across five areas: People; Users; Methods; Impact; and Community. The implementation plan for the strategy specifies priority work areas to be taken forward in 2013/14 to help deliver the strategy. These include:

- exploiting the potential of data by exploring new uses for administrative data, data sharing, and co-ordinating data collection;
- making data available in open formats so that users can better find, understand and re-use the data;
- using innovative dissemination techniques including the web and other digital media, to achieve the widest possible dissemination of official statistics; and
- engaging with the policy making process by advising on available evidence, options and techniques, to increase the impact of statisticians.

These and other tasks will ensure that official statistics remain relevant, continue

to inform debate, help with decision making, and provide better value for money.

Assessment and Monitoring

The assessment of official statistics against a Code of Practice is a statutory requirement of the *Statistics and Registration Service Act 2007*. All Assessment Reports are available on the Authority's website¹.

The programme for assessment is available on the Authority's website². As part of its scrutiny role, the Authority has a statutory duty to monitor the production of official statistics and report on any concerns it has about quality, good practice or comprehensiveness. Monitoring provides a means of establishing, and publicly reporting, the Authority's views on any matter of concern.

Office for National Statistics

ONS is the executive office of the UK Statistics Authority and the UK's largest independent producer of official statistics. ONS is the recognised national statistical institute for the UK and is responsible for collecting and publishing high quality statistics related to the economy, population and society at national, regional and local levels. It also conducts the census in England and Wales every ten years. ONS plays a leading role in national and international good practice in the production of official statistics.

These responsibilities span more than 650 different statistical releases a year. They rely on a broad range of methods and

systems. Consistent with the UK Statistics Authority's responsibility to promote and safeguard official statistics, outputs are produced in line with the Code of Practice for Official Statistics and relevant quality standards.

ONS statistics are crucial for debate and decision making and can be found in the news most days of the week, from deficit and debt to life expectancy, retail sales to immigration, crime to well-being, and population to the use of social media. ONS statistics are used to inform and help make sense of life in the UK.

1.7 GOVERNANCE AND ORGANISATION

In accordance with the 2007 Act, the Board of the Authority is comprised of a majority of non-executive directors (including a Chair) appointed through open competition, and three executive members. The membership of the Authority during 2013/14 is given at 1.8 below.

Pursuit of the Authority's aims requires separation of functions as consistent with the legislation. In particular, that those involved in the production of statistics are not involved in the statutory Assessment of those statistics against the Authority's Code of Practice.

Two non-executive members of the Authority are appointed as Deputy Chairs, one with responsibility for governance of the ONS as Chair of the Authority's ONS Board, a sub-committee of the Authority Board; and the second with responsibility for oversight of the wider statistical system as Chair of the Authority's Committee for Official Statistics and also statutory Assessment as Chair of the Authority's Assessment Committee. The committee to consider Assessment matters meets in the

1 www.statisticsauthority.gov.uk/assessment/assessment-reports

2 www.statisticsauthority.gov.uk/assessment/assessment/programme-of-assessment/index.html

absence of statistical producers, consistent with the statutory requirement for the separation of statistical production and assessment.

In addressing any particular matter of strategic importance, these various parts of the Authority will have differing roles depending on the issue. It is a primary task of the Authority Board to make sure that the work falling to each part is co-ordinated while respecting and ensuring the separation of functions. The Authority has different powers to pursue its strategic aims in the different parts of the statistical system. For example, while the Authority has direct control in shaping ONS, its powers in respect of statistics produced in other government departments are limited to influencing and publicly reporting and commenting when appropriate.

1.8 MEMBERSHIP OF THE AUTHORITY DURING 2013/14

The Chair of the Authority, Sir Andrew Dilnot CBE was appointed by HM The Queen following an 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 2013/14, who were all appointed through open competition, were:

- Professor David Rhind CBE FRS FBA – Deputy Chair of the Authority with responsibility for oversight of the statistical system;
- Professor Sir Adrian Smith FRS – Deputy Chair of the Authority with responsibility for the governance of ONS;
- Dame Colette Bowe DBE;
- Mr Partha Dasgupta;
- Ms Carolyn Fairbairn;
- Dame Moira Gibb CBE
- Professor David Hand; and
- Dr David Levy.

The Authority's three executive members as at 31 March 2014 were as follows.

- Dame Jil Matheson DCB – 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 – Head of Assessment (from January 2014). The Head of Assessment is a statutory appointment under the provisions of the 2007 Act and was appointed a member of the Authority by the non-executive members.
- Mr Glen Watson – Director General of ONS. Mr Watson was also appointed a member of the Authority by the non-executive members.

Ms Matheson retired on 30 June 2014. She has been succeeded as the Authority's Chief Executive and National Statistician by Mr John Pullinger

Mr Richard Alldritt, the former Head of Assessment was an executive member of the Authority to 31 October 2013.

MEMBERS OF THE UK STATISTICS AUTHORITY AS AT 31 MARCH 2014

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



Mr Partha Dasgupta



Dame Moira Gibb
DBE



Ms Carolyn Fairbairn



Professor David Hand



Dr David Levy

Executive Members



Dame Jil Matheson
DCB



Mr Ed Humpherson



Mr Glen Watson

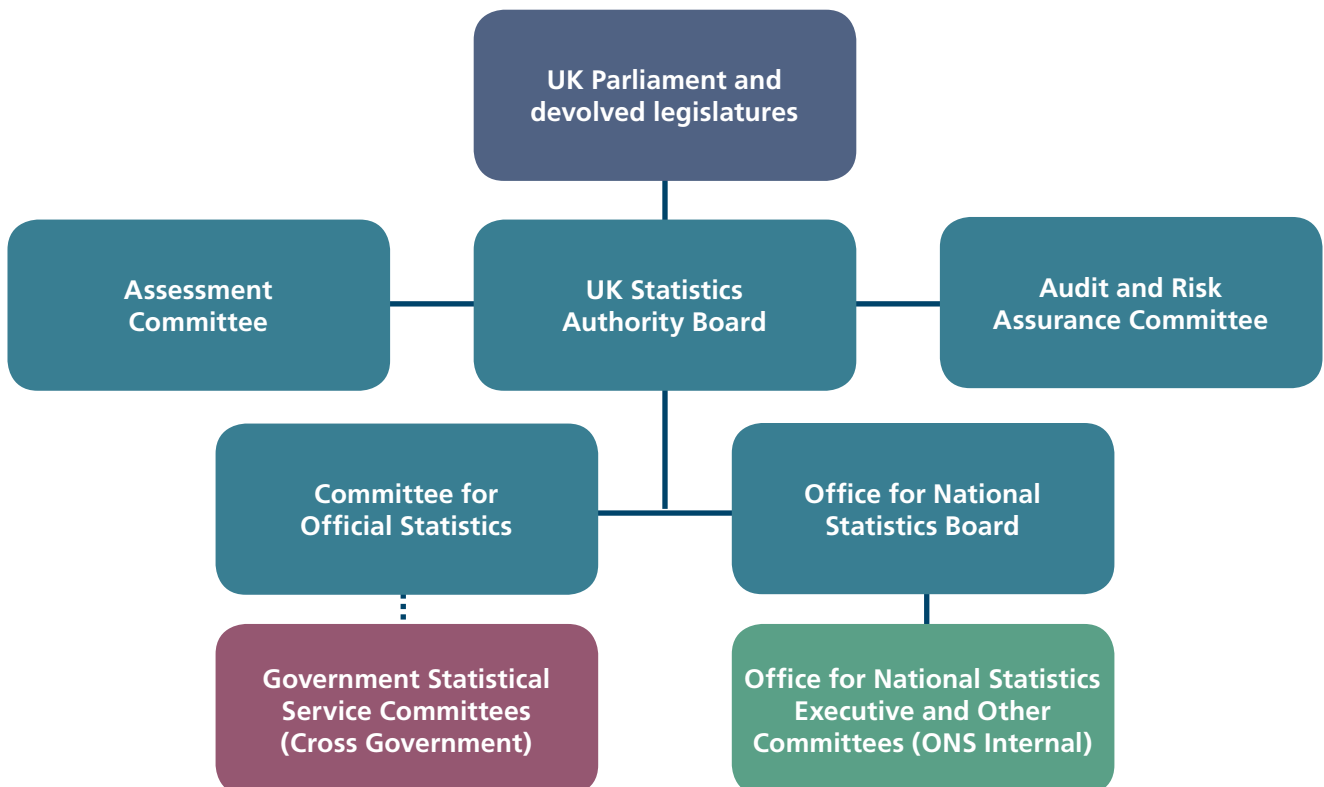
1.9 COMMITTEES OF THE BOARD DURING 2013/14

During 2013/14 the five sub-committees which supported the Authority Board in its work, and which reported to it, were as follows:

- **The ONS Board** was chaired by Professor Sir Adrian Smith. The ONS Board oversaw the strategy and priorities of ONS and monitored the ONS budget and work programme. During 2013/14 the Committee met on 11 occasions.
- **The Committee for Official Statistics** was chaired by Professor Rhind. The Committee provided strategic oversight of the UK official statistics system, including its scope and capacity and the extent to which it meets the full range of user needs. During 2013/14 the Committee met on six occasions.
- **The Assessment Committee** was 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 scrutiny. During 2013/14 the Committee met on 11 occasions.
- **The Audit and Risk Assurance Committee** was chaired by Mr Dasgupta. The Committee's remit concerns risk management, internal control and governance in the Authority. During 2013/14 the Committee met on five occasions.
- **The Remuneration Committee** is chaired by Sir Andrew Dilnot. The Committee met on two occasions during 2013/14 to determine 2012/13 performance bonuses for the members of the Senior Civil Service (SCS) employed by the Authority.

The diagram below shows these committees and how they relate to the organisational structures of ONS and the GSS.

UK STATISTICS AUTHORITY ORGANISATION STRUCTURE 2013/14



1.10 SUPPORT TO THE BOARD OF THE UK STATISTICS AUTHORITY

The Authority is supported by a small headquarters staff, the Office of the Board and Chief Executive. 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 secretariat and other support and advice to the Chair and other Authority members as required.

1.11 PURPOSE AND STRUCTURE 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.

The report is divided into the following chapters:

- Chapter 2 reports on the progress the Authority has made during 2013/14
- Chapter 3 contains corporate and summary financial information prescribed by HM Treasury for inclusion in departmental annual reports and some key metrics; and
- Chapter 4 provides the Authority's financial statements for the year ended 31 March 2014.

1.12 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. There is also a central telephone enquiry line 0845 604 1857.

The Authority operates transparently and openly. It publishes the minutes and papers of its meetings on its website, correspondence regarding issues of public concern and information about other aspects of its work. During the year, the Authority made various developments to its website, www.statisticsauthority.gov.uk, designed to enhance further the user experience. The Authority welcomes feedback on the Authority's website.

The Authority did not receive any complaints about its services during 2013/14.

ANNEX A SECONDARY LEGISLATION (ORDERS AND REGULATIONS)

- i. Pre-Release Access to Official Statistics Order 2008;*
- ii. Official Statistics Order 2008;*
- iii. Official Statistics Order 2009;*
- iv. Statistics and Registration Service Act 2007 (Disclosure of Higher Education Student Information) Regulations 2009;*
- v. Statistics and Registration Service Act 2007 (Disclosure of Pupil Information) Regulations 2009;*
- vi. Official Statistics Order 2010;*
- vii. Official Statistics Order 2013;*
- viii. Pre-Release Access to Official Statistics (Scotland) Order 2008;*
- ix. Official Statistics (Scotland) Order 2008;*
- x. Pre-Release Access to Official Statistics (Northern Ireland) Order 2009,*
- xi. Pre-Release Access to Official Statistics (Wales) Order 2009; and*
- xii. Official Statistics (Wales) Order 2013*

Chapter 2

Our Strategic Priorities

2.1 INTRODUCTION

The Authority's Strategy, published in February 2013, sets out a vision for a statistical system that works transparently with users, independently of politics and politicians and with clarity in its objectives¹. It makes the case for high standards in respect of five priorities: *quality; impact; efficiency; coverage; and trustworthiness*.

The Authority has committed to reporting publicly on progress made against its strategic priorities each year via its Annual Report, beginning with this 2013/14 report.

Set out over the following pages are brief descriptions of each of the Authority's five strategic priorities, alongside a summary of the work that has been undertaken over 2013/14 to achieve these priorities, and descriptions of further work planned.

Work on the Authority's five principal priorities 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 here on the most significant areas.

2.2 STRATEGIC PRIORITY 1 QUALITY

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

¹ www.statisticsauthority.gov.uk/news/statistics-authority-statement-of-strategy.pdf

The immediate emphasis is on ensuring that macroeconomic statistics meet user needs, on building capability at ONS, and on scrutinising official statistics via monitoring and assessment.

Reviewing Prices Statistics

In May 2013, the Authority launched two reviews of consumer price indices, to ensure that these statistics best meet the needs of users in future.

The first of these reviews considered matters relating to the governance arrangements and structures supporting the production of consumer price statistics by ONS. The review was led by the Authority's Deputy Chair with responsibility for ONS, Professor Sir Adrian Smith. The review team consulted widely with users and experts, and its report recommended the establishment of two advisory panels on consumer prices; a stakeholder panel to advise on the uses and application of price indices, and a technical panel to provide advice on the technical aspects of the statistics. The Statistics Authority is now implementing the recommendations of the report, with the expectation that the newly established groups will meet for the first time in September 2014.

The second separate but complementary review, led by Paul Johnson, Director of the Institute for Fiscal Studies, is considering what changes are needed to the range of consumer price statistics produced for the UK. The review team has been consulting with users and working with an advisory group of prominent prices experts and it is anticipated that the review will report its findings to the Authority Board in summer 2014.

Improving Economic Statistics

In August 2013, ONS launched a review of the user needs and methodology underpinning the National Accounts and the Balance of Payments, as part of its rolling programme of National Statistics Quality Reviews. ONS appointed Kate Barker (non-executive member of the Office for Budget Responsibility and former member of the Bank of England's Monetary Policy Committee) to lead the review, and Art Ridgeway (former Assistant Chief Statistician, Statistics Canada) to lead the technical national accounting dimensions of the work. The review is assessing the current strengths and weaknesses of the National Accounts, and will make recommendations regarding future work in this area. The quality review will report in summer 2014.

The UK National Accounts must adhere to international standards, specifically the European System of Accounts and Balance of Payments Manual, to ensure international comparability. These manuals are updated periodically to reflect economic and technological developments in domestic and global economies and changes in user needs. In September 2014 the UK will be required to publish the UK National Accounts consistent with the European System of Accounts 2010 (ESA 2010) and the UK Balance of Payments consistent with the Balance of Payments and International Investment Position Manual sixth edition (BPM6). This year ONS undertook a major programme of work to meet these updated standards. This work, which continues into 2014/15, will ensure continuing comparability with other European and Global economies and better reflect the current economic reality.

Building Capability

Equipping government statisticians with the right tools and skills is essential to ensuring that they are able to produce, publish and communicate the right range of statistics, leading to better decision-making in the public interest. During 2013/14, training in technical skills was made extensively available to members of the GSS for a wide range of topics. The Good Practice Team has continued to roll-out statistics commentary and user engagement workshops across the GSS.

During 2013/14, ONS focused on building its capability across business critical areas, including: use of administrative data; efficient modern data collection; economic statistics and communication and dissemination of statistics. It has delivered a skills strategy, a capability plan, and has developed and adopted a new learning framework which is aligned to the Civil Service Capabilities Plan. ONS has also completed the initial stages in establishing electronic data collection, particularly for business surveys.

These initial steps that ONS has taken are necessary but not sufficient, and there is further work to be done. Building capability at ONS and across the wider statistical service – and demonstrating that this has led to improved outcomes – will continue to be an area of focus for the Authority in the coming year.

Scrutiny of Official Statistics

In 2013/14 the Authority continued to assess the compliance of official statistics against the Code of Practice for Official Statistics, and investigate and report on concerns expressed about aspects of particular sets of statistics. We raised the level of quality by setting formal requirements, which producers of official

statistics must comply with in order for the statistics to be designated as National Statistics.

One notable area of concern over the course of this year was the quality of statistics drawn from police recorded crime data. In January 2014, drawing on an accumulation of evidence about the integrity of the underlying data of these statistics, the Authority withdrew the National Statistics designation from statistics drawn from police recorded crime data for England and Wales. This demonstrated the importance that the Authority attaches to assessing and reporting on the quality of administrative data. Following on from this, the Authority launched a programme of work on administrative data and official statistics. A report to address both the ways in which administrative data should be audited, and how such data are used to support targets, is currently underway.

In 2014/15, we want to raise the positive impact that assessment against the Code of Practice has, both by prioritising our work programme, and by communicating our findings more clearly.

2.3 STRATEGIC PRIORITY 2 IMPACT

The Authority Strategy attaches particular importance to ensuring that statistics are well communicated and have the right impact. Specifically, the strategy committed to refocusing the balance of statistical activity towards explanation and dissemination; supporting and championing the role of statisticians; and making demonstrable improvements to the ONS website.

Communicating Statistics

The focus on communicating statistics effectively has driven improvements across the GSS over the course of 2013/14.

The National Statistician's Office has provided leadership and support through initiatives including the development of the GSS Data Strategy and the GSS Presentation and Dissemination Strategy. The office held a symposium in March 2014 focussing on promoting good practice in the presentation and dissemination of official statistics.

After a successful pilot in 2012/13, the Authority has this year dedicated resources to setting up a Good Practice Team, which works with statistical staff across the GSS to drive forward improvements in the communication of statistics, based on an understanding of user needs. The team has delivered more than 50 workshops and presentations across UK government departments and the devolved administrations, aimed at helping to overcome barriers to improvement and develop a better understanding of what good user engagement and communication looks like. Feedback from departments on the advice and support being provided by the Good Practice team has been positive.

Statistical producers across government have made a range of improvements to the way statistics are communicated, to ensure that they make the right impact over the course of 2013/14. One notable example is the development of a trade statistics website by the HM Revenue and Customs². Developed after extensive consultation with users, the website offers increased data availability and enhanced accessibility, improved data visualisation

2 <https://www.uktradeinfo.com/>

with time series, tabulation charting and mapping, and was declared the overall winner in this year's Royal Statistical Society Excellence in Official Statistics Awards. Elsewhere the Department for Environment, Food and Rural Affairs' (Defra's) 'commentary champions' group has developed a standard format for statistics release notices within the Department and is undertaking peer reviews of statistics notices, either at random or on request, to improve the communication and impact of outputs.

In the coming year, the Good Practice Team will expand its remit to cover wider aspects of data presentation and communication, and will be tackling new topics such as quality, administrative data and big data. The team will also work with statistical producers to deliver improvements in communicating the statistics that will be most important for informing public debate in the run up to the Scottish independence referendum and the UK General Election.

The Authority emphasises the importance of clear communication to a non-expert audience in its assessments of official statistics. For example, the recent assessment of the ONS's Short Term Economic Output Indicators³ (the initial estimates of Gross Domestic Product (GDP), together with monthly figures for retail sales, construction, production and services), noted widespread interest in and use of these indicators, and recommended that more should be done to explain the linkages between these different outputs. In making the case for better communication, the assessment was promoting the need for statistics to have wider public impact.

³ <http://www.statisticsauthority.gov.uk/assessment/assessment/assessment-reports/>

Improving the ONS Website

This year ONS delivered a range of improvements to its website, focussing on areas of the highest value for users – including enhanced subject-based landing pages, improved use of interactive content, and content that is better designed for use on mobile devices. ONS has also provided better access to data-sets via a common interface and a data explorer.

However, at the end of January 2014, the deployment of a planned update to the website caused site instability and users were inconvenienced by this. Further planned developments were put on hold while urgent investigations into this issue were undertaken.

The Statistics Authority recognises the importance to users of enhanced web capability at ONS, and we will make this a priority in the year ahead as we continue development of a new website.

2.4 STRATEGIC PRIORITY 3 EFFICIENCY

The Statistics Authority is committed to demonstrating value for money in all that it does, against a context of scarce public resources. The contribution that particular sets of official statistics make to the public good needs to be understood, so that decisions about priorities can be made.

Specifically the Authority committed to supporting the application of open data principles to official statistics; explaining the value and importance of official statistics, to society and government; and demonstrating transparency, value for money and good stewardship of resources.

Delivering Value for Money

The Authority Board is committed to delivering year-on-year efficiency gains and to overseeing strong financial management across the Authority.

In 2013/14, the Authority delivered in excess of £9 million in efficiency savings. This was achieved through various means including: a reduction in vacancies; improvements to processes; more efficient contractor engagement; contract price reduction; and the removal of non-essential property spend. Work in these areas will continue over 2014/15 with a view to delivering further efficiency savings. The Authority's Accounts are set out in full at Chapter 4.

The Administrative Data Research Network

Increased data sharing and use of existing administrative data has the potential to reduce costs, improve efficiency and increase the richness of the statistical information available.

Over the course of this year, the Authority has worked with the Economic and Social Research Council (ESRC) to establish a new Administrative Data Research Network (ADRN). The ADRN aims to facilitate innovative research and policy development, by improving access to and linkage between government administrative data. The UK Statistics Authority will be the reporting body to Parliament for the ADRN, and this year the Authority established and recruited an ADRN Board, to guide the strategic direction of the Network, report on and provide assurance to the Statistics Authority Board.

ONS has taken a lead role within the network as part of the Administrative Data Research Centre for England. It

has collaborated closely with multiple academic partners across the UK and is developing further relationships with other UK statistical institutes. This will help ensure that ONS is at the forefront of integrating alternative sources of data and will provide researchers with a safe, secure setting for research.

Open Data

The National Statistician's Office has made training on transparency and open data available to civil servants. Guidance on open data and data-sharing has been embedded within the GSS Data Strategy, and statistical producers have made more data publicly available over the course of 2013/14. For example, the Department for Work and Pensions has developed a statistical dissemination tool, StatXplore⁴, to host a wider range of statistical series and encourage their wider use. The Department for Education has amended legislation in order to open up the National Pupil Database for a wider range of purposes, and has launched a new service which enables third party researchers to apply for access to linked education data.

2.5 STRATEGIC PRIORITY 4 COVERAGE

This priority is about anticipating new opportunities and responding to unmet statistical needs in innovative and effective ways. But not all demands for statistics can be met by the statistical service and, where necessary, lower priority work should be stopped so that higher priority needs can be met elsewhere.

The Authority strategy placed a particular emphasis on exploring

4 <https://stat-xplore.dwp.gov.uk/>

possible alternatives to the traditional census of the UK population, providing leadership and vision for the long-term statistical infrastructure for the UK, and prioritisation of statistical outputs.

The Future of the Census

This year, ONS completed an extensive programme of research into new ways of counting the population, as well as reviewing practices in other countries (the Beyond 2011 programme). During this process, ONS engaged with a diverse group of users, commentators and public bodies across England and Wales, and worked closely with its counterparts in Scotland and Northern Ireland. A three-month public consultation about different approaches to producing population statistics resulted in over 700 responses. ONS also commissioned an independent review of methodology led by Chris Skinner, Professor of Statistics at the London School of Economics, which was published in November 2013.

Drawing from this work, the National Statistician recommended to the Board of the UK Statistics Authority in March 2014 that a predominantly online census should take place in 2021, supplemented by the further use of administrative and survey data. The Board of the Authority accepted and endorsed this recommendation, and wrote to the Minister for the Cabinet Office to commend the recommendation to Government.

Such an approach would provide the population statistics which the nation requires for the next decade and offer a springboard to the greater use of administrative data and annual surveys. This approach may offer a future Government and Parliament the possibility of moving further away from the traditional decennial

census to annual population statistics provided by the use of administrative data and annual surveys. Further research will be required over the coming months and years to determine the optimal blend of methods and data sources.

Providing Leadership and Vision – the Statistics Futures Project

The Authority this year launched the Statistics Futures Project. This aims to bring together the full range of stakeholders to identify the infrastructure needed for the future of UK statistics. A sponsors group was formed in autumn 2013 to steer this work. The group is chaired by Sir Andrew Dilnot and includes the National Statistician and senior representatives from the Authority, the ESRC and the Royal Statistical Society.

The sponsors group will provide strategic direction for a programme of work to develop a blueprint for the future of UK statistics. A key element of this will be a major stakeholder event in 2014 as a forum for discussion of the long term vision for UK statistics. The aim of the event is to stimulate public debate on the issues affecting the future of UK statistics and, alongside complementary stakeholder engagement and work streams, will form the basis of a report to Government. The report, to be published in summer 2015, will be a blueprint for the UK statistical system including an outline of the long term action plan needed to realise the proposals.

Prioritising Statistical Outputs

In some cases it will be necessary to stop lower priority work to enable higher priority user needs to be met elsewhere.

This year ONS undertook extensive consultation with stakeholders on how

best to prioritise its statistical outputs in response to significant funding pressure. More than 650 responses were received and these helped ONS to assess which of the 38 statistical outputs included in the consultation were most widely supported. As a result, ONS has determined that some 16 high impact outputs, mainly in the areas of health and life events, will continue. A further 15 outputs are to be preserved if alternative funding can be secured, while seven outputs, found to have a lower impact, will be discontinued from April 2014.

2.6 STRATEGIC PRIORITY 5 TRUSTWORTHINESS

From its inception the Authority has pressed for the highest standards of transparency and integrity in official statistics. In its strategy, the Authority placed particular emphasis on its role in speaking out on matters of statistical controversy, especially where there are concerns about political involvement in the production or publication of official statistics, or misrepresentation of statistics; developing the role of statistics in informing democratic debate; and arguing against Government ministers and officials having privileged pre-release access to official statistics.

Speaking out on Matters of Statistical Controversy

The Authority investigates all concerns raised with it and, in some cases, may respond publicly in the form of an announcement, position statement or published correspondence. In some cases, where there are grounds for deeper investigation, the Authority might commission a review leading to a published report.

All issues raised with the Authority, regardless of the outcome, are published on the Authority's Issues Log⁵. This log is a record of matters or concerns to which the Authority's attention has been drawn. Inclusion on the Log does not necessarily mean that the Authority shares the concern or is committed to further action. The purpose of maintaining the Log is to provide transparency about what is drawn to our attention.

Over the course of this year the Authority has handled a number of high profile cases, for example related to migration statistics, government spending on infrastructure and flood defences, and pre-release access. Some interventions have generated significant media attention and have helped enhance understanding of what compliance with the Code of Practice means in specific areas.

Informing Public Debate

This year the Authority has also worked to develop further the role official statistics play in informing public debate, particularly in the context of the forthcoming referendum on Scottish Independence.

In October 2013, the Authority published a report *Official Statistics in the Context of the Referendum on Scottish Independence*⁶, offering advice on interpretation and comparability of statistics for those involved in the debate. The Authority hosted two events to

5 www.statisticsauthority.gov.uk/reports---correspondence/issues-log/index.html

6 www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-reports/monitoring-report-6-2013---official-statistics-in-the-context-of-the-referendum-on-scottish-independence.pdf

launch the document, in Edinburgh on 2 October and in London on 10 October.

Following on from the Authority's report, ONS published a compendium of comparable statistics across the four nations of the UK⁷. The compendium is grouped in four themes – the economy population and migration, social indicators, and the environment – and includes some headline comparisons, commentary, and a data catalogue with links to sources. This publication was informed by work by GSS Theme Leaders to develop and apply criteria for assessing UK comparability.

In February 2014, the Authority published a Monitoring Review examining the variety of health indicators that make up NHS England's Patient Outcome measures⁸. The central point of the Authority's analysis was that the indicators need to be meaningful not only to the community of health experts, but they also need to recognise the wider public as a crucial audience. The Secretary of State for Health has subsequently invited the Authority to assess formally the statistics underlying the outcome measures. Doing so will enhance the trustworthiness of the statistics in the public interest.

Pre-release Access

It has been the Statistics Authority's long-held view that 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 Authority has again voiced its opposition to privileged access to statistics, including in evidence provided to the Public Administration Select Committee⁹ and in published correspondence¹⁰.

For as long as pre-release access to official statistics exists, the Authority is committed to reducing its extent and this year the Authority supported the National Statistician in her drive to reduce the degree and incidence of pre-release access.

ONS conducted a review of pre-release access to its statistics, and was able to reduce overall incidence by 21 per cent. The Authority now wants to see reductions in pre-release access in other departments. We will continue to argue against Government ministers and officials having privileged access to statistics.

Public Trust in Official Statistics

During 2013/14, the Authority commenced work to update earlier research, published in 2010, on levels of trust in official statistics. This work will include a survey of public confidence in official statistics.

The Authority is in the process of appointing an external organisation to conduct this research in 2014. The results will be published in the coming year, affording the Authority an opportunity to examine further those factors which drive public perceptions of the integrity, impartiality and credibility of official statistics.

7 www.ons.gov.uk/ons/rel/regional-analysis/compendium-of-uk-statistics/index.html

8 <http://www.statisticsauthority.gov.uk/assessment/monitoring/monitoring-reviews/monitoring-review-1-2014---official-statistics-on-patient-outcomes-in-england.pdf>

9 www.publications.parliament.uk/pa/cm201314/cmselect/cmpubadm/77/77.pdf

10 www.statisticsauthority.gov.uk/reports--correspondence/correspondence/letter-from-sir-andrew-dilnot-to-bernard-jenkin-mp---10032014.pdf

ONS has, for the first time, this year widened its survey of customer satisfaction and introduced a question on trust. The response clearly showed that the majority of our users feel that our outputs are trustworthy (94 per cent trust and 4 per cent neutral), exceeding the targets set. ONS will continue to include the question on trust in statistics in future customer satisfaction surveys in order to monitor user feedback on this matter.

Chapter 3

Corporate and Summary Financial Information

3.1 COMPARISON OF 2013/14 OUTTURN WITH THE 2013/14 ESTIMATE

During 2013/14 the Authority received approval to drawdown additional funding of £15 million from the Departmental Expenditure Reserve Claim (RDEL Reserve Claim). This was primarily required to meet new legislative demands from the European Union and critical support to some of our key strategic programmes. The additional £15 million of funding allowed a number of our key strategic programmes to continue, 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 Departmental Expenditure Reserve Claim (RDEL Reserve Claim funding) are shown below:

Departmental Expenditure Limit - Resource

Resources	2013/14 Estimate	2013/14 Outturn	Saving
	£'000	£'000	£'000
Departmental Expenditure Limit - Resource	162,338	161,809	529

The small Resource under spend highlights the considerable financial pressure the Authority is under to deliver its' objectives and this funding pressure will continue into 2014/15. The business has endeavoured to maximise the utilisation of its financial resources and has invested 99.6 per cent of available Resource funds.

Departmental Expenditure Limit - Capital

Resources	2013/14 Estimate	2013/14 Outturn	Saving
	£'000	£'000	£'000
Departmental Expenditure Limit - Capital	15,900	15,290	610

The Capital under spend again highlights the considerable financial pressure the Authority is under to deliver its' objectives and it has invested 96.1 per cent of available Capital funds. Capital funding pressures will continue into 2014/15 with the Authority investing in its key infrastructure programmes.

Depreciation

Resources	2013/14 Estimate	2013/14 Outturn	Saving
	£'000	£'000	£'000
Depreciation	15,500	11,779	3,721

The lower depreciation charges than expected are due to assets continuing in service beyond their original estimated lives. The significant financial pressures on the organisation has restricted the amount of funding available to implement new systems and infrastructure. This has led to an asset review and an increase in the useful economic life of some of our assets, which, in turn has led to an underspend on our Depreciation budget.

Annually Managed Expenditure

Resources	2013/14 Estimate	2013/14 Outturn	Saving
	£'000	£'000	£'000
Annually Managed Expenditure Resource	(1,141)	(2,865)	1,724

The Annually Managed Expenditure (AME) Estimate was based on the initial market indicator for buildings provided by the District Valuation Service (DVS). The annual market valuation resulted in a lower impairment to Newport buildings than initially expected and a lower outturn.

The Authority's financial position remains under significant pressure, despite delivering in excess of £9 million efficiencies during 2013/14. This efficiency programme will continue, but it is fully anticipated that the Authority will require a further claim against the reserve in 2014/15.

Funding to take forwards the recommendations of the Beyond 2011 programme has been agreed with HM Treasury for 2014/15 but remains to be agreed for 2015/16 onwards.

Included within the resource expenditure are staff costs which are further 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 60 to 61. 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 £82,000 (2012/13 £79,000). There were no non audit fees charged in either 2013/14 or 2012/13.

3.2 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 planned years 2014/15 to 2015/16 but not included in outturn years.

Total departmental spending

	2009/10 Outturn	2010/11 Outturn	2011/12 Outturn	2012/13 Outturn	2013/14 Outturn	2014/15 Planned	2015/16 Planned
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Resource DEL							
Section A: Programme Expenditure	205,899	304,690	311,853	181,109	173,588	157,705	166,430
Section B: Departmental Unallocated Provision	-	-	-	-	-	-	-
Total Resource DEL	205,899	304,690	311,853	181,109	173,588	157,705	166,430
<i>Of which:</i>							
Pay	110,196	125,285	158,457	112,912	115,163	96,835	98,552
Net current procurement ¹	81,136	166,678	138,986	54,107	47,208	45,570	46,378
Current grants and subsidies to the private sector and abroad	(70)	(781)	(1,044)	(1,153)	(799)	-	-
Current grants to local government	-	-	-	-	-	-	-
Depreciation	15,849	13,436	14,721	15,243	11,779	15,300	21,500
Other	(1,212)	70	733	-	237	-	-
Resource AME							
Section C: Provisions	14,420	7,056	(719)	1,069	(913)	-	-
Section D: Utilised Provisions	(13,849)	(10,072)	(5,559)	(3,837)	(1,952)	(1,228)	(1,118)
Total Resource AME	571	(3,016)	(6,278)	(2,768)	(2,865)	(1,228)	(1,118)
<i>Of which:</i>							
Pay	-	-	-	-	-	-	-
Net current procurement ¹	-	-	-	-	-	-	-

	2009/10 Outturn	2010/11 Outturn	2011/12 Outturn	2012/13 Outturn	2013/14 Outturn	2014/15 Planned	2015/16 Planned
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-
Current grants to local government	-	-	-	-	-	-	-
Net public service pensions ³	-	-	-	-	-	-	-
Take up of provisions	13,956	3,038	(1,736)	1,069	(1,630)	-	-
Release of provisions	(15,216)	(10,072)	(5,559)	(3,837)	(1,952)	(1,228)	(1,118)
Depreciation ²	469	4,018	1,017	-	717	-	-
Other	1,362	-	-	-	-	-	-
Total Resource Budget	206,470	301,674	305,575	178,341	170,723	156,477	165,312
<i>Of which:</i>							
Depreciation ²	16,318	17,454	15,738	15,243	11,779	15,300	21,500
Capital DEL							
Section A: Programme Expenditure	14,374	14,627	19,853	19,414	15,290	10,100	16,800
Total Capital DEL	14,374	14,627	19,853	19,414	15,290	10,100	16,800
<i>Of which:</i>							
Net capital procurement ⁴	14,374	14,627	19,853	19,414	15,290	10,100	16,800
Capital grants to the private sector and abroad	-	-	-	-	-	-	-
Capital support for local government	-	-	-	-	-	-	-
Capital support for public corporations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-

	2009/10 Outturn	2010/11 Outturn	2011/12 Outturn	2012/13 Outturn	2013/14 Outturn	2014/15 Planned	2015/16 Planned
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
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	10,100	16,800
Total departmental spending⁵	204,526	298,847	309,690	182,512	174,234	151,277	160,602
<i>of which:</i>							
Total DEL	204,424	305,881	316,985	185,280	177,099	152,505	161,730
Total AME	102	(7,034)	(7,295)	(2,768)	(2,865)	(1,228)	(1,118)

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 Outturn	2010/11 Outturn	2011/12 Outturn	2012/13 Outturn	2013/14 Outturn	2014/15 Planned	2015/16 Planned
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets of which:							
Current assets	12,122	23,044	14,549	11,799	8,614	10,540	10,673
Non-current assets	313	319	112	99	84	75	60
Intangible assets :							
Software licences	3,187	2,431	5,670	5,678	6,334	5,948	5,599
In-house developed software applications and applications under construction	31,773	32,755	35,275	35,475	38,908	36,538	34,396
Tangible assets:							
Property plant and equipment and building refurbishments under construction	50,724	45,722	43,016	42,528	40,271	37,827	35,618
	98,119	104,271	98,622	95,579	94,211	90,928	86,346
Current liabilities	(30,538)	(39,949)	(41,198)	(33,509)	(31,380)	(30,036)	(30,442)
Non-current liabilities	(25,116)	(20,846)	(14,195)	(12,076)	(8,715)	(7,034)	(6,028)
Capital Employed	42,465	43,476	43,229	49,994	54,116	53,858	49,876

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

3.3 SPENDING REVIEW

The Spending Review is a Treasury-led process to allocate resources across all government departments, according to the Government's priorities. Spending Reviews set firm spending budgets over several years for each department. Spending Review 2010 covered the four years from 2011/12 to 2014/15 and subsequently there has been a review to set budgets for a single year 2015/16. The expectation is that there will be a full submission required in 2015 for a four year Spending Review period.

3.4 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 96 per cent of transactions for the year ended 31 March 2014. The performance is measured in accordance with HM Treasury guidelines.

In addition to the 30 day target, we endeavour to pay suppliers, especially Small and Medium Sized Enterprises (SMEs), within 5 days. We achieved payment in accordance with this policy in 86 per cent of transactions for the year.

3.5 FINANCIAL 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

3.6 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 its own 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.

3.7 CONTRACTUAL ARRANGEMENTS

To deliver its business 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 IT services and organisations (such as but not limited to) Steria, Parity Resources Ltd and LA International provide key 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.

3.8 SUSTAINABLE DEVELOPMENT AND REPORTING

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 in Government Commitments' that apply to all Departments. The Authority has in place an agreed Sustainable Development Policy and Sustainable Development Action Plan designed to take steps to meet the Commitments and has made good progress in many areas.

Table 1 Summary

Area	Actuals 2013/14	Target Performance 2015
Carbon from Buildings (tonnes Carbon Dioxide)	3,494	5,328
Carbon from Travel (tonnes Carbon Dioxide) ^{1,5}	2,030	2,217
Waste (tonnes) ^{2,5}	574	493
Water consumption (cubic metres)	15,854	18,526
Water expenditure (£'000) ³	75	-
Energy consumption ('000 kilowatt hours) ⁴	9,178	-
Energy expenditure (£'000) ³	902	-

Notes:

1. Carbon from travel includes road, field force travel, car hire, taxis and mileage from staff cars, rail and air on official business.
2. Construction waste is excluded from the waste figures as it is out of scope of the Greening in Government Commitments.
3. There is no target to reduce expenditure as expenditure depends on a number of factors, of which consumption is only one.
4. Consumption in kilowatt hours is a recognised measure but the target is based on the tonnes of Carbon Dioxide emitted.
5. Target adjusted downwards as a result of confirming 2009/10 baselines with DEFRA

Greenhouse Gas emissions

The Authority has the following Greening in 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 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. The Authority always anticipated having difficulty in meeting the target

set by Central Government due to the large field force required for business purposes, this will continue to be the case in future years.

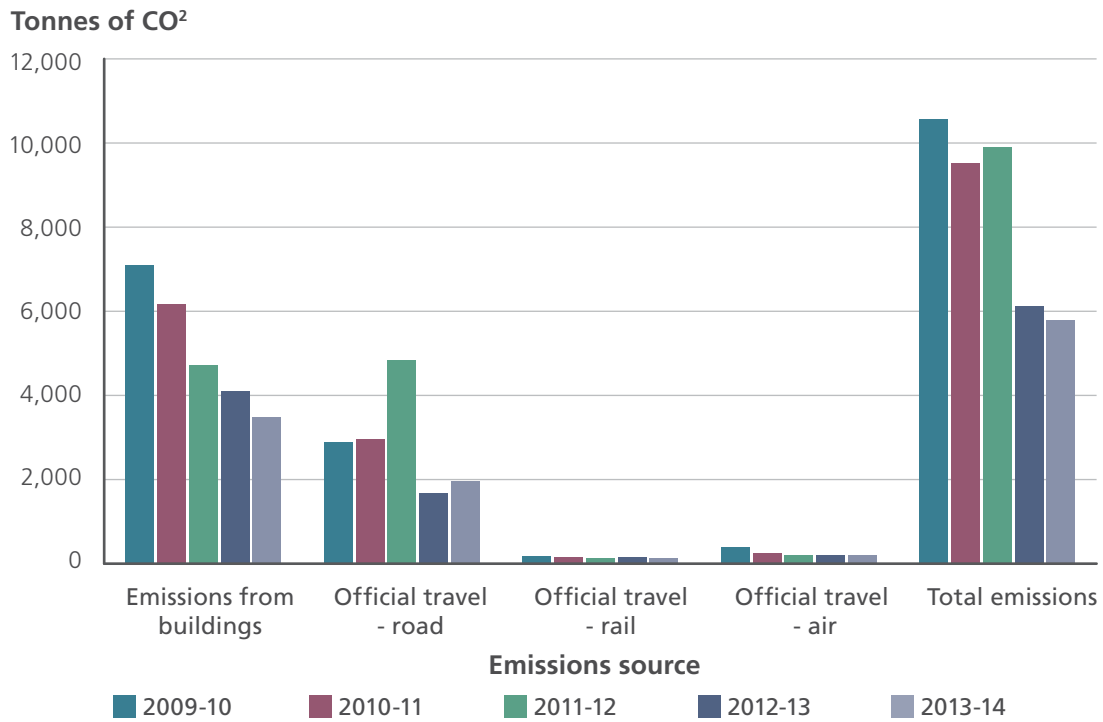
In 2009/10 there were 1,517 domestic flights and the target performance for domestic flight by 2015 is 1,214. In 2013/14 there were 555 domestic flights, which demonstrates the Authority's commitment to meeting the required performance standard. There are currently no government targets in respect of either short or long haul flights.

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

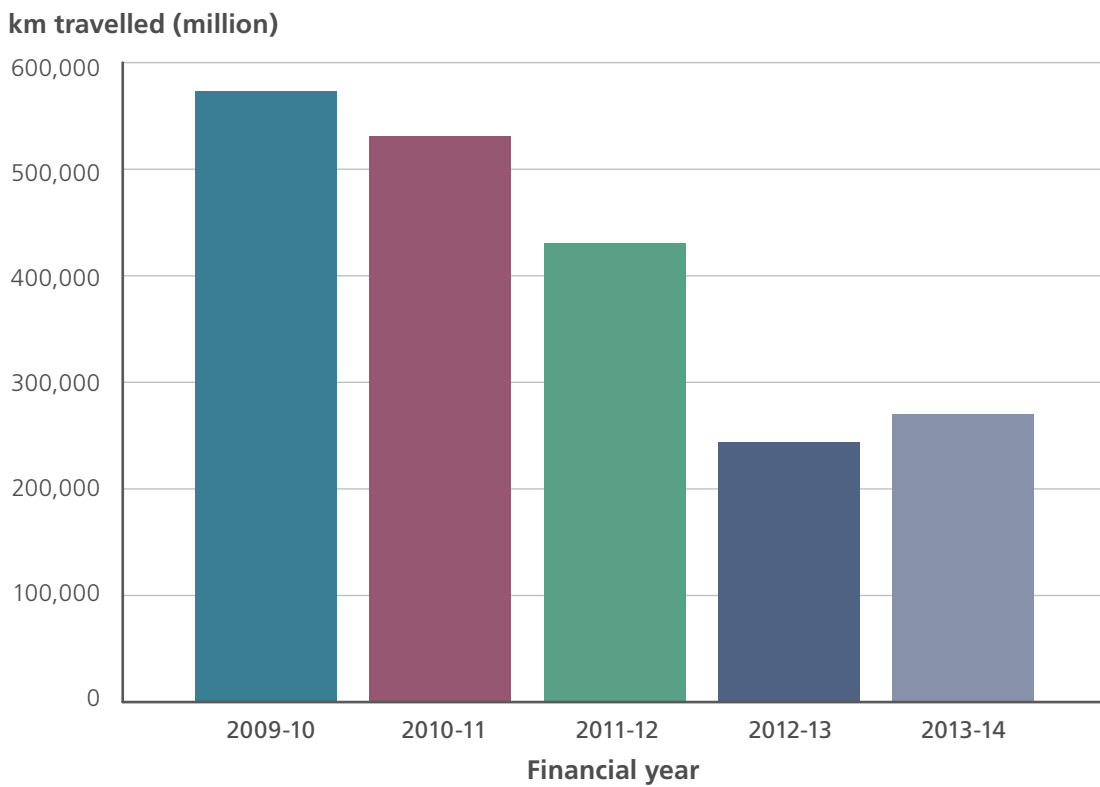
Greenhouse Gas Emissions		2009/10	2010/11	2011/12	2012/13	2013/14
Non-Financial Indicators (tonnes Carbon Dioxide)	Total Building Emissions	7,105	6,165	4,719	4,090	3,494
	Total Emissions Road Vehicles ¹	2,881	2,963	4,842	1,684	1,961
	Total Emissions Rail Travel	184	147	132	155	121
	Total Emissions Air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

1. Total emissions from road vehicles increased significantly in 2011/12 due to the 2011 Census.

Graph 1: Greenhouse Gas Emissions



Graph 2: Domestic Air Travel



Waste

The Authority has 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 2009/2010 baseline; and
- ensure that all redundant information and communications technology equipment is re-used or recycled responsibly.

Although waste is re-used and recycled the target is aimed at reducing the amount of waste generated and this is difficult to achieve. Negotiations are ongoing with suppliers in our Facilities Management (FM) contract to see if they can reduce packaging that leads to waste. A new printing solution has been implemented which, if it delivers savings seen in other organisations, could reduce the amount of waste paper produced by up to 20 per cent. All ICT equipment is disposed of via an established contract which ensures that all redundant ICT equipment is re-used or recycled responsibly.

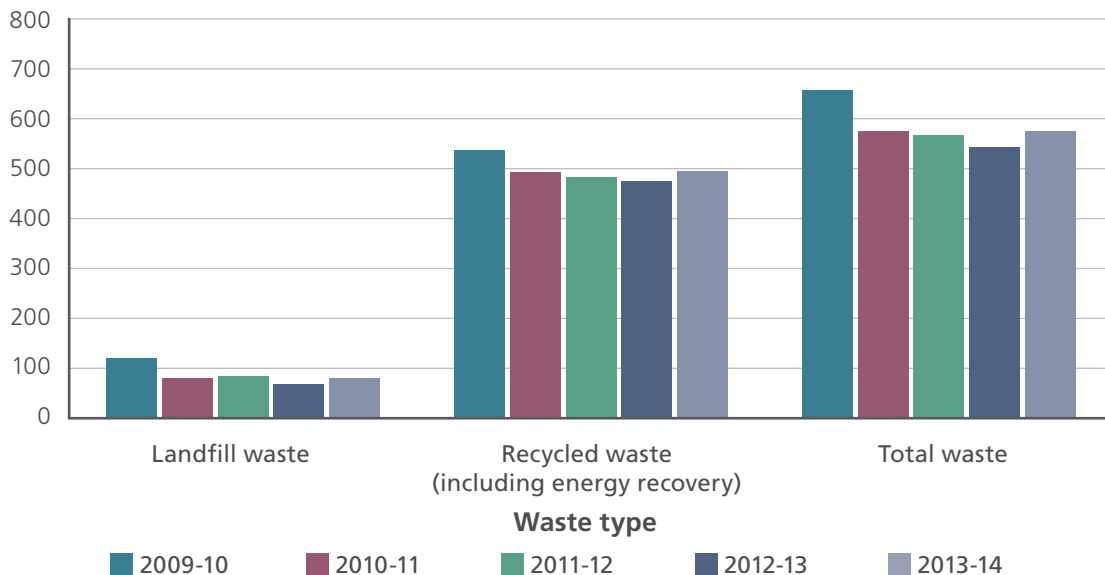
Table 3: Waste

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

There has been an increase in 13/14 due to an initiative to reduce old paper records.

Graph 3: Waste Volumes

Tonnes of waste



Finite Resource Consumption

Water

The Authority has 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 between 4m³ and 6m³ per FTE per annum on the office estate.

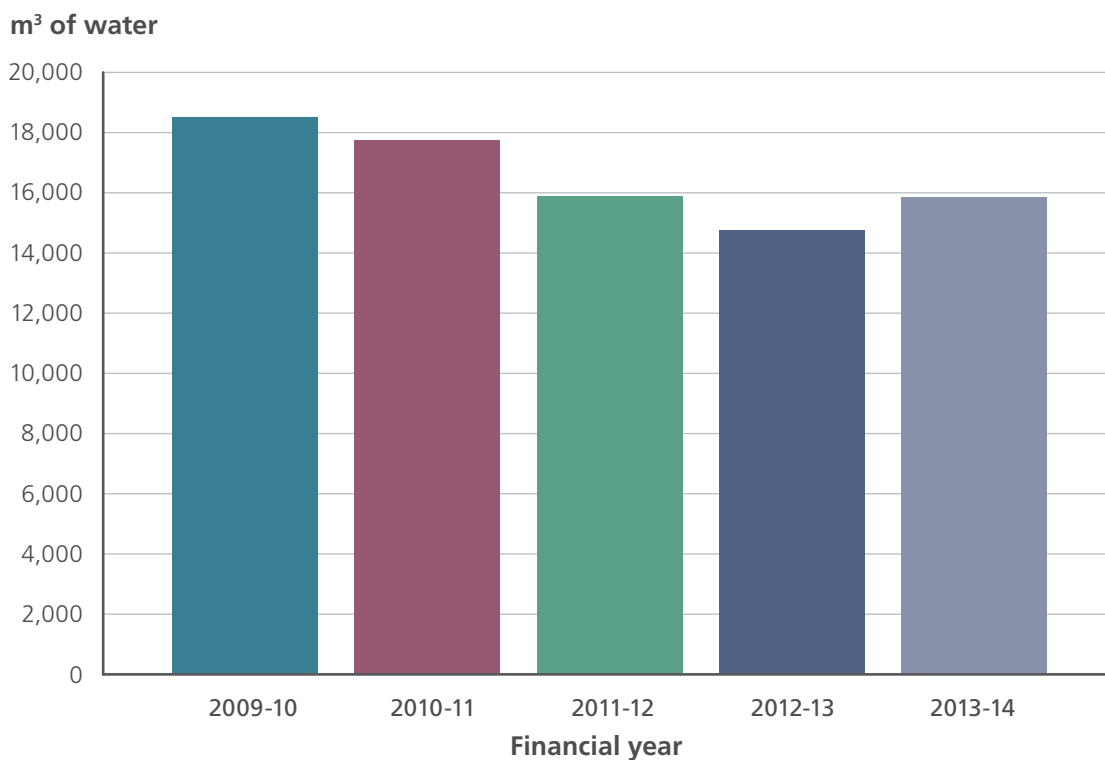
The 2015 target of reducing consumption to below 2009/10 levels has already been met due to the installation of a rainwater harvesting system at Newport at the end of 2010/11.

There has been an increase in water consumption in 2013/14, but, work completed this year has identified that this is due to leakage rather than consumption. Therefore, it is expected that this figure will improve in 2014/15 once maintenance works are complete.

Table 4: Water

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

Graph 4: Water Consumption



Bio-diversity

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

Sustainable Procurement

The Authority has embedded objectives into appropriate staff performance agreements, and introduced Government Buying Standards into contracts. The organisation liaises with its key suppliers on an annual basis collecting information on sustainability.

The Authority continues to ensure that small and medium enterprises (SMEs) are able to bid for procurements where possible. The Authority is actively using G-Cloud and is currently disaggregating a large out sourced IT contract and has split the procurement into service towers to allow SMEs more opportunity to bid. The Authority also allows for sub contracting, collaboration and consortia within contractual arrangements which ensures SMEs can work with larger organisations. Project proposals are vetted by the Business Investment Group which has a Sustainable Development assessment built in.

3.9 STAFF INFORMATION

The number of staff (as measured by headcount and full-time equivalent) rose slightly from March 2013 to March 2014. Approval to draw down additional funding of £15 million from the Departmental Expenditure Reserve Claim allowed a number of our key strategic programmes to continue and the level of resource reflects this.

The table below shows a head-count of 3,662 and a full time equivalent of 2,984 staff working for the Authority as at 31 March 2014.

	UK Statistics Authority		Of which ONS	
	Head Count	Full time Equivalent	Head Count	Full time Equivalent
March 2013	3,545	2,907	3,486	2,850
March 2014	3,662	2,984	3,599	2,924

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

Average sickness absence levels rose slightly from 8.4 to a peak of 8.9 Average Working Days Lost (AWDL) between March 2013 and March 2014. To proactively address this issue we have appointed Attendance Improvement leads in each business area along with an Attendance Improvement Group who are working with management across the organisation to identify issues behind absence and help reduce the rise. They offer support as well as occupational health advice and promote health initiatives as well as courses to assist managers in identifying causes of stress.

3.10 DIVERSITY

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 benchmark by the Business Disability Forum and one of the Top 40 leading employers of gay, lesbian, and bisexual staff according to the Stonewall Workplace Equality Index.

To support this approach, we have built a comprehensive governance structure in ONS, which drives and monitors our strategic approach to equality and diversity 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 for 2014

In 2008 ONS agreed a series of representation targets with the Cabinet Office and worked towards achieving them by 2013. We recognised in 2013 however that it was likely to take several more years to attain these targets. We have in place both a gender and disability action plan to progress positive change and are developing an ethnicity action plan. The table below shows the targets for 2013 as well as the actual figures achieved by March 2013 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	% Targets for 2013	% Actual at March 2013	% Actual at March 2014
Females in Top Management (TMP) payband 2 and above	40	20	25
Females in SCS	40	28	31
Ethnic minority in SCS	2	0	0
Disabled in SCS	2	3	0
Grade 6			
Females in Grade 6	45	45	38
Ethnic minority in Grade 6	5	2	2
Disabled in Grade 6	5	4	0

SCS Measures	% Targets for 2013	% Actual at March 2013	% Actual at March 2014
Grade 7			
Females in Grade 7	44	40	45
Ethnic minority in Grade 7	4	1	1
Disabled in Grade 7	3	3	3
Other Levels			
Females	N/A	58	58
Ethnic minority	N/A	6	5
Disabled	N/A	4	5

3.11 STAFF 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, six monthly interactive sessions with the Director General and other Senior Civil Servants, Senior Civil Servants Newsletters and Senior Civil Servant blogs. Employees are kept up to date with information and changes relating to, but not limited to, health and well-being, accommodation, terms and conditions, job opportunities, learning and development, publication of ONS statistics, media reports relating to the Authority and ONS, social activities, key projects and programmes and recognition awards.

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. With the introduction of any new policy or changes that affect staff, a meaningful, two-way consultation with the trade unions will always take place.

3.12 CORPORATE 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 2013/14 include:

- Transforming the grounds of St. Francis school (Fareham);
- Mentoring pupils at St. Joseph's school (Newport);

- Preparing lunches, IT support and handling general enquiries for the Two Saints Homeless Charity (Titchfield);
- Right to Read and Number Partner programmes at St. David's school (Newport);
- Titchfield staff donated food to the Southampton City Mission food bank appeal; and
- Newport staff in partnership with Mitie raised funds to provide an on-site Christmas lunch for 120 pensioners and veterans.

In 2013/14, ONS staff spent 879 hours on volunteering work.

3.13 RISK MANAGEMENT

Our internal controls accord with HM Treasury guidance and professional best practice and our risk policy and framework ensure the effective management of operational and strategic risks. Our strategic risks are managed by the executive leadership of the organisation, they focus on the strategic issues which could affect the achievement of our policies, aims and objectives and cover: strategy; finance; innovation; political; international; outputs; data collection; workforce; and security. Further information on our approach to risk management and the principal risks and uncertainties facing the organisation can be found in our Governance Statement.

3.14 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.

Following the independent review of our information security by Communication-Electronic Security Group (the national technical authority for information assurance), last year and based on recommendations from that review, we have implemented a comprehensive programme of work to further strengthen our information assurance position. 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 2011 Census programme is now complete and work on the Beyond 2011 is continuing to progress, we have considered potential options to carry census work on into the future and made a recommendation to Government. A secure working environment has been utilised in order to progress this work in cooperation with other government departments. This work may result in a significantly different approach to future census data collation.

As part of our information governance regime, staff are required 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 two laptops last year; an improvement on five in the previous year. All were lost or stolen in the course of normal off-site duties, and the encryption with which all our laptops are built, along with the strict rules on the use of laptops ensures that personal information is secure.

3.15 DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as the Interim 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.



Glen Watson

Interim Accounting Officer

UK Statistics Authority

7 July 2014

Chapter 4

UK Statistics Authority Annual Accounts

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 Principal 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 Disclosure and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HM Treasury has appointed the Permanent Head of the Authority as Principal Accounting Officer of the Authority. In addition, HM Treasury has appointed a Secondary Accounting Officer, the Director General of the Office for National Statistics to be accountable for that part of the Authority's accounts relating to ONS for resources and the associated assets, liabilities and cash flows. Due to the retirement of Dame Jil Matheson DCB (Principal Accounting Officer) on 30 June 2014 HM Treasury have authorised Glen Watson to sign the 2013/14 accounts as the Interim Accounting Officer, accepting the overall responsibility for the Authorities accounts.

The responsibilities of an Interim 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 Interim 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. Following the retirement of Dame Jil Matheson DCB, John Pullinger will take up the position of National Statistician and Principal Accounting Officer for the UK Statistics Authority in early July 2014.

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.

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. 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.

As set out in this Annual Report, the Authority's Executive Office, ONS, has continued to deliver its large portfolio of high quality statistics and analyses to inform debate on the UK economy and society. As the Executive Office of the Authority the ONS must be an exemplar for the GSS. Any failure of ONS outputs, or high profile errors in key ONS outputs, reduces utility of the statistics and would damage public trust in statistics and

undermine the Authority's credibility. Over the course of this year ONS published 96.6 per cent of its releases on time and 99.6 per cent of its releases free from major errors, whilst at the same time investing in a significant programme of change to improve its outputs, processes and systems. The production of high quality, easy to use, statistics and analyses is a key element of the ONS strategy. ONS has policies in place to promote a culture of continuous improvement and quality management.

Assessment of ONS statistics for compliance with the Code of Practice for Official Statistics is an important element of our control framework. All statistics assessed during the year were found to be compliant, with one notable exception. Statistics on crime recorded by police had their designation as National Statistics removed as ONS could not assure the quality of data received from the police. Work has been initiated by Her Majesty's Inspectorate of Constabulary to audit the quality of police recording.

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. Although ONS has delivered improvements to its website, and the presentation of its statistics online, in January 2014 the release of a planned update to the website caused site instability and users were inconvenienced by this. Further planned developments were put on hold while urgent investigations into this issue were undertaken. We recognise that more must be done to transform the ONS website into a platform that is highly respected by users, and to enhance our digital capability.

During the course of the year some of ONS's economic statistics have been

challenged by some stakeholders and commentators. We have increased the numbers of statisticians and economists working in this area and conducted quality reviews of our Labour Force Survey and our National Accounts. Work is progressing to ensure compliance of our National Accounts and Balance of Payments with the 2010 European System of Accounts.

We have sought feedback from users on our statistics and overall satisfaction is high (90 per cent satisfied and seven per cent neutral as measured by the ONS Customer Satisfaction Survey). It is also clear that the majority of our users feel that our outputs are. Over the coming year we will continue to increase the coverage and use of the ONS Customer Satisfaction Survey (alongside direct feedback from our stakeholders) as an integral part of our control and performance management framework.

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. Sub-committees have delegated responsibility for risks relevant to their terms of reference and the ONS executive leadership team has responsibility for managing ONS operational and strategic risks.

The Audit and Risk Assurance Committee, in conjunction with our internal auditors, is responsible for providing assurance to the Board and myself, as Interim Accounting Officer, of the existence and effectiveness of the overall processes for managing risk 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. This will next be completed by the end of 2014/15. The opinion of our Head of Internal Audit and the Chair of the Authority's Audit and Risk

Assurance Committee is included at the end of this Governance Statement.

Information Security

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 Interim 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 (IAO's) who cover all the information assets held by the organisation. In addition we have a network of Information Asset Liaison Officers (IALO's) who assist the IAO's 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 protected 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 2013/14.

As an organisation we comply with the Security Policy Framework. We use the Government Protective Marking System and moved to the new Classification Policy in April 2014.

Resources

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.

We continue to complete annual reviews of key financial systems and the internal controls in place within the organisation against known and emerging risks. We have in place business plans that are aligned with strategic objectives and have commenced the introduction of business planning process to align workforce, finance and operational planning. We report and review how well we are progressing against our plans quarterly through a detailed digest 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 or changes.

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 National Audit Office completes a year end accounts review for us on an annual

basis. The Authority's delegated budget for 2013/14 was set as part of the 2010 Spending Review and is detailed in our Annual Accounts.

During this year we have incurred 'write-offs' and a penalty charge in relation to historic European grants between the years 2005 and 2008. The primary reason for the write off of grant income was with regard to record keeping of staff timesheets and travel receipts. We have made significant improvements to the overall governance of these grants and record keeping procedures. A recent internal audit report stated that we have made reasonable progress and confirmation has been received from the European Commission that the historic issues have all been resolved to their satisfaction, and they have commended the organisation on the improvements it has made.

During 2013/14 we have undergone a Chartered Institute of Public Finance and Accountancy (CIPFA) financial maturity assessment. The review made a number of recommendations that are largely aligned with our finance strategy and we will address during the course of the next year. A Governance Review, undertaken by the Welsh Audit Office, also commenced and will report in the first quarter of 2014/15. These reviews will inform how we improve our financial management, business planning and governance. We will embed the principles of Value for Money in the organisation, assessing our outputs and services to inform the next Spending Review.

In relation to our people, we continue to experience challenges in recruitment and in maintaining and improving workforce engagement. The Authority saw a 1 per cent rise in staff engagement, as measured by the Civil Service People

Survey, but we will continue to seek further improvement. The Authority is undertaking a significant programme of change which will require us to develop and recruit relevant specialist skills (for example in programme management, statistical computing, digital exploitation and dissemination), and to use our resources effectively. This year's pay settlement was rejected by the Trade Unions, reflecting ongoing disaffection with changes to terms and conditions as part of the Civil Service Reform Plan. In response, we have continued to work hard to improve our staff engagement score, to lift people management and leadership skills, to manage our talent and deliver more learning and development than in previous years.

Opinion of the Head of Internal Audit

The Head of Internal Audit has provided an annual opinion of **'Moderate'** for the 12 months ended 31 March 2014. 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 25 audit reviews have been undertaken in the 2013/14 financial year. Of these reviews, three were assessed as good, 15 were satisfactory, and seven were assessed as improvement required. In addition, nine follow up reviews were undertaken. Two concluded that good progress had been made and seven concluded that reasonable progress had been made. Five advisory reviews were also undertaken which did not provide an audit opinion.

There have been no reviews in 2013/14 that warranted an 'unacceptable' opinion.

Opinion of the Chair of the Audit and Risk Assurance Committee

It is the opinion of the Chair of the Audit and Risk Assurance Committee that the Interim Accounting Officer can take a satisfactory degree of assurance that the governance structure is sound and 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. It is not yet evident that the current mitigation and risk management strategies will be sufficient to ensure the full realisation of the Authority's strategic objectives.

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>

Board (UK Statistics Authority, ONS Board, Committee for Official Statistics (COS), Audit and Risk Assurance Committee, Assessment Committee), minutes and papers <http://www.statisticsauthority.gov.uk/about-the-authority/board-and-committees-documentation/index.html>



Glen Watson
Interim Accounting Officer

7 July 2014

REMUNERATION REPORT

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 interest 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 Office for National Statistics, 2013/14 and 2012/13

Senior Directors	2013/14	2012/13
Name and title	Salary £'000	Salary £'000
Dame Jill Matheson DCB National Statistician Statistics Authority Fixed- term contract 1 September 2012 to 30 June 2014	150-155	140-145
Glen Watson Director General Office for National Statistics From 1 October 2012	105-110 (plus bonus 0-5)	100-105 (plus bonus 5-10)
Richard Alldritt Head of Assessment From 1 May 2008 to 31 October 2013	65-70 (full-year equivalent 115-120)	115-120 (plus bonus 5-10)
Guy Goodwin Director of Analysis and Dissemination From 1 May 2011 to 31 May 2013	10-15 (plus bonus 5-10) (full- year equivalent 85-90)	85-90
Caron Walker Director of Collection and Production From 1 April 2012 to 30 November 2013	65-70 (plus bonus 5-10) (full- year equivalent 90-95)	90-95
Paul Layland Director of Finance From 5 April 2012	65-70 (plus bonus 5-10) (full-year equivalent 85-90)	65-70

Senior Directors	2013/14	2012/13
Name and title	Salary £'000	Salary £'000
Neil Wooding Director of Strategy, Planning, Performance and Capability From 1 June 2013	90-95 (full-year equivalent 95-100)	N/A
Joe Grice ONS Chief Economist From 1 December 2013	105-110	N/A
Ed Humpherson Head of Assessment From 8 January 2014	30-35 (full-year equivalent 140-145)	N/A
Band of highest paid director's total remuneration £'000	150-155	140 -145
Median of total staff remuneration	£20,942	£20,272 ¹
Ratio	7.16	6.99 ²

1 and 2

The 2012/13 median and ratio have been restated following a review of the calculation.

Note

Richard Alldritt stepped down from his role and left the Authority on 31 October 2013.

Caron Walker and Guy Goodwin stepped down from their role on the Board but continue their role as Directors.

Dame Jil Matheson DCB announced her retirement and left the Authority on the 30 June 2014.

The median remuneration is the ratio between the mid-point of the total bounded remuneration and that of the highest paid director. The calculation is based on the full-time equivalent staff of the Authority on an annualised basis.

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 1 April 2013 and 31 March 2014)

	2013/14
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	74
Number for whom assurance has been requested	74
Of which:	
Number for whom assurance has been received	39
Number for whom assurance has not been received	33
Number that have been terminated as a result of assurance not being received	2

Note

The Authority continues to seek assurance for the provision of Tax and National Insurance obligations for 33 non-payroll engagements; where assurance is not received, within established time, the Authority will terminate these contacts.

The following table identifies all non-payroll engagements as at 31 March 2014 for more than £220 per day for a period longer than 6 months

Number of existing engagements as at 31 March 2014	2013/14
Of which:	
Number that have existed between 1-2 years at the time of reporting	45
Number that have existed between 2-3 years at the time of reporting	22
Number that have existed between 3-4 years at the time of reporting	3
Number that have existed for 4 years or more at the time of reporting	2

Remuneration of Non-Executive Directors of the UK Statistics Authority, 2013/14 and 2012/13

	2013/14	2012/13
Name/Title	Salary £'000	Salary £'000
Sir Andrew Dilnot Chair of UK Statistics Authority Fixed contract 1 April 2012 to 31 March 2017	70-75	70-75
Professor Sir Adrian Smith Deputy Chair (ONS) Fixed contract 1 September 2012 to 31 August 2015	30-35	15-20
Partha Dasgupta Non-Executive Director Fixed contract 1 February 2013 to 30 June 2014	15-20	15-20
Professor David Rhind Non-Executive Director Deputy Chair (Official Statistics) Fixed contract 1 July 2012 to 30 June 2015	30-35	25-30
Dame Moira Gibb Non-Executive Director Fixed contract 1 February 2013 to 31 January 2016	15-20	15-20
Dr David Levy Non-Executive Director Fixed contract 1 August 2012 to 31 July 2014	15-20	10-15
Dame Colette Bowe Non-Executive Director Fixed contract 1 February 2013 to 31 January 2016	15-20	15-20
Carolyn Fairbairn Non-Executive Director Fixed contract 1 April 2013 to 31 March 2016	15-20	N/A
Professor David Hand Non-Executive Director Fixed contract 1 April 2013 to 31 March 2016	15-20	N/A

Note

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

The Authority is expecting to reappoint Dr David Levy and will be seeking ministerial approval.

Salary

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

'Salary' includes gross salary; 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. This information relates to payments made by the Authority and 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
- Dame Jil Matheson DCB
- Professor David Rhind
- Professor Sir Adrian Smith

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, i.e., 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 Dame Jil Matheson DCB, as National Statistician, is not agreed by the Authority's Remuneration Committee but is determined independently and no bonus payments have been made.

All of the above information is based on payments made by the Department and are 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 2013/14 relate to performance outcomes in 2012/13 and the comparative bonuses reported for 2012/13 relate to performance in 2011/12.

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 31.03.14 and related lump sum	Cash Equivalent Transfer Value at 31.03.13	Cash Equivalent Transfer Value at 31.03.14	Real Increase in Cash Equivalent Transfer Value
	£'000	£'000	£'000	£'000	£'000
Dame Jill Matheson DCB National Statistician Statistics Authority	2.5-5.0 plus 10.0-12.5 lump sum	70-75 plus 215-220 lump sum	1,488	1,589	79
Glen Watson Director General Office for National Statistics	2.5-5.0 plus 5.0-10.0 lump sum	30-35 plus 95-100 lump sum	491	560	34
Richard Alldritt Head of Assessment	0-2.5 lump sum nil	75-80 lump sum nil	1,415	1,517	29
Guy Goodwin Director of Population, Health and Regional	0-2.5 plus 0-2.5 lump sum	25-30 plus 80-85 lump sum	429	463	4
Caron Walker Director of Collection and Production	0-2.5 plus 0-2.5 lump sum	35-40 plus 110-115 lump sum	675	724	3
Paul Layland Director of Finance	0-2.5 plus 0-2.5 lump sum	10-15 plus 30-35 lump sum	115	132	6
Neil Wooding Director of Strategy, Planning, Performance and Capability	0-2.5 lump sum nil	10-15 lump sum nil	190	228	20
Joe Grice ONS Chief Economist	0-2.5 less (0-2.5) lump sum	65-70 plus 135-140 lump sum	1,439	1,474	12
Ed Humpherson Head of Assessment	0-2.5 less (0-2.5) lump sum	40-45 plus 45-50 lump sum	548	555	0

Note

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

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 the 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 3.9% pensionable earnings for **classic** and 3.5% and 8.25% for **premium, classic plus** and **nuvos**. Increases to employee contributions will apply from 1 April 2014. 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 his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member’s earned pension account is credited with 2.3% 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**.

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.

Compensation for loss of office

Richard Alldritt left under voluntary exit terms on 31 October 2013. Under the Civil Service Compensation Scheme he received a compensation payment within the range of £135,000-£140,000.



Glen Watson
Interim Accounting Officer
UK Statistics Authority
7 July 2014

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 2014 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 2014 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 2014 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 thereunder.

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 1-3 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

8 July 2014

Statement of Parliamentary Supply

Summary of Resource and Capital Outturn 2013/14

	Note	Estimate				Outturn		2013/14	2012/13
		Voted	Non-Voted	Total	Voted	Non-Voted	Voted outturn compared with Estimate: saving/ (excess)	Outturn	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Departmental Expenditure Limit									
– Resource		177,838	0	177,838	173,588	0	173,588	4,250	181,109
– Capital		15,900	0	15,900	15,290	0	15,290	610	19,414
Annually Managed Expenditure									
– Resource		(1,141)	0	(1,141)	(2,865)	0	(2,865)	1,724	(2,768)
Total		192,597	0	192,597	186,013	0	186,013	6,584	197,755
Total Resource		176,697	0	176,697	170,723	0	170,723	5,974	178,341
Total Capital		15,900	0	15,900	15,290	0	15,290	610	19,414
Total		192,597	0	192,597	186,013	0	186,013	6,584	197,755

Net Cash Requirement 2013/14

	2013/14		Note	2013/14		2012/13
	Estimate	Outturn		Outturn compared with Estimate: saving/ (excess)	Outturn	
	£'000	£'000		£'000	£'000	
	185,973		3	174,748	11,225	184,033

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 29 to 45.

The notes on pages 71 to 105 form part of these accounts.

Notes to the Resource Accounts

STATEMENT OF PARLIAMENTARY SUPPLY (SOPS)

SOPS1. Statement of accounting policies

The Statement of Parliamentary Supply and supporting notes have been prepared in accordance with the 2013/14 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 2013/14 Consolidated Budgeting Guidance and Supply Estimates Guidance Manual.

SOPS1.1 Accounting convention

The Statement of Parliamentary Supply and related notes are presented consistently with Treasury budget control and Supply Estimates. The budgeting system, and the consequential presentation of Supply Estimates and the Statement of Parliamentary Supply and 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 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 AME and DEL control totals, which do not affect the Statement of Comprehensive Net Expenditure.

The notes on pages 71 to 105 form part of these accounts.

SOPS 2 NET RESOURCE AND CAPITAL OUTTURN

for the period ending 31 March 2014

SOPS 2.1 Analysis of net resource by section

				Outturn	2013/14		2012/13
	Other Current	Gross Resource Expenditure	Income	Net Total	Net Total	Estimate 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	200,526	200,526	(26,938)	173,588	177,838	4,250	181,109
Annually Managed Expenditure							
Voted							
B. Resource AME	(2,865)	(2,865)	0	(2,865)	(1,141)	1,724	(2,768)
Resource Outturn	197,661	197,661	(26,938)	170,723	176,697	5,974	178,341

Note

The programme costs within the annually managed expenditure reflect the utilisation of provisions and impairment charged to Annually Managed Expenditure.

SOPS 2.2 Analysis of net capital outturn by section

				Programme Outturn	2013/14		2012/13
	Gross Capital Expenditure	Income	Net Total	Net Total	Estimate Net Total outturn compared with Estimate	Prior-year outturn	
	£'000	£'000	£'000	£'000	£'000	£'000	
Spending in Departmental Expenditure Limit							
Voted							
A. Programme Expenditure	15,290	0	15,290	15,900	610	19,414	
Capital Outturn	15,290	0	15,290	15,900	610	19,414	

The notes on pages 71 to 105 form part of these accounts.

SOPS 3 RECONCILIATION OF NET RESOURCE OUTTURN TO NET CASH REQUIREMENT

for the period ending 31 March 2014

	Note	2013/14 Estimate £'000	2013/14 Outturn £'000	2013/14 Net total Outturn compared with estimate: saving / (excess) £'000	2012/13 Outturn £'000
Resource Outturn		176,697	170,723	5,974	178,341
Capital Outturn		15,900	15,290	610	19,414
Accruals to cash adjustments					
Depreciation and amortisation	4	(15,500)	(11,779)	(3,721)	(15,243)
Adjustments to provisions	4	1,651	1,630	21	513
Other non-cash items	4	(2,182)	(1,331)	(851)	(7,118)
Other adjustments	4,6 & 7	0	(441)	441	12
Adjustments to reflect movements in working balances					
Decrease in receivables	10	0	(422)	422	(1,022)
Increase in trade and other payables	12	7,735	1,908	5,827	7,040
Other movements in working capital not reflected in operating costs		0	(2,782)	2,782	(1,741)
Utilisation of provisions	13	1,672	1,952	(280)	3,837
Net cash requirement		185,973	174,748	11,225	184,033

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 2014

	Note	2013/14	2012/13
		£'000	£'000
Programme Expenditure			
Staff	3	115,163	112,912
Other	4	82,498	90,390
Operating Income	5	(26,938)	(24,961)
Net Operating Costs for the year ending 31 March 2014		170,723	178,341
Other Comprehensive Net Expenditure			
Net (gain)/loss on:			
– revaluation of property, plant and equipment		136	(886)
– revaluation of intangibles		(122)	(109)
Total Comprehensive Expenditure for the year ending 31 March 2014		170,737	177,346

Reconciliation of Net Operating Costs to Statement of Parliamentary Supply

	2013/14	2012/13
	Outturn	Outturn
	£'000	£'000
Total resource outturn in Statement of Parliamentary Supply Budget	170,723	178,341
Net Operating Costs for the year ended 31 March 2014	170,723	178,341

The notes on pages 71 to 105 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2014

	Note	2013/14	2012/13
		£'000	£'000
Non-current assets:			
Property, plant and equipment	6	40,271	42,528
Intangible assets	7 & 7.1	45,242	41,153
Financial assets	10	84	99
Total non-current assets		85,597	83,780
Current assets:			
Trade and other receivables	10	3,101	2,758
Other current assets	10	4,684	5,434
Cash and cash equivalents	11	829	3,607
Total current assets		8,614	11,799
Total assets		94,211	95,579
Current liabilities:			
Trade and other payables	12	(30,152)	(32,060)
Early retirement provision	13	(1,228)	(1,449)
Total current liabilities		(31,380)	(33,509)
Total assets less current liabilities		62,831	62,070
Non-current liabilities:			
Other provisions	13	(6,830)	(9,132)
Early retirement provision	13	(1,885)	(2,944)
Total non-current liabilities		(8,715)	(12,076)
Assets less liabilities		54,116	49,994
Taxpayers' equity and other reserves			
General fund		42,283	38,135
Revaluation reserve		11,833	11,859
Total equity		54,116	49,994

Signed by



Glen Watson
Interim Accounting Officer
UK Statistics Authority

7 July 2014

The notes on pages 71 to 105 form part of these accounts.

STATEMENT OF CASH FLOWS

for the period ending 31 March 2014

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

This statement shows 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.

	Note	2013/14	2012/13
		£'000	£'000
Cash flows from operating activities			
Net operating costs	2	(170,723)	(178,341)
Adjustment for non-cash transactions	4	11,478	21,849
Decrease in trade and other receivables	10	422	1,022
Decrease in trade payables	12	(1,908)	(7,040)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Expenditure</i>	6,7 & 12	6,189	4,198
Use of provisions	13	(1,952)	(3,837)
Net cash outflow from operating activities		(156,494)	(162,149)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(4,519)	(6,457)
Purchase of intangible assets	7 & 7.1	(13,736)	(15,426)
Net cash flow from investing activities		(18,255)	(21,883)
Cash flows from financing activities			
From the Consolidated Fund (Supply) – current year		171,971	182,291
Advances from the Contingencies Fund		5,000	6,000
Repayments to the Contingencies Fund		(5,000)	(6,000)
Net Financing		171,971	182,291
Net (decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund	11	(2,778)	(1,741)
Cash and cash equivalents at the beginning of the period	11	3,607	5,348
Cash and Cash equivalents at the end of the period	11	829	3,607

The notes on pages 71 to 105 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the period ending 31 March 2014

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 1 April 2012		32,293	10,936	43,229
Changes in taxpayers' equity for 2012/13				
Net Parliamentary Funding – drawn down		182,291	0	182,291
Advances from the Contingencies Fund		6,000	0	6,000
Repayments to the Contingencies Fund		(6,000)	0	(6,000)
Comprehensive expenditure for the year		(178,341)	0	(178,341)
Non cash adjustments				
Non cash charges – auditor's remuneration	4	79	0	79
Movements in reserves				
Transfers between reserves		72	(72)	0
Net loss on revaluation of property, plant and equipment	6	0	811	811
Net loss on revaluation of intangible assets	7	0	205	205
Impairment of intangible assets		0	(96)	(96)
Impairment of PPE		0	75	75
Amounts issued from the Consolidated Fund for supply but not spent at year end		(3,607)	0	(3,607)
Deemed supply	11	5,348	0	5,348
Balance at 31 March 2013		38,135	11,859	49,994
Changes in taxpayers' equity for 2013/14				
Net Parliamentary Funding – drawn down		171,971	0	171,971
Advances from the Contingencies Fund		5,000	0	5,000
Repayments to the Contingencies Fund		(5,000)	0	(5,000)
Comprehensive expenditure for the year		(170,723)	0	(170,723)
Non cash adjustments				
Non cash charges – auditor's remuneration	4	82	0	82
Movements in reserves				
Transfers between reserves		40	(40)	0
Net loss on revaluation of property, plant and equipment	6	0	136	136
Net gain on revaluation of intangible assets	7	0	(122)	(122)
Amounts issued from the Consolidated Fund for supply but not spent at year end		(829)	0	(829)
Deemed supply	11	3,607	0	3,607
Balance at 31 March 2014		42,283	11,833	54,116

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 71 to 105 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 2013/14

Government Financial Reporting Manual (FRoM) issued by HM Treasury.

The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM 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 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 FRoM also requires the Authority to prepare two additional primary statements. The *Statement of Parliamentary Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

During the year the Authority adopted IAS1 Presentation of Financial Statements, and IAS16 Property Plant and Equipment, neither of which had any significant effect on the financial statements.

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 UK Statistics Authority is UK Sterling; the Authority retains a small cash balance of sterling and Euros as well as shopping vouchers and postage stamps.

1.1 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment (PPE) assets include land and buildings, computers and associated equipment, office machinery, 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. The annual professional valuation more 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 2013 by the District Valuer Service (DVS), who are a commercial company which is qualified to undertake these valuations. The valuations were 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, PPE assets must exceed the capitalisation threshold of £2,000 (including VAT) and have a life greater than one year.

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

1.3 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.

1.4 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 6 and 25 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, which is charged from the quarter in which the assets are completed. Software licenses are amortised on a reducing balance basis over a life of 4 years. Each group of assets is reviewed annually for impairment.

1.5 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 transferred out of assets under construction into the relevant category of PPE or intangibles on completion.

1.6 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.

1.7 OPERATING INCOME

Operating income which relates directly to the operating activities of the Authority comprises 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 the work completed. Prices are calculated in accordance with Managing Public Money (published by HM Treasury) and aim to recover the full economic cost of the service provided.

1.8 FOREIGN EXCHANGE

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

1.9 LEASES

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

1.10 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 less any impairment. 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.

1.11 PROVISIONS

The Authority provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date 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 -1.90 per cent for a time period up to five years, -0.65 per cent for a time period of six to ten years, and 2.2 per cent for time periods greater than ten years. The discount rate for pension provisions is 1.80 per cent; discount rates are published by HM Treasury. These provisions are reviewed each year in accordance with IAS 37.

1.12 TRADE RECEIVABLES

Trade receivables are recognised at fair value less provision for any impairment. 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.

1.13 STAFF COSTS

Under IAS 19 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.

1.14 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 2.35 per cent.

1.15 CASH AND CASH EQUIVALENTS

The Authority holds small balances in a readily realised form; these include small cash balances, shopping vouchers and postage stamps.

1.16 VAT

Irrecoverable 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.

1.17 PROGRAMME EXPENDITURE

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

1.18 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 in the Authority's Remuneration Report. The defined benefit elements of the schemes are unfunded and are non-contributory, except in respect of dependants' benefits. 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 accruing 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.

1.19 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 are reported to Parliament in accordance with the requirements of Managing Public Money.

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

1.20 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 Committee.

1.21 REVALUATIONS

Land and buildings were acquired by the Authority at market value. 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 as subject matter experts.

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 into consideration market factors. 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. Negative revaluations (impairments) are in the first instance 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 as it deals with categories as a whole, without consideration for individual assets.

1.22 INTANGIBLE ASSET USEFUL ECONOMIC LIFE

The Authority undertakes a review of its 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. 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 service potential provided by 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:

- Future plans highlighted by the high level ONS Strategic Roadmap;
- Information Technology reviews provided by ONS specialists;
- Business area expectations; and
- The remaining useful economic life of each asset.

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

The impairment of assets in the course of construction resulting from a management decision to abandon or partially abandon the construction process will result in write off or substantial write off of the construction costs to date to reflect reduced utility.

1.23 PROVISIONS

A provision is a reserve to provide against any future cost that maybe incurred, taking into account an expected expense, disclosing it as a liability on the Statement of Financial Position. The Authority will create a provision in the period the liability becomes apparent and charges 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 that suggests the 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 for provisions for tribunals and personal injury claims are based on ongoing cases at the year end and the likelihood of the 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 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 that the Authority has entered into may state that the building should 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. Negotiations with the landlord will precede any such provision for dilapidations and be based on the estimated cost of returning the property back to its original state.

The accounting treatment for Potential Claims and Dilapidations is to charge the costs to the Statement of Net Comprehensive Expenditure in the accounting period 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, the actual payment 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 0 to 5 years	Medium term 5 to 10 years	Long term Exceeding 10 years
Early departure costs	1.80%	1.80%	1.80%
All other provisions	-1.90%	-0.65%	2.20%

Rates are published by HM Treasury.

1.28 ACCRUALS

Accruals are an accounting methodology that record income and expenditure when they occur; ensuring 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 such as a capital item to be delivered 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.

1.3 STANDARDS NOT YET ADOPTED

The following standards have not 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 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 Separate Financial Statements and IAS 28 Investments in Associates and Joint Ventures. The IASB have issued new and amended standards that affect the consolidation and reporting of subsidiaries, associates and joint ventures and investment entities. The revisions are effective from 1 January 2014. The Authority anticipates this will have no impact on its Financial Statements.

IAS 32 Financial Instruments outlines the accounting requirements for the presentation of financial instruments, particularly as to the classification of such instruments into financial assets, financial liabilities and equity instruments. The standard also provides guidance on the classification of related interest, dividends and gains/losses, and when financial assets and financial liabilities can be offset. The effective date of this amendment is 1 January 2013 and it was applied by the FReM in 2013/14. The Authority anticipates no material effect on its financial statements.

IAS 34 Interim Financial Reporting prescribes the minimum content of an interim financial report and the principles for recognition and measurement in financial statements presented for an interim period. The effective date of this amendment is 1 January 2013 and it was applied by the FReM in 2013/14. The Authority is not required to publish interim statements.

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 no material effect 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.
- Phase three addresses hedge accounting.

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

1.4 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 and assets and liabilities will be recognised on a 'right to use' basis. There is no effective target date, HM Treasury and relevant bodies will review the implications once the standard has been finalised. The Authority anticipates no material effect 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 IAS 18 and IAS 11. The Exposure Draft is subject to consultation and is not expected to be effective prior to January 2015. 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 the decision making by the Executive Leadership Team and the primary Chief Operating Decision Maker (CODM) of ONS to make decisions regarding planning, resource allocation and income, as well as performance monitoring.

	2013/14 Gross expenditure	2013/14 Income	2013/14 Net expenditure	2012/13 Gross expenditure	2012/13 Income	2012/13 Net expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Reportable Segments						
Census 2011	8,912	(195)	8,717	20,634	(444)	20,190
Collection and Production	64,273	(13,442)	50,831	60,621	(12,089)	48,532
Analysis and Dissemination	15,708	(3,419)	12,289	12,492	(881)	11,611
Population and Demography	9,094	(1,015)	8,079	7,069	(1,491)	5,578
Strategy and Standards	25,354	(359)	24,995	25,286	(2,878)	22,408
Beyond 2011	5,782	0	5,782	5,355	(1)	5,354
Corporate Support	51,704	(8,319)	43,385	50,397	(6,970)	43,427
UK Statistics Authority	4,589	(189)	4,400	4,191	(207)	3,984
	185,416	(26,938)	158,478	186,045	(24,961)	161,084

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

Note	2013/14 Gross expenditure	2013/14 Income	2013/14 Net expenditure	2012/13 Gross expenditure	2012/13 Income	2012/13 Net expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Total reported by segment	185,416	(26,938)	158,478	186,045	(24,961)	161,084
Reconciling items						
Depreciation	4	11,779	0	11,779	15,243	0
Provisions created in year	13	79	0	79	783	0
Provisions not required in year	13	(1,650)	0	(1,650)	(1,296)	0
Bad debt write off	4	43	0	43	159	0
Unwinding discount on provisions	4	(59)	0	(59)	1,582	0
Downward revaluations of fixed assets	4	1,013	0	1,013	0	0
Performance related pay year end accrual		606	0	606	786	0
Loss on disposal of equipment	4	192	0	192	0	0
Movement in holiday pay	10 & 12	242	0	242		
Statement of Comprehensive Net Expenditure	197,661	(26,938)	170,723	203,302	(24,961)	178,341

Net assets are not reported separately to the CODM.

3. STAFF NUMBERS AND RELATED COSTS

for the period ending 31 March 2014

3.1 Staff Costs

			2013/14	2012/13
	Total	Permanently employed staff	Others	Total
	£'000	£'000	£'000	£'000
Statistical Services Staff Costs	94,750	83,533	11,217	92,937
Social security costs	5,775	5,775	0	5,845
Other pension costs	14,638	14,638	0	14,130
Total	115,163	103,946	11,217	112,912
Less recoveries in respect of outward secondments	(26)	(26)	0	(28)
Total net costs	115,137	103,920	11,217	112,884

3.2 Staff Numbers

			2013/14	2012/13
	Total FTE	Permanently employed FTE	Others FTE	Number Total FTE
Objective				
Statistical Services	3,029	2,893	136	3,007

Note

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

3.3 Capitalised Staff Costs

	2013/14		2012/13	
	Cost	FTEs	Cost	FTEs
	£'000		£'000	
Web Data Access	342	7	1,023	6
Electronic Data Collection	239	5	241	2
Consumer and Retail Price Indices	185	5	291	7
European System of Accounts	233	5	121	3
Life Events	185	4	208	4
Social Survey	57	2	247	5
Central ONS Repository for Data (CORD)	0	0	126	2
Longitudinal Study	29	2	0	0
Common Open Road Architecture platform (CORA)	17	5	0	0
Total	1,287	35	2,257	29

Notes

The 2013/14 salary figures reflect a net yearly movement of £243,000 of accrued holiday and flexi pay, refer to notes 10 and 12.

In addition to the £115,163,000 in note 4.1, £1,287,000 (2012/13 £2,257,000) 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 £26,000 (2012/13 £28,000) in respect of outward secondments are included as administration 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 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2013/14, employers' contributions of £14,638,000 were payable to the PCSPS (2012/13 £14,130,000) at one of four rates in the range of 16.7 to 24.3 per cent (2012/13 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 either a partnership pension account or a stakeholder pension with an employer contribution.

Employers' contributions of £162,000 (2012/13 £197,000) 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 (2012/13 3 to 12.5 per cent) of pensionable pay.

Employers also match employee contributions up to 3 per cent of pensionable pay.

In addition, employers contributions of £11,000 representing 0.8 per cent; (2012/13 £13,500 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 as at 31 March 2014 were £17,300.

Contributions prepaid for both 2013/14 and 2012/13 were nil.

Six members of staff (2012/13 6 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 2013/14 or 2012/13.

An actuarial valuation of the PCSPS is currently underway, with an effective date of 31 March 2012. This valuation is being conducted in line with Directions made by HM Treasury, made under the Public Services Pensions Act 2013. Provisional results of the valuation indicate that there will be an increase of 2.2 percentage points in the average employer contribution rate paid to the scheme from 1 April 2015, with the average employer contribution rising from 18.9 per cent to 21.1 per cent. The full results of the valuation, which will also set an employer cost cap for the scheme, will be published in the coming months.

3.4 Reporting of Civil Service and Other Compensation Schemes/Exit Packages for the period ending 31 March 2014

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	
	2013/14	2012/13	2013/14	2012/13	2013/14	2012/13
<£10,000	0	5	0	10	0	77
£10,000 – £25,000	0	0	17	6	298	106
£25,000 – £50,000	0	0	20	0	800	0
£50,000 – £100,000	0	1	14	2	860	237
£100,000 – £150,000	0	0	1	0	137	0
£150,000 – £200,000	0	0	0	0	0	0
<£200,000	0	0	0	0	0	0
Total number of exit packages by type (total cost)	0	6	52	18	2,095	420

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

for the period ending 31 March 2014

	2013/14	2012/13
	£'000	£'000
<i>Rentals under Operating leases</i>		
Other operating leases	3,999	3,294
Hire of plant and machinery	38	48
	4,037	3,342
<i>Non-cash items</i>		
Depreciation	11,779	15,243
Impairment of fixed assets	1,013	5,298
Loss on disposal of equipment	192	0
Unwinding and rewinding of discount on provisions	(59)	1,582
Write off aged debtor and credit notes	43	0
Eurostat income write off	0	159
External audit fee ¹	82	79
Net release of provisions	(1,572)	(513)
	11,478	21,849
Information technology	26,630	24,349
Accommodation	14,240	15,724
Payments for carrying out surveys	9,391	8,655
Other expenditure ³	5,643	4,056
Travel and subsistence	5,441	5,493
External training	1,688	1,368
Telecommunications	1,247	1,450
Postage	817	796
Miscellaneous fees	765	670
Consultancy	681	773
Stationery	479	568
Hospitality	199	136
Eurostat ²	127	0
Ex-gratia payments	46	39
Exchange rate (gains)/losses	(13)	89
Census Services	(398)	1,034
	82,498	90,390

Note

¹ There were no non-audit fees incurred in either 2013/14 or 2012/13

² 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.

³ Included in other expenditure is £748,000 owed to HM Revenue and Customs in respect of survey costs incurred in 2012/13.

5. INCOME

for the period ending 31 March 2014

	2013/14	2012/13
	£'000	£'000
Operational income	8,347	6,918
Statistical services	17,792	16,890
EU Income	799	1,153
	26,938	24,961

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

	2013/14			2012/13		
	External	Public Sector	Total	External	Public Sector	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Operational income	509	7,838	8,347	307	6,611	6,918
Statistical services	508	17,284	17,792	1,057	15,833	16,890
EU Income	799	0	799	1,153	0	1,153
	1,816	25,122	26,938	2,517	22,444	24,961

6. PROPERTY, PLANT AND EQUIPMENT

for the period ending 31 March 2014

	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 2012	9,882	22,141	22,758	2,776	10,677	1,592	69,826
Additions	0	0	2,934	1,415	10	1,513	5,872
Transfers from assets under construction	0	2,474	0	0	0	(2,474)	0
Disposals	0	0	(276)	0	0	0	(276)
March 2012 accrual adjustment	0	0	(100)	0	0	0	(100)
Impairment	0	(632)	0	0	0	0	(632)
Revaluations	0	(655)	2,129	24	155	0	1,653
Transfer from Intangibles	0	0	9	0	0	0	9
Transfer out of group	0	0	(27)	0	0	0	(27)
At 31 March 2013	9,882	23,328	27,427	4,215	10,842	631	76,325
Depreciation							
At April 2012	0	688	16,063	2,636	7,423	0	26,810
Charged in year	0	1,457	4,378	323	972	0	7,130
Disposals	0	0	(276)	0	0	0	(276)
Impairment	0	(706)	0	0	0	0	(706)
Revaluations	0	(567)	1,298	6	105	0	842
Transfer out of group	0	0	(3)	0	0	0	(3)
At 31 March 2013	0	872	21,460	2,965	8,500	0	33,797
Cost or valuation							
At April 2013	9,882	23,328	27,427	4,215	10,842	631	76,325
Additions	0	0	2,033	291	56	1,670	4,050
Transfers from assets under construction	0	1,659	0	0	0	(1,659)	0
Disposals	0	(155)	(403)	(55)	(2,974)	0	(3,587)
March 2013 accrual adjustment	0	(0)	(18)	0	0	(43)	(61)
Impairment	0	(1,149)	0	0	0	(236)	(1,385)
Revaluations	0	(200)	(398)	6	(2)	0	(594)
At 31 March 2014	9,882	23,483	28,641	4,457	7,922	363	74,748
Depreciation							
At April 2013	0	872	21,460	2,965	8,500	0	33,797
Charged in year	0	1,561	2,663	398	846	0	5,468
Disposals	0	(40)	(333)	(43)	(2,975)	0	(3,391)
Impairment	0	(577)	0	0	0	0	(577)
Revaluations	0	(617)	(204)	2	(1)	0	(820)
Transfer out of group	0	0	0	0	0	0	0
At 31 March 2014	0	1,199	23,586	3,322	6,370	0	34,477
Net book value at 31 March 2013	9,882	22,456	5,967	1,250	2,342	631	42,528
Net book value at 31 March 2014	9,882	22,284	5,055	1,135	1,552	363	40,271
Asset financing:							
Owned	9,882	22,284	5,055	1,135	1,552	363	40,271
Net book value at 31 March 2014	9,882	22,284	5,055	1,135	1,552	363	40,271

Note

Included in the £4,050,000 of additions are £979,000 of capital creditors. The total amount of capital creditors brought forward from 2012/13 is £1,448,000.

The properties at Titchfield, Christchurch and Newport were professionally valued as at 31 December 2013 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 2014

In-house developed software applications

	NeSS Projects	CORD (Odyssey) Projects	I-Dissemination Project	CASPA (The Social Survey Repository)	Web Development Project	CPI/RPI	Social Survey Data Collection Transformation	European System of Accounts	Electronic Data Collection	Software Licences	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valuation											
At April 2012	15,954	23,751	5,027	3,004	5,719	0	0	0	0	15,811	69,266
Additions	0	0	0	0	0	0	0	0	0	2,255	2,255
Transfers from assets under construction	0	679	0	0	0	5,412	1,445	0	0	0	7,536
Transfer between projects	0	(11,243)	0	11,243	0	0	0	0	0	0	0
Transfer into group	0	0	0	0	0	0	0	0	0	27	27
Transfer out of group	0	0	0	0	0	0	0	0	0	(51)	(51)
March 2012 accrual adjustment	0	0	0	0	0	0	0	0	0	(47)	(47)
Impairment	(2,739)	(6,066)	(2,457)	0	0	0	0	0	0	0	(11,262)
Revaluations	104	50	17	136	54	70	0	0	0	0	431
At 31 March 2013	13,319	7,171	2,587	14,383	5,773	5,482	1,445	0	0	17,995	68,155
Amortisation											
At April 2012	11,343	15,039	1,820	391	476	0	0	0	0	10,141	39,210
Charged in year	1,382	1,541	534	1,626	625	152	80	0	0	2,173	8,113
Transfer between projects	0	(7,132)	0	7,132	0	0	0	0	0	0	0
Transfer into group	0	0	0	0	0	0	0	0	0	3	3
Impairment	(1,630)	(4,551)	(1,138)	0	0	0	0	0	0	0	(7,319)
Revaluations	89	31	8	88	10	0	0	0	0	0	226
At 31 March 2013	11,184	4,928	1,224	9,237	1,111	152	80	0	0	12,317	40,233
Valuation											
At April 2013	13,319	7,171	2,587	14,383	5,773	5,482	1,445	0	0	17,995	68,155
Additions	0	0	0	0	0	0	0	0	0	1,660	1,660
Transfers from assets under construction	0	416	0	0	9,627	0	0	1,607	2,145	0	13,795
Transfer between projects	0	0	(2,587)	1,445	2,587	0	(1,445)	0	0	0	0
March 2013 accrual adjustment	0	0	0	0	0	0	0	0	0	(423)	(423)
Impairment	0	0	0	0	(182)	0	0	0	0	0	(182)
Revaluations	(80)	(47)	0	(105)	(23)	(36)	0	0	7	0	(284)
At 31 March 2014	13,239	7,540	0	15,723	17,782	5,446	0	1,607	2,152	19,232	82,721
Amortisation											
At April 2013	11,184	4,928	1,224	9,237	1,111	152	80	0	0	12,317	40,233
Charged in year	237	264	0	733	2,010	532	0	80	59	2,396	6,311
Transfer between projects	0	0	(1,224)	80	1,224	0	(80)	0	0	0	0
Impairment	0	0	0	0	(96)	0	0	0	0	0	(96)
Revaluations	(64)	(31)	0	(58)	(7)	(2)	0	0	0	0	(162)
At 31 March 2014	11,357	5,161	0	9,992	4,242	682	0	80	59	14,713	46,286
Net book value of in-house software 31 March 2012	4,611	8,712	3,207	2,613	5,243	0	0	0	0	5,670	30,056
Net book value of in-house software 31 March 2013	2,135	2,243	1,363	5,146	4,662	5,330	1,365	0	0	5,678	27,922
Net book value of in-house software 31 March 2014	1,882	2,379	0	5,731	13,540	4,764	0	1,527	2,093	4,519	36,435
Remaining useful economic life	8	8	0	8	8	14	0	9	9		

Notes

The net book value of in-house developed software would be £28,200,000 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 £1,660,000 software licences additions is £205,000 of capital creditors and the amount brought forward from 2012/13 is £1,195,000.

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).

The Web Data Access Project 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 new website. As well as a new website, the programme will also provide an Application Programme Interface through which other parties will be able to directly access ONS statistics for use in their own systems. The Authority has undertaken a review of the website, which has resulted in a number of work-streams being re-evaluated and allocated a remaining useful economic life of 3 years post 31 March 2014. The useful economic life of the remaining work streams is unchanged.

For information about CPI/RPI, Social Survey Data Collection, European System of Accounts and Electronic Data Collection see note 7.1.

7.1 Assets Under Construction

	Longitudinal Study Redevelopment	Web Data Access Project	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 Event	CORA Platform	Census Data Output	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At April 2012	0	693	4,823	449	584	4,340	0	0	0	0	0	10,889
In year expenditure	0	0	879	257	1,295	5,851	743	797	1,465	0	0	11,287
Prior Year Transfer to resource	0	0	0	0	0	0	0	0	0	0	(1,451)	(1,451)
Transfers to intangibles	0	0	(5,412)	(679)	(1,445)	0	0	0	0	0	0	(7,536)
Transfer between projects	0	(693)	0	0	0	(758)	0	0	0	0	1,451	0
Transfer from Intangibles	0	0	0	0	0	42	0	0	0	0	0	42
At 31 March 2013	0	0	290	27	434	9,475	743	797	1,465	0	0	13,231
At April 2013	0	0	290	27	434	9,475	743	797	1,465	0	0	13,231
In year expenditure	198	0	1,309	485	329	2,449	1,812	462	2,186	350	0	9,580
Impairment	0	0	0	0	0	0	(209)	0	0	0	0	(209)
Transfers to fixed assets	0	0	0	(416)	0	(9,627)	(2,145)	(1,257)	0	(350)	0	(13,795)
Transfer between projects	0	0	0	0	0	0	0	0	0	0	0	0
Transfer from Intangibles	0	0	0	0	0	0	0	0	0	0	0	0
At 31 March 2014	198	0	1,599	96	763	2,297	201	2	3,651	0	0	8,807

	2013/14 Total	2012/13 Total
	£'000	£'000
Net book value of assets under construction at	8,807	13,231

Notes

Included in the additions of £9,580,000 is £107,000 of capital creditors. The amount of capital creditors brought forward from 2012/13 is £1,613,000.

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.

Web Data Access (WDA) has enabled the 2011 Census results to be disseminated in a way that maximises use in line with government policy and transparency, meeting the requirements of EU legislation.

The CPI/RPI Re-engineering Project delivers a new generation of price index systems to produce CPI and RPI statistical outputs, which will improve the efficiency, quality and flexibility of the systems used to produce economic statistics that are central to Government policy-making. The new application, Pretium, will deliver 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 currently being 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.

The Social Survey Data Collection Transformation project (SSDCT) aims to modernise and replace Labour Force Survey (LFS) data collection systems. The first phase of the project successfully delivered a new system in November 2012, which schedules LFS cases for telephone interview. The second phase is due to be completed in the latter part of 2014 and will modernise the systems that support collection of interview data, as well as access and reporting.

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.

The European System of Accounts 2010 (ESA 10) is a project that will enable the Authority to ensure that key statistical outputs, such as National Accounts, comply with revised international standards enforced by the EU.

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.

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.

Non-current assets	2013/14 Total	2012/13 Total
	£'000	£'000
In-house developed software and software licenses	36,435	27,922
Assets under construction	8,807	13,231
Intangible assets	45,242	41,153

8. IMPAIRMENTS FOR THE PERIOD ENDING 31 MARCH 2014

8.1 Intangible Assets and Assets Under Construction

Note		EDC Platform Andromeda	Web Development Project	Total
		£'000	£'000	£'000
7	Component value as at 31 March 2014	0	182	182
7	Depreciation relating to the component	0	(96)	(96)
	Reserves related to the component	0	0	0
7.1	Assets under construction prior year reclassified as resource	209	0	209
4	Total cost of impairment 2013/14	209	86	295

8.2 Property Plant and Equipment

Note		Computer Block Newport	Newport Building Revaluation	Total
		£'000	£'000	£'000
6	Component value as at 31 March 2014	155	726	881
6	Depreciation relating to the component	(40)	(9)	(49)
	Reserves related to the component	0	0	0
6	Assets under construction prior year reclassified as resource	0	0	0
4	Total cost of impairment 2013/14	115	717	832

Note

Electronic Data Collection Programme (EDC) and the Platform Project has responsibility for delivering the technical solution(s) for the programme. The initial development cost of £209,000 incurred during 2012/13 did not contribute to the technical development of the Andromeda element of the EDC Programme and has been re-classified as resource.

The Computer Block at the Newport site was no longer in use and was demolished during 2013/14.

Following a market valuation undertaken by DVS the Newport buildings have been impaired.

A component of the Web Development Project was rendered obsolete and therefore impaired.

9. FINANCIAL INSTRUMENTS

for the period ending 31 March 2014

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.

The Authority revalues outstanding Euro transactions at year end.

Currency risk

	2013/14 Non-interest bearing financial assets £'000	2013/14 Non-interest bearing financial liabilities £'000	2012/13 Non-interest bearing financial assets £'000	2012/13 Non-interest bearing financial liabilities £'000
Gross financial assets/liabilities – Euro	1,469	(363)	707	(397)

10. TRADE RECEIVABLES AND OTHER ASSETS

for the period ending 31 March 2014

	2013/14	2012/13
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	3,101	2,758
Deposit and advances	23	35
Other receivables	0	210
Prepayments and accrued income	4,661	5,189
	<u>7,785</u>	<u>8,192</u>
Amounts falling after more than one year:		
Deposits and advances	84	99
	<u>7,869</u>	<u>8,291</u>

10.1 Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013/14	2012/13	2013/14	2012/13
	£'000	£'000	£'000	£'000
Balances with other central government bodies	2,966	2,147	0	0
Balances with local authorities	80	974	0	0
Balances with NHS Trusts	344	0	0	0
Subtotal: intra-government balances	<u>3,390</u>	<u>3,121</u>	<u>0</u>	<u>0</u>
Balances with bodies external to government	3,908	4,405	0	0
Balances with staff	487	666	84	99
Total debtors at 31 March	<u>7,785</u>	<u>8,192</u>	<u>84</u>	<u>99</u>

10.2 Total Trade Receivables Outstanding

	2013/14	2012/13
	£'000	£'000
1-30 days	2,480	2,595
31-60 days	562	29
61-90 days	2	1
91-180 days	6	52
	<u>3,050</u>	<u>2,677</u>
greater than 181 days	51	81
	<u>3,101</u>	<u>2,758</u>

Statement of Financial Position

	2013/14	2012/13
	£'000	£'000
Deposits and advances falling due after more than one year	84	99
Trade and other receivables	3,101	2,758
Other current assets	4,684	5,434
	<u>7,869</u>	<u>8,291</u>

Note

2013/14 figures reflect a net yearly movement of £112,000 of pre-paid holiday and flexi pay.

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

11. CASH AND CASH EQUIVALENTS

for the period ending 31 March 2014

	2013/14	2012/13
	£'000	£'000
Balance at 1 April	3,607	5,348
Net change in cash and cash equivalent balances	(2,778)	(1,741)
Balance at 31 March	829	3,607

The following balances at 31 March were held at:

Government Banking Service accounts	690	3,540
Commercial banks and cash in hand	138	66
Cash equivalents	1	1
Balance at 31 March	829	3,607

12. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

for the period ending 31 March 2014

	2013/14	2012/13
	£'000	£'000
Amounts falling due within one year:		
Other taxation and social security	3,730	2,024
Trade payables	5,452	3,786
Other payables	575	95
Accruals and deferred income	19,566	22,548
Amounts issued from Consolidated Fund for supply but not spent at year end	829	3,607
	<u>30,152</u>	<u>32,060</u>

Note

2013/14 figures reflect a net yearly movement of £130,000 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.

Included within other payables is EU Funding of £408,000 which is held by the Authority, as the grant administrator, which will be disbursed within the European Union.

12.1 INTRA-GOVERNMENT BALANCES

	Amounts falling due within one year	
	2013/14	2012/13
	£'000	£'000
Balances with other central government bodies	7,230	7,944
Balances with local authorities	3	81
Balances with Eurostat	500	373
	<u>7,733</u>	<u>8,398</u>
Balances with bodies external to government	16,023	18,695
Balances with staff (holiday pay and performance related pay)	6,396	4,967
Total creditors at 31 March	<u>30,152</u>	<u>32,060</u>

13. PROVISIONS FOR LIABILITIES AND CHARGES

for the period ending 31 March 2014

	Early Departure Costs	Onerous Contracts	Drummond Gate Dilapidations	Eurostat	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2012	6,123	3,840	6,330	0	16,293
Provided in year	167	278	0	338	783
Provisions not required written back	(27)	(591)	(678)	0	(1,296)
Provisions utilised in the year	(2,013)	(1,824)	0	0	(3,837)
Unwinding of discount	300	91	753	0	1,144
Rewinding of discount	(157)	45	550	0	438
Balance at 31 March 2013	4,393	1,839	6,955	338	13,525
Balance at 1 April 2013	4,393	1,839	6,955	338	13,525
Provided in year	79	0	0	0	79
Provisions not required written back	0	(1,590)	0	(60)	(1,650)
Provisions utilised in the year	(1,449)	(225)	0	(278)	(1,952)
Unwinding of discount	162	(53)	(487)	0	(378)
Rewinding of discount	(72)	29	362	0	319
Balance at 31 March 2014	3,113	0	6,830	0	9,943

Statement of Financial Position

	2013/14	2012/13
	£'000	£'000
Current early retirement provision 2014/15	1,228	1,449
Early retirement provision due after more than one year	1,885	2,944
Other provisions	6,830	9,132
Balance at 31 March 2014	9,943	13,525

Analysis of expected timing of discounted flows

	Early Departure Costs	Drummond Gate Dilapidations	Total
	£'000	£'000	£'000
In the remainder of the Spending Review period to 2016	2,047	0	2,047
Between 2017 and 2019	924	6,830	7,754
Between 2020 and 2025	142	0	142
Balance at 31 March 2014	3,113	6,830	9,943

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 H.M.Treasury pensions discount rate of 1.80 per cent.

Onerous Contracts

Drummond Gate has been actively marketed and the building is currently fully occupied.

Drummond Gate Dilapidations

The Lease expires in January 2018. It is anticipated that this will not be renewed.

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 H.M. Treasury discount rate of -1.90 per cent.

Eurostat Costs

The Authority was in discussion with Eurostat regarding a small number of funding arrangements and worked closely with Eurostat representatives to resolve this matter.

An agreement was reached and £278,000 was repaid.

14. CAPITAL COMMITMENTS

for the period ending 31 March 2014

	2013/14	2012/13
	£'000	£'000
Contracted building refurbishments commitments	0	0
Contracted IT commitments	0	418
Total commitments as at 31 March not otherwise included in these financial statements	0	418

15. COMMITMENTS UNDER LEASES

for the period ending 31 March 2014

Operating Leases

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

	2013/14	2012/13
	£'000	£'000
Buildings:		
Not later than one year	4,359	4,418
Later than one year and not later than five years	11,186	15,261
	<u>15,545</u>	<u>19,679</u>
Other:		
Not later than one year	39	71
Later than one year and not later than five years	3	11
	<u>42</u>	<u>82</u>

The cost of Building Leases include sub-letting commitments for Drummond Gate and the following income streams are anticipated:

	2013/14
	£'000
Not later than one year	6,740
Later than one year and not later than five years	20,360
	<u>27,100</u>

16. OTHER FINANCIAL COMMITMENTS

for the period ending 31 March 2014

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

	2013/14	2012/13
	£'000	£'000
Not later than one year	23,908	18,836
Later than one year and not later than five years	5,013	13,222
	<u>28,921</u>	<u>32,058</u>

17. CONTINGENT LIABILITIES

for the period ending 31 March 2014

None.

18. SPECIAL PAYMENTS AND LOSSES

for the period ending 31 March 2014

	2013/14	2012/13
	£'000	£'000
Ex-gratia claims	3	4
Special payments	43	35
	<u>46</u>	<u>39</u>

The Authority has paid £46,000 of ex-gratia and special payments to employees in keeping with the Civil Service Management code during 2013/14. All cases were below the individual disclosure threshold of £250,000.

	2013/14	2012/13
Number of Claims/Losses		
Ex-gratia claims	25	40
Special Payments	2	3
	<u>27</u>	<u>43</u>

18.1 OTHER PAYMENTS

The Authority had delegated authority to grant a customised wheelchair to an individual who was medically retired. This has been classified as a disposal within the category of office machinery, see note 6.

During 2012/13 the Authority obtained approval from HM Treasury to create a provision to repay pre-financing resulting from a Eurostat grant income review which took place during 2012. These obligations were fulfilled during 2013/14, see note 13.

During 2011/12 the Authority recognised a liability to repay pre-financing of €171,606; this liability was extinguished during 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.

19. RELATED PARTY TRANSACTIONS

for the period ending 31 March 2014

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

- Department for Work and Pensions – aggregate value £(6,535,842)
- Metropolitan Police £4,041,239
- Department for Business, Innovation, and Skills – aggregate value £(1,956,396)
- Department of Health – aggregate value £(1,315,506)
- National Savings and Investments £1,460,688
- Scottish Government – aggregate value £1,008,601
- UK Intellectual Property Office – aggregated value £(1,371,427)
- Welsh Government – aggregated value £(1,261,315)

No Board Member, key Manager, or other related parties have undertaken any material transactions with the Authority during the financial year 2013/14.

20. EVENTS ARISING AFTER THE REPORTING DATE

None

21. DATE OF AUTHORISATION OF THE ACCOUNTS

The Accounts were authorised to be issued on 8 July 2014

ISBN 978-1-4741-0585-9



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