



UK Statistics
Authority

UK Statistics Authority

ANNUAL REPORT AND ACCOUNTS 2015/16



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This is part of a series of departmental publications which, along with the Main Estimates 2015/16 and the document *Public Expenditure: Statistical Analyses 2013*, present the Government's outturn for 2015/16 and planned expenditure for 2016/17.



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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.



UK Statistics
Authority

Chapter 1

Chair's Foreword and Chief Executive's Report



Sir Andrew Dilnot CBE

CHAIR'S FOREWORD

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

It has been over a year since the UK Statistics Authority published its five year strategy for the UK statistical system entitled Better Statistics, Better Decisions. In my foreword to our strategy I wrote that I want to see official statistics, analysis and advice enabling and informing sound decisions. This report sets out how, one year on, we are seeking to deliver the best available data, evidence and statistical analysis.

The UK Statistics Authority continues to work towards the delivery of a modern legal framework which will allow us to deliver better statistics and insight to enable better decisions. In March 2016 the Cabinet Office launched a public consultation on the Better Use of Data in Government which includes proposals for the use of data to support better official statistics, and statistical research. We published alongside this our support for the important changes which would give professional statisticians access to the sources of data needed to produce the statistics that our users expect, to make better, well-informed and timely

decisions. We will continue to work with the government to develop these proposals.

In April 2015, the UK Statistics Authority Board oversaw the creation of a new organisational structure welcoming two new Deputy National Statisticians to support the National Statistician, John Pullinger. The Deputy National Statistician for Economic Statistics, Jonathan Athow and the Deputy National Statistician for Data Capability, Heather Savory enable us to focus on these specific priority areas for the organisation. These appointments were an important step towards becoming a more helpful and capable statistical service.

In March 2016 we welcomed Professor Sir Charles Bean's recommendations set out in his review of economic statistics. The report set out a compelling vision for economic statistics which alongside our strategy will help to deliver high quality economic statistics. In an increasingly fast-paced, digital economy the Authority continues to seek to improve the timeliness and accuracy of official statistics. Plans for the creation of a new Data Campus and an Economic Statistics Centre of Excellence will strengthen our capability to provide insight into the economy and extend our engagement with key users of our economic, demographic and social statistics.

Promoting and safeguarding the production and publication of official statistics that serve the public good is set out in statute as the UK Statistics Authority's purpose. Communicating with our users is paramount to this and the launch of the new ONS website in February 2016 was a landmark moment in transforming and improving the user experience of our statistics. Initial feedback on the website has been encouraging. The site was created using open source technology, and we will continue to develop it in coming years.

The Authority's regulatory function continues to assess the quality of official statistics, most prominently through the designation and de-designation of National Statistics, endorsing those statistics representing the highest levels of trustworthiness, quality and value. We have removed the National Statistics badge from releases in the last year and look forward to working with the relevant officials as they work to regain the National Statistics designation. These are exciting times for the Authority's regulatory function. The Bean review recommended that we continue our work to assess statistics with a stronger focus on their quality and value, as well as adopting a more systemic perspective, evaluating the extent to which sets of statistics meet the needs of users in key areas of public interest. The review also recommended that we should work to create a more clearly separate identity for the regulatory function. We look forward to implementing these recommendations in 2016/17.

The Authority continues to advocate the highest standards of integrity in the production and use of official statistics. We regularly speak out publicly against the misuse of statistics to ensure that

decision makers have access to the best data. Inequality of access to statistics remains an ongoing source of concern with a number of breaches of pre-release access occurring during the year.

The Authority values its relationship and independent reporting to Parliament and we continue to engage actively with devolved bodies in Scotland, Wales and Northern Ireland. We are building an engaging and productive relationship with the newly formed Public Administration and Constitutional Affairs Select Committee.

I would like to thank my fellow non-executive and executive members of the Authority Board who continue to be outstanding ambassadors and leaders in promoting and achieving the ambitions of the Authority. In September 2015 Carolyn Fairbairn stepped down from the Authority Board. I would like to thank Carolyn for her valuable insight and contribution to the work of the Board. I would also like to welcome to the Board the economist Professor Jonathan Haskel who was appointed in February 2016.

On 23 June the UK voted to leave the European Union. We will be addressing the implications in detail during 2016/17.



Sir Andrew Dilnot CBE
Chair, UK Statistics Authority
27 June 2016



John Pullinger

CHIEF EXECUTIVE STATEMENT

2015 set the scene for radical transformation of UK official statistics. The use and management of data is becoming ever more important in a modern economy and there is an increasing demand for statisticians to mobilise data in new ways to help Britain make better decisions. Data is driving competitiveness, improving public services and enhancing the lives of citizens.

As set out in our strategy, and reinforced in Professor Sir Charles Bean's review of economic statistics, we need to work hard to keep up with a radically changing economy and society. Data is transforming our everyday lives, increasing efficiency and creating new opportunities for change. We are well positioned to take advantage of all available data, and provide the information that our users need.

We have made some good progress this year in addressing various technological challenges within ONS, notably through a new website with greatly improved usability. Improving the ONS website has always been a priority for me as National Statistician. We spoke to more than 600 individuals and 80 organisations to make

sure that the new website would meet their expectations.

We need to apply that focus on user need to everything we do – we need to be helpful. We must work with colleagues to deliver the Government Data Programme. We must engage with our users, inside and outside of government so that the services we work hard to provide help them make better informed decisions.

To be helpful we must be professional. We have to understand the data collected from citizens and businesses. When we receive this data, we are trusted to keep it safe and make sure it is used for the public good. When we publish our statistics we want users to trust us to publish a fair view with a transparent methodology, making it clear what the data shows as well as its limitations.

We need to be innovative and curious about how we approach the work we do. We must be more inwardly critical and change fast enough to take advantage of the rapidly increasing range of data sources.

The Spending Review last year recognised that Public Finances are highly constrained. It is right that we play our part by driving efficiency and demonstrating that the value we deliver to businesses, citizens and government

through our services is substantially greater than the costs of providing them.

The transformation in our capability is key to delivering on these promises. Statisticians are using modern tools and techniques to draw insights from data which were not possible just a few years ago. The cultural shift is as difficult, if not more-so, than the equivalent shift in digital technologies; to make the most of these tools we must be more collaborative, more open and more flexible in how we work. In 2015/16 it was especially pleasing that statisticians have played a significant role in supporting the Government's Implementation Task Forces and that ONS continues to feature in the Stonewall list of the top 100 employers.

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

In the area of economic statistics, our capability has been independently reviewed by Professor Sir Charles Bean. The review makes many recommendations which are welcome, and chime with our strategy. The challenge is now to deliver on these recommendations, and provide the reliable economic statistics which are needed by our users. Jonathan Athow's leadership, with his team, has been key in helping drive forward change in the production and dissemination of economic statistics since he joined last year.

Glen Watson, with colleagues throughout the Government Statistical Service (GSS), has been leading efforts across the national and international statistical systems to ensure statisticians understand the needs of decision makers, both inside and outside of government. Ensuring that the work we do is impactful, meaningful

and helpful to our users is vital for the success of ONS.

The targeted 75 per cent of respondents to complete the census online in 2021, supplemented by further use of administrative and survey data, is an ambitious one. We are determined to transform the way we run our social and business surveys across the entire organisation, and improve the experience for people responding to our surveys, and the field force who are collecting them.

In data capability, Heather Savory has led a team that is radically changing the technology supporting our everyday work. We have also taken forward a new pay and reward package for those working in ONS, and created a Learning Academy which will ensure that colleagues across the organisation have the skills they need.

2015 is the year when the data revolution got serious. 2016 has the potential for us to show the world how much better Britain can be as a result.



John Pullinger CB CStat
National Statistician
UK Statistics Authority
27 June 2016





UK Statistics
Authority

Chapter 2

Performance Report

PURPOSES AND ACTIVITY

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, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.

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

STATUTORY OBJECTIVE

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

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

Official statistics are for the benefit of society and the economy as a whole; not only in government policy-making and the evaluation of government performance, but also informing the direction of economic and commercial activities. Statistics provide valuable data and evidence 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 wants to see official statistics enabling sound policy decisions, and providing a firm evidence base for decision-making both inside and outside of government.

BETTER STATISTICS, BETTER DECISIONS

On 29 October 2014 the Authority published its strategy for the UK official statistics system for the five years 2015 to 2020. The strategy can be found in full on the Authority's website: www.statisticsauthority.gov.uk

The collective mission of our official statistics system is:

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

FUNCTIONS

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

The Government Statistical Service (GSS)

The GSS is a cross-government network, spread across a range of public bodies, including components of the devolved administrations and UK government departments. Led by the National Statistician, it includes statisticians, researchers, economists, analysts, operational delivery staff, IT specialists and other supporting roles. The GSS community works together to provide the statistical evidence base required by decision-makers, publishing around 2,000 sets of statistics each year, and providing professional advice and analysis. ONS has an important role at the heart of the GSS, providing guidance, support, standards and training.

The Office for National Statistics (ONS)

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

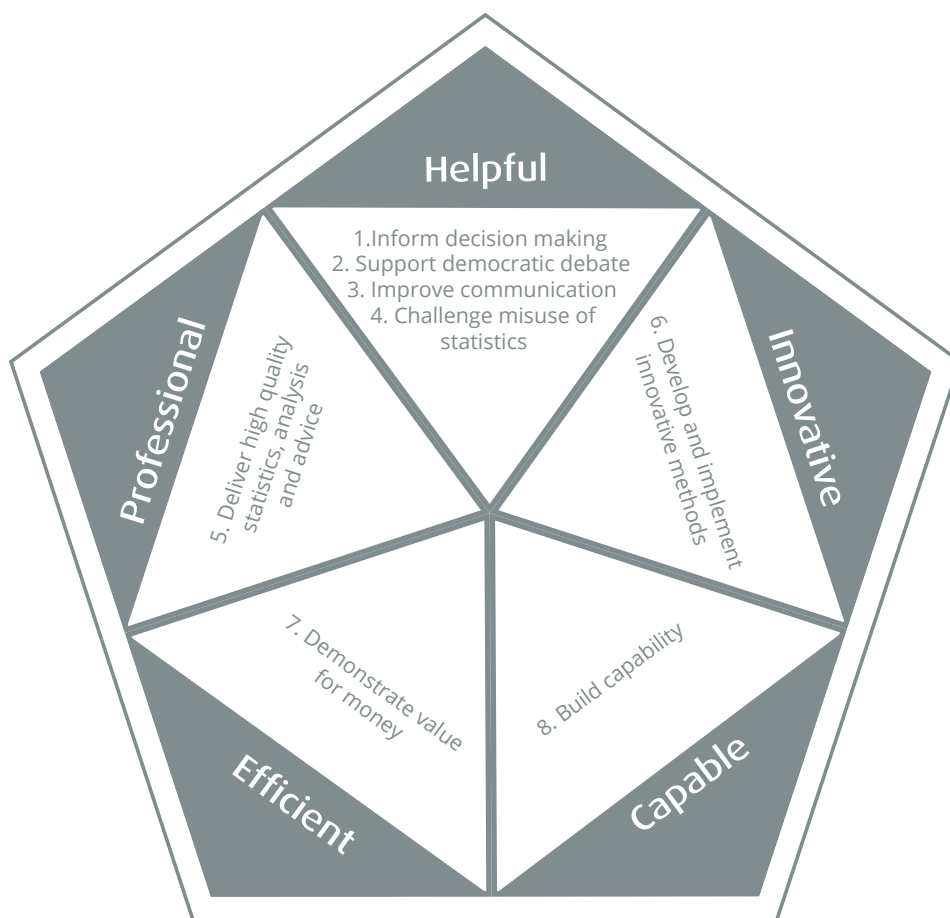
Independent regulation

The Authority's independent regulatory function, based in offices in England, Scotland and Wales, ensures that statistics are produced and disseminated in the public interest. It acts as guardian of the integrity of the statistical system, watchdog against abuse, and advocate of the highest standards. It does so by assessing official statistics for compliance with the Code of Practice for Official Statistics, monitoring and reporting publicly on statistical issues, and challenging the misuse of statistics. The legislation requires strict separation of the functions of production and regulation, where those involved in the production of statistics are not involved in the assessment of statistics against the Code. The Director General for Regulation, reporting directly to the Chair of the Authority:

- draws attention to claims that are not supported by the statistics; and
- recommends whether the National Statistics quality mark can be awarded to statistics.

STRATEGIC OBJECTIVES

To achieve its mission, over five years the Authority will focus on five perspectives: a **helpful, professional, innovative, efficient** and **capable** statistical service will, we believe, serve the public good and help our nation make better decisions. These perspectives describe the way the Authority will work with others to provide a quality service, be innovative, deliver in a cost effective way and ensure the capability of the statistical community is optimised. Building stronger relationships will enable the Authority to be more helpful and intuitive in responding to the needs of stakeholders. To explain how we intend to deliver within each perspective, we have identified eight strategic objectives. These are depicted in the model below.



PURPOSE OF THIS REPORT

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

PERFORMANCE SUMMARY

This section of the Annual Report includes descriptions of each of the Authority's five strategic perspectives alongside Key Performance Indicators, a summary of the work that has been undertaken during 2015/16, challenges faced, and the key risks and issues in these areas.

Work to deliver the strategy spans the breadth of the GSS and it would not be possible to capture all activity in one short report. We have chosen to focus on the most significant areas. The work of the ONS utilises the majority of the Authority's direct resources hence the focus of this report is largely on ONS.

The Authority publishes a medium term business plan which is revised and updated on an annual basis. The business plan sets the performance metrics and key outcomes and activities.

The business plan published in 2015 represented a transitional stage for the Authority; it showed the beginning of a transformation journey towards delivery of the 'Better Statistics, Better Decisions' strategy. Following the completion of the 2015 Spending Review and Sir Charles Bean's review of Economic Statistics the Authority has made plans for a radical transformation for the next four years, published in the Business Plan for 2016 to 2020.

To measure performance throughout the year, a monthly performance report is produced for the UK Statistics Authority Board and National Statistics Executive Group. This provides information on progress towards meeting the business plan, including performance metrics, activities, management information and risks.

The Authority's independent regulatory function is independent from the production of official statistics, with autonomy over all regulatory decisions, separate governance through the regulation committee of the board, and separate determination of resourcing and business planning. Information about the performance of the regulatory function is at the end of this section (see p23).

HELPING IMPROVE DECISION MAKING

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

The Authority is committed to providing this assurance, supporting the formulation of effective government policies and the management of public service delivery and informing the direction of economic and commercial activities.

Key Performance Indicators

KPI1. Feedback from key customers.

Target: Qualitative data. 2015/16

Performance: Customer feedback is gathered constantly and reported throughout the year.

KPI2. Proportion of customers satisfied with ONS performance. Target: Increase from 92%. 2015/16 result: 90%.

KPI3. Public Confidence in Official Statistics. Target: Year on year increase from 81% (2014). Result: No data for this year. This will be measured next in autumn 2016.

KPI4. Impact of ONS Statistics, analysis and advice (index measure based on customer satisfaction and the quality of media coverage). Target: To be greater than 100. 2015/16 result: 112.

KPI5. ONS online end user satisfaction. Target: increase from 47%. 2015/16 result: 65%.

Economic Statistics

ONS produces many of the key economic statistics for the UK. These include the UK National Accounts, Price Indices, Labour Market statistics and Balance of Payments. Working closely with key stakeholders such as the Bank of England, HM Treasury and the Department for Business Innovation and Skills (BIS) ONS seeks to ensure economic statistics meet the needs of customers for informing debate and decision making.

This year has presented significant changes and major challenges. As well as continuing to produce key economic statistics it is vital their quality and relevance to the modern world is maintained so as they can be used to address major contemporary questions,

for example around productivity or the nature of the economy.

The Bean Review will influence the approach to these challenges, as is set out in our 2016 Business Plan.

This year research undertaken included how to provide: enhanced financial accounts; the 'flow of funds' within the economy; and development of the measurement and understanding of productivity. Further improving our capability in economic statistics will be a key priority for us in the years ahead.

Informing Debate and Decision Making

This year the UK statistical system as a whole worked to develop the role of official statistics in public debate. Examples of this work across the GSS include:

- staff from across the GSS provided statistical advice to the ten Implementation Task Forces established following the General Election;
- the scope of the Crime Survey for England and Wales was extended to include fraud and cybercrime;
- engagement with civil society and Non Government Organisations to help develop indicators to understand progress towards UN Sustainable Development Goals; and,
- implementation of new processes to monitor deaths involving Novel Psychoactive Substances, developed in collaboration with the UK Focal Point for Drug Misuse and a group of academics across Europe.

Improving Communication

The effective communication of official statistics is vital to ensuring they make the right impact and serve the public good.

A key part of the work to improve the communication of statistics has been the development of the ONS website as a publication portal for its official statistics. In the summer of 2015 ONS launched a public Beta version of its new website, allowing users to provide feedback which shaped the development of the site.

The Beta site was well received and user feedback allowed the ONS to develop the site which went live in February 2016. The new ONS website provides a modern platform for access to official statistics.

A range of improvements have been made to the way statistics and data from across the GSS are communicated and disseminated. For example, the GSS has continued to improve the way statistics are communicated through social media with a team of 'tweeting statisticians' giving insight into statistical releases. The Visual.ONS project has grown this year providing more accessible ways to interact with ONS data through analysis, info-graphics and interactive material. Work has continued to provide access to data which underpins official statistics, this year the Virtual Microdata Laboratory (VML) was revitalised in partnership with the Economic and Social Research Council (ESRC) and now provides increasing access to open data.

Risks for the Future

The world is increasingly awash with data and statistics from many different sources which increases the risk that decisions could be taken on an unsound evidence base. Official statistics must keep pace with customer needs and take advantage of new data sources and analytical capability to ensure decisions are based on the best information available.

We must ensure that statisticians across government and wider society have a 'seat at the table' when it comes to informing the policy debate. Statistics and analyses must reflect the key issues of the day and give insight into key areas such as jobs, the economy, healthcare, population growth and migration.

A PROFESSIONAL SERVICE

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

Key Performance Indicators

KPI6. Proportion of ONS statistical releases free from major errors. Target 99%. 2015/16 result: 99.7%.

KPI7. Major statistical series not designated 'National Statistics'. Target: 0. 2015/16 result: 5.

Statistical Quality

In order to ensure the quality of National Statistics is continually improved, a programme of National Statistics Quality Reviews (NSQRs) was instigated in 2013. This year reviews of Foreign Direct Investments (FDI) and the Living Costs and Food Survey (LCFS) were undertaken and made recommendations for improvements to the quality of these important outputs. In order for statistics to be trusted they must be consistently free from error. ONS met its KPI for statistics free from major errors this year.

The strength of the internal control framework meant a number of potential issues were addressed prior to publication, however, there were a small number of further issues that serve to highlight the importance of addressing legacy issues in ONS statistical production. National Statistics Institutes across the world will always encounter errors in production as statistical production is complex and open to the possibility of human error. ONS is committed to doing everything possible to improve the resilience of the systems and processes used in statistical production to ensure errors are minimised.

International Standards and Legislative Requirements

The publication of the National Accounts Blue Book and Balance of Payments Pink Book in October 2015 saw further improvements in order to comply with international standards, ensuring a better framework for analysing the UK economy and comparing it with other countries. The changes were outlined in a series of articles published to help users understand and interpret the new data.

Over the course of the year other compliance goals were achieved. The longitudinal dataset for the EU Survey of Income and Living Conditions (EU SILC) was delivered on time, the first time under the new arrangements, and in September Gross National Income (GNI) returns were improved in line with international standards. Throughout the year the ONS has continued to engage with the European Statistical System to represent the interests of the UK. We have played an active part in the Vision Implementation Group and Vision Implementation Network in order to shape the development of European official statistics.

Risks for the Future

The quality of UK official statistics and the security of the data on which it depends must be ensured. The most significant risks in this area are that trust is lost due to bias, errors or losses of data.

ONS must be an exemplar in data assurance, including security and in the quality of statistics. Any breach of confidentiality or major error in key outputs would damage public trust in the organisation.

Systems for statistical processing, production and dissemination and the capability of our staff will mitigate these risks.

It is also important to recognise challenges in maintaining response rates for social surveys, such as the Labour Force Survey. This is a continuing challenge.

INNOVATION

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

Key Performance Indicators

KPI8. Deliver significant progress in our digital transformation programmes. 2015/16 performance: Progress outlined below.

KPI9. Deliver significant progress towards modernising ONS systems. 2015/16 performance: Progress outlined below.

Online Data Collection

In mid 2015 ONS commissioned an internal review into progress with delivering an online data collection solution for its business and social surveys. Developing effective, efficient and secure tools for online data collection is a major priority and has the potential for significant benefits through improving the efficiency of statistical production and relieving burden on respondents. The review suggested a change in the scope of this development in order to ensure the solution was optimised for re-use across ONS and across Government, and to align with Government Digital Service principles. Since the introduction of these changes, progress has been made, with a successful pilot of online collection for the Monthly Wages and Salaries Survey. Building on this foundation the first live online business surveys are expected in 2016.

Use of administrative data

The production of official statistics in recent years has made some use of administrative data but not enough to reap significant benefits. This year ONS has pushed this agenda further. Work has been conducted to understand how the use of several administrative data sets could replace existing production methods or allow for the production of new outputs. Within ONS the use of VAT data has been piloted to consider the benefits that might be achieved in terms of efficiency savings and the potential for quality improvements in the turnover surveys and other statistics. ONS, HMRC and DWP have worked collaboratively to test the use of administrative data relating to income and benefits, considering how it may be used in future censuses or the production of the National Accounts.

As we move towards new methods of data collection it is important to ensure we consider ethical issues around big data, data sharing and the use of administrative data. This year the National Statistician established a Data Ethics Advisory Committee to provide oversight and guidance in these important areas.

2015 saw a significant effort across Government to consider how best to use Government data in the development of a definitive register of the UK business population, to replace separate registers currently held by ONS, BIS and HMRC. Departments have worked together during the Discovery Phase of this work and will continue to collaborate in the future.

Census Transformation

The decennial household and population Census of England and Wales provides the baseline for population statistics and a vital source of small area, multivariate statistics. It is used for policy, planning and the allocation of resources across the public, private and third sectors. The next UK population census will be in 2021; an exercise of this scale requires a significant effort and lead time. This year we began to put in place the systems needed for a predominately online 2021 census with increased use of administrative data. The Census topic consultation was launched in June 2015 to inform the scope of the 2021 census and received an excellent response, with topics of particular interest including sexual identity, ethnicity and volunteering. The first of annual research outputs to show progress in the range and quality of administrative data based alternatives to the Census were also produced.

Risks for the future

Delivering the necessary innovation in data collection, dissemination and statistical production will be challenging as resources reduce over time, but must be prioritised if official statistics are to remain relevant, change as the world changes, and be produced at a lower cost.

Use of administrative data and big data should form part of a modern data collection model. However, there are significant risks to delivering a transformative approach when resources are stretched, and the demand for statistics and analysis remains high.

EFFICIENCY

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

Key Performance Indicators

KPI10. Deliver our business while achieving annual efficiency savings. Target: 3% reduction. 2015/16 result: Achieved.

KPI11. Achieve set income target. Target: £26m. 2015/16 result: £28.4m.

Delivering Value for Money

The Authority continued to focus on and deliver increased value for money and operational efficiency in 2015/16. Building on the £9m of savings in 2013/14 and £1.2m of savings in 2014/15, the Authority delivered a further £2.5m of efficiency savings in 2015/16. This saving was achieved through various means including:

- statistical and back office process improvements delivered through the ONS Continuous Improvement Zone using Lean Six Sigma methods;
- greater exploitation of information technology (i.e. the digital dividend); and,
- more efficient procurement leading to third party contract price reductions.

The outcome of the Spending Review was announced on 25 November. By 2019/20 the Authority will be required to deliver real terms savings of 19% through improvements to existing operations. We have the opportunity to recycle these savings to deliver transformation in economic statistics, data collection and digital services.

As part of the commitment to regularly review products and services, ONS ran a consultation from December 2015 to February 2016 into possible changes to statistical products and services. This consultation highlighted the need to achieve efficiency savings in existing operations in order to fund transformation, which is fundamental to the future development of official statistics. Choices around where cut backs need to be made will never be easy but can be necessary to achieve longer term benefits. ONS received a strong level of user engagement with this consultation allowing it to make decisions based on feedback. A consultation response was published in April 2016 outlining which options will be taken forward. This included a change in the publication model for some

outputs, focussing on the publication of data, metadata and headlines, and some reductions to survey sample sizes and response rates where the impact on statistical quality was minimal.

Income Generation

We are committed to expanding the level of income we generate to help support the statistical services we offer. We will seek opportunities that add value for our customers but do not detract from the trust placed in us, our independence or our role in producing official statistics. This year ONS was successful in its bids to run the National Survey for Wales and the Child Mental Health Survey. As well as allowing ONS to engage in these important policy areas this work represents over £10m of external income over the next few years.

Minimising Burden

The Authority is committed to minimising the burden of surveys on businesses and individuals. In the medium term, the burden should be dramatically reduced through the use of online data collection and substituting surveys with the use of administrative data. This year ONS managed to reduce the annual cost of completing business surveys and also met its target of respondent hours spent completing social surveys.

Risks for the future

It is clear that the public sector faces an extended period where funding from Government will reduce. In the face of this the Authority is making the changes necessary to live within a reduced budget whilst maintaining and enhancing the quality of our products and services. Sound financial management that enables full use of all available resources must be ensured, deciding on priorities and aligning these with budgets and people.

CAPABILITY

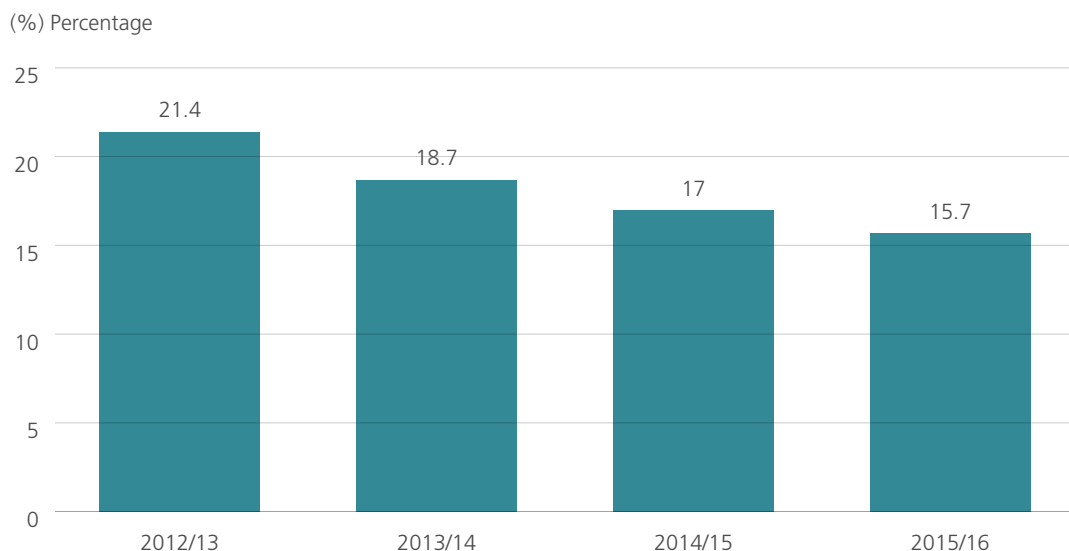
The system of UK official statistics must be built on a solid foundation of people and technological capability. This includes developing a diverse, skilled and resilient workforce that is fully engaged in the business and able to deliver the innovative solutions and improvements necessary to achieve our strategy. It is essential that we have the right people with the skills that a modern statistical system needs. Both the ONS and the wider GSS are facing significant programmes of change which require the development and recruitment of relevant specialist skills including in programme management, statistical computing, digital exploitation and dissemination.

Key Performance Indicators

KPI12. Level of staff engagement. Target: 62%. 2015/16 result: 54%

KPI13. Proportion of ONS systems and processes that are not resilient. Target: <17% 'Red'. 2015/16 result: 15.7%

Chart 1: % of ONS systems 'red' in terms of resilience



Capability and Talent

The skills and capabilities required to deliver high quality statistics and data suited to a modern age need to be developed. This year has seen the development of a Learning Academy within the ONS to improve opportunities for everyone to build on their talent and develop new skills. The initial focus was on data science, allowing staff to develop skills in working with new technologies and data sources to tackle key analytical challenges facing official statistics and the UK Government. In December, as part of the Computer Education Science Week, a Digital Academy was launched to help develop a diverse, skilled and resilient workforce, ready for change, fully engaged in the business, and able to deliver innovative solutions and improvements.

Progress has been made this year with plans to increase ONS's economic capability. A recruitment exercise for economists was launched during September 2015 and we continue to build economic skills across the organisation, including building economic and data capability around a new centre of excellence.

There will be major challenges over the next few years, particularly in terms of delivering change. The leadership development programme for senior managers was rolled out to all ONS Senior Civil Servants and Grade 6 and 7 staff, recognising the importance of leadership improvement in order to enable ONS to continue to deliver its core business whilst transforming into a more modern, efficient and capable organisation.

Proposals have been developed for apprenticeship schemes as a means of creating the modern, skilled workforce needed in the future, including a new statistical apprenticeship scheme to be launched in autumn 2016.

Staff Engagement

This year the KPI for staff engagement, as measured by the Civil Service People Survey, fell 6% to 54%, when the goal was to see an increase. Engagement scores were down across all indicators, with staff approval of organisational objectives and purpose falling by 12% to 71% and satisfaction with pay and benefits having gone down by 8% to 17%. There are clearly major challenges that need to be addressed whilst also facing a period of considerable change. Engagement of staff will be increasingly important to deliver transformation in economic statistics, data collection and digital services by 2020. Progress has already been made, with the delivery of a new pay and reward model for staff in early 2016. The focus for the coming year will be how staff are engaged in the transformation journey.

Risks for the future

There is a key risk around the recruitment and retention of the people we need to drive a significant change in the business.

We must ensure we have sufficient technological capability and the people who are able to respond to the challenges we face.

To recruit and retain the people needed we need to be able to compete on the global market for scarce skills, whilst also growing internal talent through a strong programme of learning and development.

INDEPENDENT REGULATION

The aim of the Authority's independent regulatory function is to ensure that official statistics serve the public good. Statistics serve the public good when they are trustworthy, high quality, and valuable. The purpose of regulation is to ensure that official statistics meet these standards, and to provide confidence to users of statistics. The regulatory function is independent of the production side, with autonomy over all regulatory decisions, separate governance through the Regulation Committee of the Board, and separate determination of resourcing and business planning.

The Authority's regulatory function has been delivered through:

- **Assessment:** the core statutory power is to assess statistics against the Code of Practice for Official Statistics, and if they comply in full with the Code, designate them as National Statistics.
- **Monitoring:** Reviewing issues and opportunities at a systemic level.
- **Casework:** Making public comment on the uses of official statistics, often based on complaints brought to our attention by others.

The Bean Review made recommendations to enhance the regulatory function, including the creation of a clearer identity and a wider scope of work. The Director General for Regulation, Ed Humpherson, working with the Authority Board and engaging with external stakeholders, will develop a plan for a refreshed model over the summer of 2016.

The summary below sets out key activities of the regulatory function in 2015/16.

HELPFUL

ASSESSMENT OF KEY STATISTICS

All official statistics must comply with the Code of Practice for Official Statistics. This is a vital element of the control framework. Last year 20 assessments were carried out across the GSS. There were a number of occasions where the National Statistics designation was removed, demonstrating the Assessment function will act swiftly when necessary to ensure the quality of statistics.

The National Statistics designation is the main way producers of official statistics can signal to users that statistics are helpful. This year we have assessed key elements of the UK's statistical framework against the Code of Practice to determine whether they meet the standards to be National Statistics, including a range of patient outcomes statistics; population statistics of the UK, and its four constituent countries; trade statistics; Public Sector Finances; and CPIH – a measure of inflation that includes owner occupiers' housing costs.

Highlighting the potential to increase value

The National Statistics designation signals that the statistics meet the highest standards of trustworthiness, quality and value. In 2015/16, the Authority adopted a greater focus on the value of statistics. For example, when the suite of homelessness statistics produced by the Department for Communities and Local Government were assessed, we emphasised the potential to create a much more useful output by bringing together multiple sources. Also, the designation was removed from the ONS's claimant count figures, because they were

of declining value with the increased roll-out of Universal Credit.

Focus on coherence

The Authority continues to advocate greater coherence of statistics in key areas of policy. Events have been held on income and earnings statistics, building on our Monitoring Review published in February 2015, and on health statistics in Wales. The Authority also developed a substantial programme of work on health statistics in England, advocating much greater coherence and less fragmentation in statistics. This programme culminated in the principles for improvement published in March 2015.

Register of de-designated statistics

A register of de-designations has been set up on the UK Statistics Authority website to provide greater transparency for users around the National Statistics quality mark. This register provides a list of the occasions when the UK Statistics Authority has removed the National Statistics status from a set of official statistics, and provides links to the relevant documents concerning the decision to remove, and, where applicable, to reinstate the National Statistics status. In 2015/16, the National Statistics status has been removed from:

- the claimant count (produced by ONS), following correspondence from the National Statistician;
- statistics on NHS Hospital activity, produced by NHS England, following failure to address requirements in an earlier assessment report;
- statistics on adult social care, following correspondence from HSCIC;
- Scottish domestic abuse statistics (produced by the Scottish Government), following a letter from

the Head of Profession for the Scottish Government;

- Scottish firearms licences (produced by the Scottish Government), following a letter from the Head of Profession for the Scottish Government); and
- Scottish input-output tables (produced for the Scottish Government).

The Consumer Prices Index including owner occupiers' housing costs (CPIH), and UK Trade statistics, were also re-assessed, concluding in each case that they did not yet meet the standards to be National Statistics.

PROFESSIONAL

Influence of statistical professionals

The Authority has sought to enhance the influence of statistical professionals and published a review of performance information and official statistics, which focussed on the risks involved in setting performance targets, and the value to policymakers of advice from statistical professionals. The Authority has also made several public statements about the importance of the Code of Practice when quantified information is disseminated, whether official statistics, management information or research. On several occasions (EEA migrant benefits, hospital deaths) the Authority has made it clear that it expects departments to ensure there is equality of access to information used to support public debate. These interventions have led Departments to clarify their processes for review by senior analysts and statisticians of the Department's public statements.

Code of Practice stock takes

The Authority is thinking about how it can enhance the value of the Code of Practice. The Code was first published in 2009. It has been important and influential, both because it's acted as a common language and guide to statisticians and policymakers across UK government and beyond, and as the basis for a sustained programme of work to ensure that official statistics meet high standards in the way that they are produced and published, and hence merit designation as 'National Statistics'. Under the guidance of a Steering Group comprising members of a wide range of organisations, we have conducted a survey; run a series of in-depth workshops, and commissioned a series of analytical research packages. During autumn 2016 the Authority expects to produce proposals that will enhance the scope, reach and application of the Code and by doing so better align the Code with the way the National Statistics 'brand' has developed – to refer to statistics that meet the highest standards of trustworthiness, quality and value.

INNOVATIVE

Quality Assurance of Administrative Data: new regulatory standard

The Authority continues to roll out its innovative standard on administrative data. This standard recognises the increasing role that administrative data plays in the production of official statistics and clarifies the Authority's expectations for what producers of official statistics should do to assure themselves of the quality of these data in a way that is pragmatic and proportionate. In their recent evidence to the Public Administration Select Committee inquiry on statistics for the economy and public finances, the Economic and Social Research Council welcomed the approach taken by the Authority.

Improvements in the quality information provided by some statistical producers have been observed within the Assessment programme. For example, NHS England responded positively to the feedback from the Authority in Assessment 291 by extending its supporting information note that accompanies the Ambulance Quality Indicators, to provide a full and clear description of the activities of Ambulance Trusts and regulatory bodies that contribute to the assurance of the administrative data.

Voluntary compliance

Some public information is disseminated by organisations that are not designated as official statistics producers; and other types of information are categorised as management information by Departments and agencies. In these cases, we have emphasised the value of the Code of Practice for Official Statistics, and pointed out that there is no barrier to organizations adopting the principles of the Code on a voluntary basis. Examples of organisations who are exploring public commitments to the Code include Monitor, the Crown Prosecution Service and some third sector organizations.

EFFICIENT

Identifying high priority work

To maximise the effectiveness and efficiency of the assessment process the Authority has developed, and begun using, clear criteria to define priorities for its Assessment Work Programme. The criteria include both timeless factors which would always score highly, and contemporary factors which reflect the issues of the day and will change from time to time. The criteria are used to score different potential assessments, and rank them against each other. These results are then used to help form the Authority's judgment about the Assessment Work Programme. The criteria helps the Authority to prioritise its efforts on assessment, which are its most important statutory lever for providing assurance and driving change.

Leaner processes

The assessment processes have been made much leaner, reducing the range of information required from producer bodies and increasing engagement with both producers and users of statistics.

Improved communication

The website has been refreshed, making the Authority's regulatory function more prominent and making it easier to search for key reports. The Authority's profile as a regulator has also increased, making better use of the website, and developing a more distinctive voice. This was reflected in particular in the Authority's public statement about a breach of pre release access to labour market statistics by DWP.

CAPABLE

Last year, the Authority worked with statisticians from across the GSS to improve awareness of the Code and assessment. This has included delivering a seminar to students, (studying for the MSc Official Statistics) on the Code of Practice for Official Statistics. Additionally, workshops about the Code have been set up and delivered with producers of official statistics, such as the ONS, the Health and Social Care Information Centre (HSCIC), NHS England and the Care Quality Commission (CQC). Feedback from the event with HSCIC, NHS England and CQC stated that the event was 'mythbusting' as it corrected some misunderstandings about how the Code might restrict producers.

OTHER CORPORATE INFORMATION

SUSTAINABILITY

This section of the Annual Report and Accounts presents progress against targets for Sustainable Development. In 2011/12 the Government established a set of 'Greening Government Commitments' that all departments were required to meet by 2015. The Authority put in place a Sustainable Development Policy and Action Plan and met the commitments.

For 2015/16, departments were not set explicit targets (these will be in place for 2016 onwards) but were required to maintain performance levels achieved in 2014/15.

Table 1: Summary

Area	Actual 2014/15	Actual 2015/16
Carbon (tonnes Carbon Dioxide)	5,899	5,350
Waste (tonnes) ¹	438	375
Water consumption (cubic metres)	12,923	13,485
Water expenditure (£'000) ²	63	60.5
Energy consumption ('000 kilowatt hours) ³	8,981	8,877
Energy expenditure (£'000) ^{2,4}	780	796

Notes:

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

Greenhouse Gas emissions

The requirement for 2015/16 was to improve on achievements made in the previous year.

- reduce greenhouse gas emissions from the whole estate from 2014/15;
- reduce greenhouse gas emissions from business related transport from 2014/15; and
- reduce the number of domestic business flights from 2014/15.

Reduce greenhouse gas emissions from the whole estate from 2014/15 levels

Greenhouse gas emissions from buildings were lower in 2015/16 mainly due to a milder winter. In autumn 2015, photovoltaic (solar) panels were installed on the roof of the main office block in Newport – a little too late to fully reap benefits in 2015/16 (although they have saved 6.8 tonnes of CO₂) but they should make a bigger impact summer 2016/17 and beyond.

Reduce greenhouse gas emissions from business related transport from 2014/15

The Authority's carbon emissions from road vehicles come from two sources: travel between offices and other locations on day to day administrative business, and travel required by the field force to conduct surveys. Table 2 shows that carbon emissions fell compared to 2014/15 by 4% which is attributed to the natural variance observed year to year.

Reduce the number of domestic business flights from 2014/15

In 2014/15 there were 696 domestic flights and in 2015/16 there were 964 flights. This increase is partly driven by business requirements and partly financial restraint. The Authority has a travel policy which mandates that the cheapest method of transport be employed for any journey. This encourages domestic air travel between the South East, North East and Scotland and Northern Ireland.

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

Greenhouse Gas Emissions		09/10	10/11	11/12	12/13	13/14	14/15	15/16
Non-Financial Indicators (tonnes CO2)	Total Building Emissions	7,105	6,165	4,719	4,090	3,494	3,672	3,225
	Total Emissions Road Vehicles	2,881	2,963	4,842	1,684	1,961	1,886	1,764
	Total Emissions Rail Travel	184	147	132	155	121	168	175
	Total Emissions Air Travel	391	257	202	191	203	172	186
Energy consumption ('000 kilowatt hours)	Electricity	9,530	8,781	7,583	6,429	5,999	5,703	5,603
	Gas	10,424	7,476	3,486	3,681	3,179	3,278	2,283
	Bio Fuels	0	364	1,304	1,440	1,184	1,098	991
	Oil	0	647	200	21	0	0	0
	Total Buildings	19,954	17,268	12,573	11,571	10,362	10,079	8,877
Financial Indicators (£'000)	Total Expenditure on Energy	1,633	1,075	1,068	889	902	780	796
	CRC Gross Expenditure	-	3	69	67	66	85	80
Kilometers travelled ('000km)	Road Travel	13,074	13,353	24,246	8,557	9,974	9,894	9,435
	Rail Travel	3,058	2,436	2,172	2,570	2,562	2,814	2,951
	Air Travel (Domestic)	573	530	430	243	269	335	414
	Air Travel (Short Haul)	1,139	513	596	562	603	705	575
	Air Travel (Long Haul)	1,127	809	418	563	769	512	585

Chart 2: Greenhouse Gas Emissions

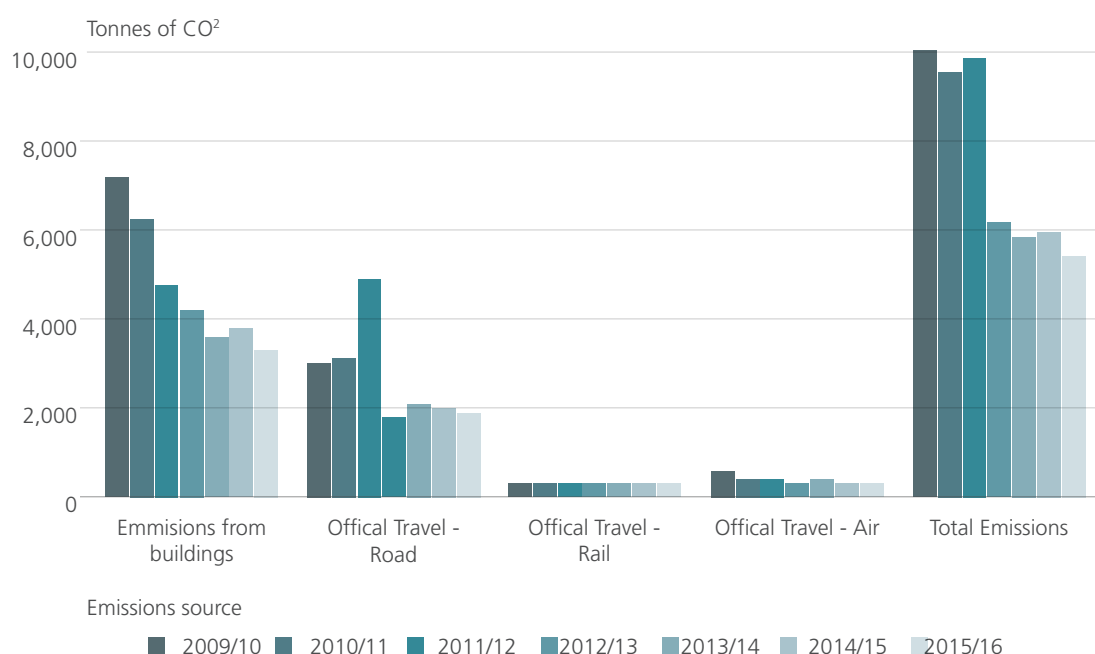
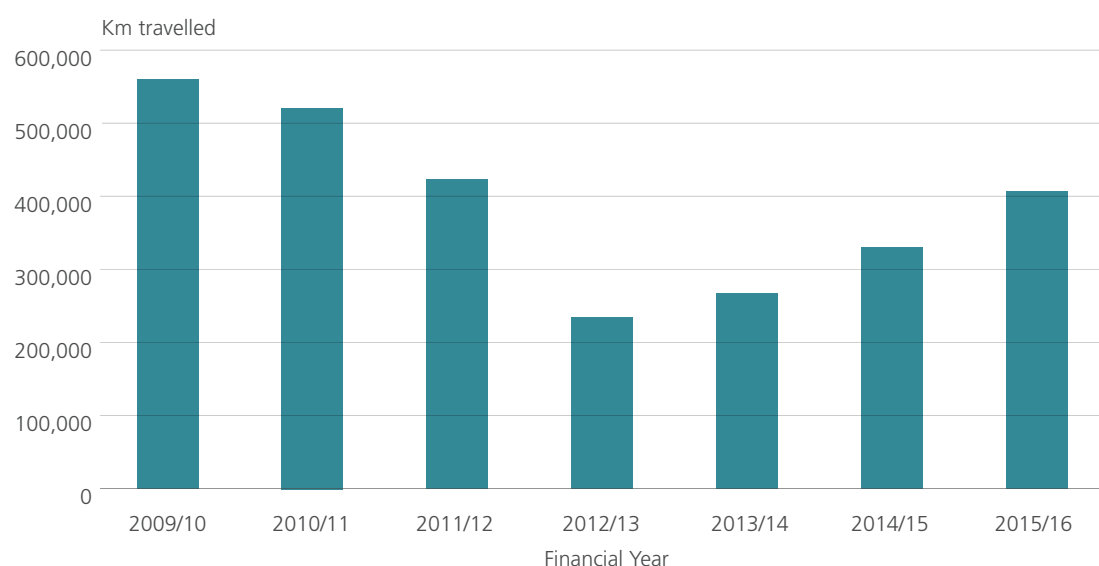


Chart 3: Domestic Air Travel



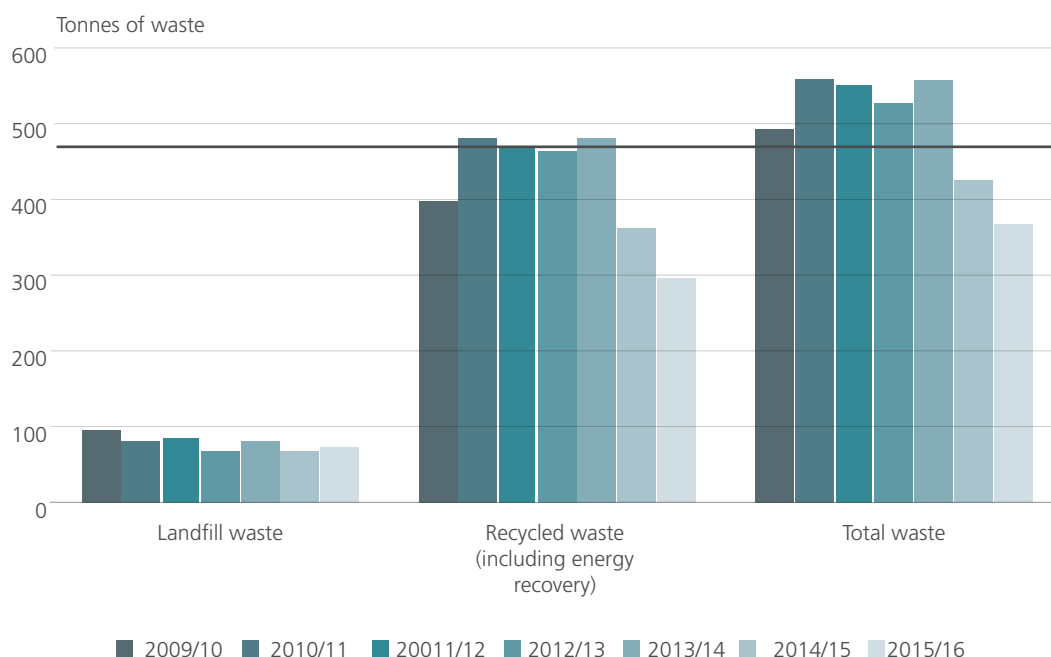
Waste

In 2015/16, negotiations took place with the suppliers of our Facilities Management (FM) contract to reduce packaging that leads to waste. As a result, the Authority has reduced its waste in 2015/16 by 14%. All ICT equipment is disposed of via an established contract which helps ensure 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	2014/15	2015/16
Non-Financial Indicators (tonnes)	Landfill Waste	121	81	84	68	80	69	72
	Recycled Waste (including energy recovery)	536	493	483	475	495	369	303
	Total Waste	657	574	567	543	575	438	375
Non-Financial Indicators (%)	Total Waste Recycled	82	86	85	87	86	84	81
Paper usage (A4 equivalent)	Total reams used	48,701	n/a	42,210	37,902	34,174	39,215	38,435
Financial Indicators (£'000)	Total waste disposal costs	57	92	74	69	76	99	93

Chart 4: Waste Volumes



Water

The Authority has two Greening in Government targets set by Central Government:

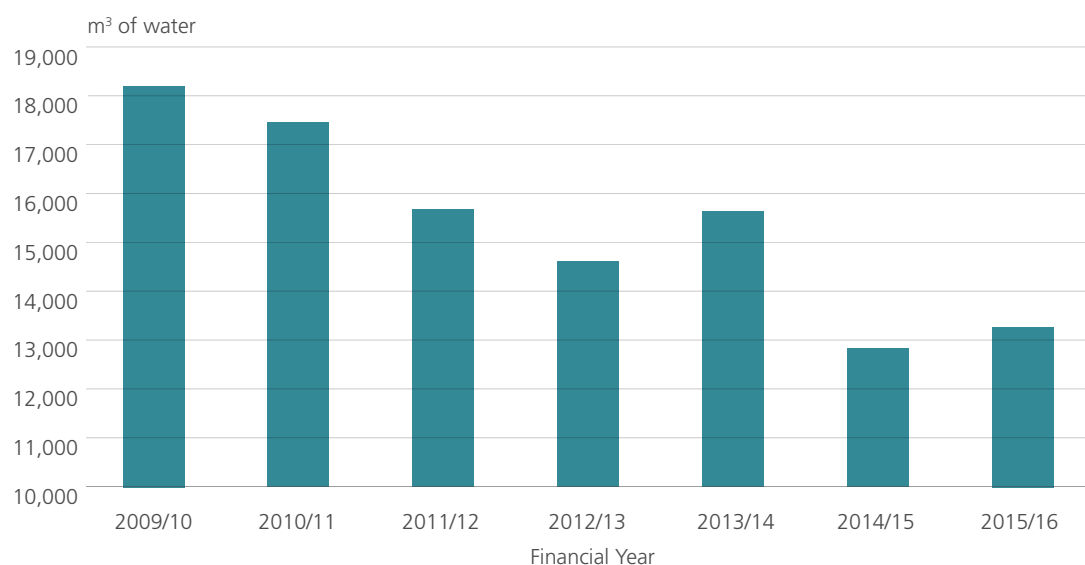
- to reduce the amount of water used in the whole estate to below 2014/16 levels; and,
- meet the good practice benchmark of less than 6m³ per FTE per annum on the office estate.

The target of keeping consumption to below 2014/15 levels has not been achieved due to a small increase in FTE. Per FTE, the Authority has improved on last year.

Table 4: Water

Water		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Non Financial Indicators (cubic metres)	Consumption	18,526	17,740	15,892	14,764	15,854	12,923	13,485
	m ³ /FTE	6.0	6.1	6.2	5.8	6.1	5.0	4.9
Financial Indicators (£'000)	Costs	62	55	68	83	75	63	61

Chart 5: Water Consumption



Sustainable Procurement

Three team members qualified for their Chartered Institute of Procurement and Supply (CIPS) qualifications in 2015. This is important for ONS, as CIPS encourages sustainable purchasing and throughout the year-long training programme, they promote Corporate Social Responsibility as a core value. This cohort-style training and the subsequent at-desk conversations can also help to refresh the awareness of existing team members regarding sustainable purchasing principles. Three more staff will qualify for CIPS in 2016 and the knowledge on the team continues to grow.

ONS aspires to the target of awarding 25% of contracts to SMEs. However, ONS cannot guarantee that it will attain the 25%, because public sector departments are mandated to use framework contracts through the Crown Commercial Service (CCS) and Government Digital Services' (GDS) ICT offering, "G:Cloud". Therefore ONS's hands are tied as to the direct engagement of SME's.

However, the CCS and GDS frameworks aim to encourage SME's and local businesses to bid for work. Figures published by the government in 2015 showed that large enterprises contributed to 51.7 percent of the total G:Cloud sales, at £223m. SME's generated £208m.

Subsequently, some of the larger organisations may well sub-contract the work to SME's but this is difficult to monitor or maintain by ONS.

Governance and Decision making

Project proposals are vetted by the Portfolio Scrutiny Committee which has Sustainable Development assessment built in. ONS also complies with ISO14001.

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 measures of control in its Grounds Maintenance contract, maintaining and planting trees and having 'wild' spaces.

EQUALITY, DIVERSITY AND INCLUSION

We are committed to equality, diversity and inclusion, taking steps to ensure all employees are treated fairly and that we contribute to promoting equality in wider society. There are a range of initiatives that demonstrate our commitment, such as our diversity role model events which showcase inspiring individuals across the organisation. We have also been nominated for a number of awards and recognised by expert organisations for work undertaken on equality, diversity and inclusion. The approach is to make use of our robust equality, diversity and inclusion infrastructure to achieve our strategic aims within our current focus on gender, ethnicity, disability and work life balance.

ONS continues to participate in benchmarking exercises such as the Stonewall Workplace Equality Index where it continues to feature in the list of top 100 employers, and the Business Disability Forum's Disability Standard where the Authority achieved a 'Gold' award. The award has only ever been given to four organisations and ONS is the first public body to achieve the 'Gold' standard. We are committed to maintaining and improving its position in these benchmarks.

ONS has champions and network groups that are active across the organisation. In addition, there is a new Gender network which will be working towards improving the representation of women in Senior Civil Service and Senior Management Grades, and the National Statistician has instigated an initiative to increase the diversity of the GSS.

As part of our commitment to ensure all employees have the opportunity to reach their potential we have set a number of targets for the levels of representation we would like to see. The intention of these targets is not to over simplify the issue, or to act as a box ticking exercise, but rather to focus our efforts and allow us to measure our progress. These targets focus on our current priority areas, however we do monitor representation at all grades across protected characteristics in our Diversity Dashboard.

Progress against Equality Targets 2013-2015

SCS Measures	% Target	% Actual 2013	% Actual 2014	% Actual 2015
Females in Top Management (TMP) payband 2 and above	40	33	0	8
Females in SCS	40	33	28	30
Ethnic minority in SCS	2	0	0	0
Employees with disabilities in SCS	2	0	0	0

Feeder grade measures	% Target	% Actual 2013	% Actual 2014	% Actual 2015
Grade 6				
Females	45	38	42	38
Ethnic minority	5	4	2	1
Employees with disabilities	5	0	0	0
Grade 7				
Females	44	43	43	44
Ethnic minority	4	1	1	2
Employees with disabilities	3	3	3	3

Progress against Senior Civil Service and Senior Management Grade Targets

In early 2015 ONS reviewed its representation targets making only minor changes to the previously set targets. Although there has been a significant decrease in the representation of women in top management, during 2015 a new female Director General joined the organisation. There is a gender, disability, ethnicity, and work life balance action plan to progress positive change. The table shows our current targets as well as the actual figures achieved by December 2015 and December 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.

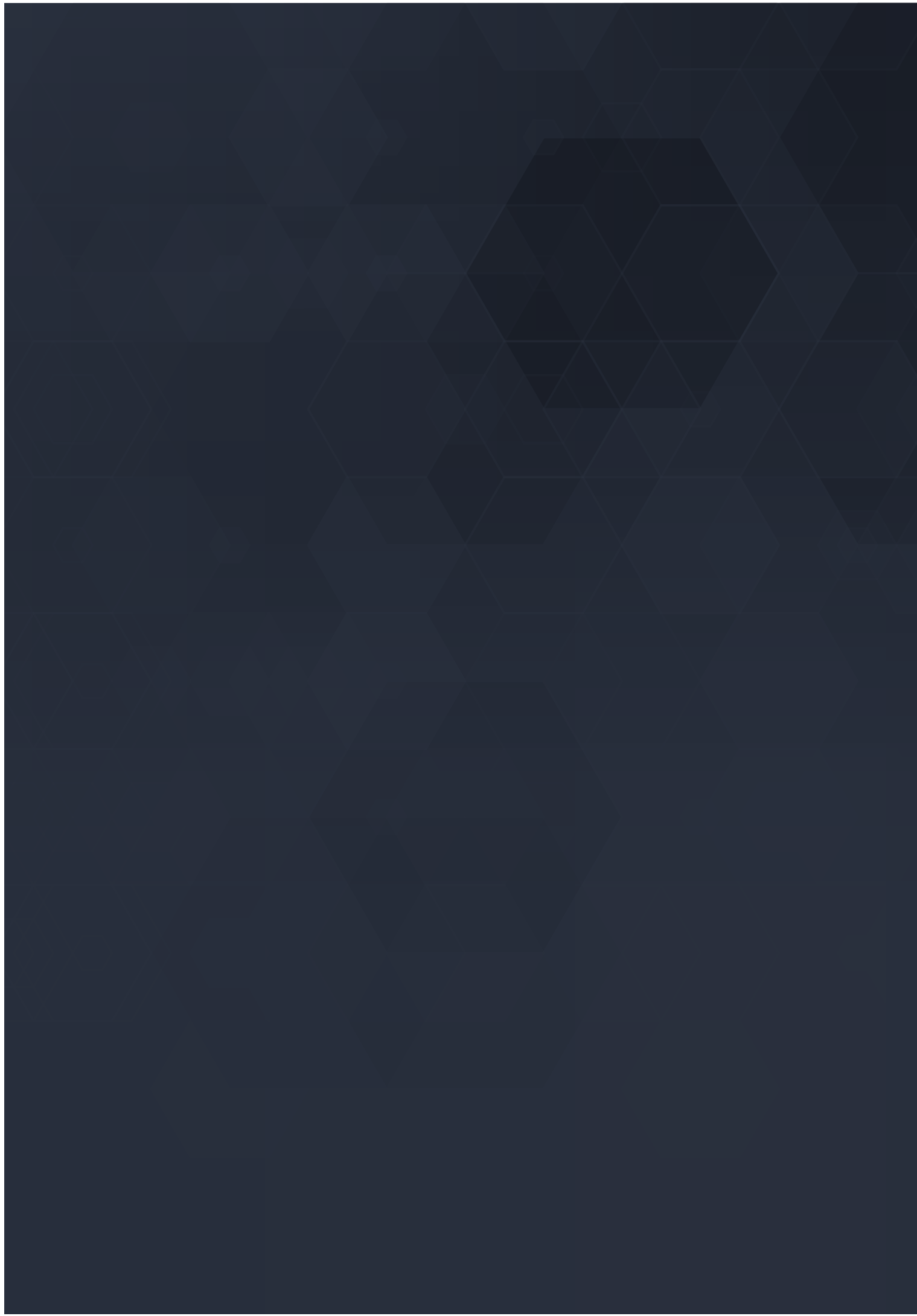
SOCIAL RESPONSIBILITY

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 offices in Newport and Titchfield work is currently undertaken with Business in the Community and a business led charity. ONS is also looking at expanding its corporate social responsibility activities with the local communities benefitting. In Titchfield ONS works 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 2015/16 include:

- right to read programme at St. David's school (Newport);
- all ONS sites took part in Give and Gain Day 2016, this included ONS Telephone Unit volunteers spending the day with 'Second Chance' in Fareham;
- one member of Newport staff raised the funds to provide an on-site Christmas lunch for 142 pensioners and veterans, Gather and Gather staff and 40 ONS staff volunteered to act as waiters and escorts around the site during the event;
- ONS staff supported local schools in the development of statistical skills, this included a projects with Porchester Community School, King Richard School and the 'Number Partners' programme at Malpas Court Primary School; and
- as part of a Marie Curie fundraising day in Portsmouth ONS volunteers signed up local businesses to keeping a 'donations box' on their premises.





UK Statistics
Authority

Chapter 3

Accountability Report

MEMBERSHIP OF THE AUTHORITY BOARD

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 Chair of the Authority, Sir Andrew Dilnot was appointed by HM The Queen following an open competition and 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 2015/16, who were all appointed through open competition, were:

- Professor David Rhind CBE FRS FBA – Deputy Chair (to 30 June 2015);
- Professor Sir Adrian Smith FRS – Deputy Chair;
- Dame Colette Bowe;
- Ms Carolyn Fairbairn (to 31 December 2015);
- Dame Moira Gibb;
- Professor David Hand;
- Professor Jonathan Haskel (from February 2016); and
- Dr David Levy.

The Authority's three executive members during 2015/16 were as follows:

- Mr John Pullinger - Chief Executive and National Statistician. The National Statistician is a Crown appointment and is a member of the Authority under the provisions of the 2007 Act;

- Mr Ed Humpherson - Director General for Regulation. Mr Humpherson was appointed a member of the Authority by the non-executive members; and
- Mr Glen Watson - Deputy National Statistician for Population and Public Policy. Mr Watson was also appointed a member of the Authority by the non-executive members. His period of appointment to the Authority Board ended on 31 March 2016.

Meetings of the Authority Board were also attended by Mr Jonathan Athow, Deputy National Statistician for Economic Statistics (from June 2015) and Ms Heather Savory, Deputy National Statistician for Data Capability (from May 2015). Mr Athow was appointed a member of the Authority by the non-executive members for a period of one year from 1 April 2016 in succession to Mr Watson.

The Authority Board met on ten occasions during 2015/16.

Board minutes and papers are published on the UK Statistics Authority website at <http://www.statisticsauthority.gov.uk/about-the-authority/board-and-committees-documentation/index.html>

No Board Member held any significant interests which would have conflicted with their responsibilities during the financial year 2015/16.

MEMBERS OF THE UK STATISTICS AUTHORITY
AS AT 31 MARCH 2016

Chair



Sir Andrew Dilnot
CBE

Deputy Chair



Professor Sir Adrian
Smith FRS

Non-Executive Members



Dame Colette Bowe
DBE



Professor David Hand
OBE FBA



Dame Moira Gibb
DBE



Dr David Levy



Professor
Jonathan Haskel

Executive Members



Mr John Pullinger
CB CStat



Mr Ed Humpherson



Mr Glen Watson

COMMITTEES

During 2015/16 five committees supported the Authority Board. These were as follows:

- The Regulation Committee, chaired by Professor Sir Adrian Smith (Professor Rhind to 30 June 2015). Its purpose is to oversee the programme of Assessment of sets of official statistics against the Code of Practice and other work related to Assessment and regulation. The Committee met on five occasions during 2015/16;
- The National Statistics Executive Group, chaired by Mr Pullinger. The purpose of the Group is to support the National Statistician in the exercise of his functions as the Head of the GSS and Chief Executive of the UK Statistics Authority. This Group met on ten occasions during 2015/16;
- The Audit and Risk Assurance Committee, chaired by Dame Colette Bowe. The Committee's remit concerns risk assurance, control and governance in the Authority. It met seven times during 2015/16;
- The Administrative Data Research Network (ADRN) Board, chaired by Professor Hand. The Board's role is to promote and safeguard the linkage of administrative data within the ADRN for research and statistical purposes that serve the public good; and provide assurance to Parliament and the public, through the UK Statistics Authority Board, about the achievements of the Network. The Board met on four occasions during 2015/16; and
- The Remuneration Committee, chaired by Sir Andrew Dilnot. It met on two occasions during 2015/16 to determine 2014/15 performance bonuses for the members of the Senior Civil Service (SCS) employed by the Authority.

Additional information about the governance structure of the UK Statistics Authority is available on the UK Statistics Authority website at <http://www.statisticsauthority.gov.uk/about-the-authority/index.html>

INFORMATION ASSURANCE

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

The work on the Census Transformation Programme is progressing, considering options to carry Census work on into the future. This work may result in a significantly different approach to future Census data collation.

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

Improvements have been made to the design of the Information Asset Register (IAR) and the biannual reporting process has been automated. These improvements are part of a wider commitment to ensure the IAR is fit for purpose when managing the information assets of the ONS.

We suffered the loss of four laptops in the last year. The encryption with which all our laptops are built, alongside strict rules on the use of laptops, ensures that personal information is secure.

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

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

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

The Accounting Officer confirms that this document in its entirety is fair, balanced and understandable.

GOVERNANCE STATEMENT

As Accounting Officer 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.

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. Our Governance Statement supports the description of our performance provided in the main body of our Annual Report which sets out our strategy and the progress we have made towards delivery.

Risks To Delivery, Quality And Reputation

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

The UK Statistics Authority Board has primary responsibility for identification and mitigation of the key risks faced by the Authority, and for deciding risk appetite. The Audit and Risk Assurance Committee has responsibility for advising the Board on the process of risk management and internal control, and the effectiveness of these processes in identifying vulnerabilities. Sub-committees have delegated responsibility for risks relevant

to their terms of reference. During the course of this year we have made good progress in increasing our maturity in risk management. Progress we made included:

- Aligning the organisation's strategic risks to the 'Better Statistics, Better Decisions' Strategy;
- Completing a series of 'deep-dives' into strategic risks through the Audit and Risk Assurance Committee;
- Working with Authority Board members to revise the organisation's Risk Appetite Statements across the dimensions of strategic risk; and
- Reviewing all risks being managed through the corporate risk database in order to consolidate, focus effort and to align mitigation plans with the Board's agreed appetite.

As set out in this Annual Report, the Authority's Executive Office, the ONS, has continued to deliver its large portfolio of high quality statistics and analyses to inform debate and aid decision making about the UK economy and society. This is in parallel with addressing legacy issues and continuing to invest in a significant programme of change to improve its outputs, processes and systems. As the Executive Office of the Authority the ONS must strive to be an exemplar for the Government Statistical Service.

In accordance with our organisation priorities, improvements to economic statistics (many of which are produced by ONS) were a key focus for us in 2015/16 and will increasingly be so in the years ahead. An important element of our control framework is the assurance we receive from external reviews. During the year Professor Sir Charles Bean was commissioned to undertake a review of the quality, delivery and governance of UK economic statistics. The report highlighted

issues which we must address to ensure our statistics and data are fit for purpose to measure a modern economy. Our business plan for the years ahead will focus on how we are going to address these important issues.

All official statistics must comply with the Code of Practice for Official Statistics. This is a vital element of our control framework. Last year 22 assessments were carried out across the Government Statistical Service. There were a number of occasions where the National Statistics designation was removed, which shows that the Assessment function will act when necessary to ensure the quality of statistics. These de-designations (some of which had lost their National Statistics status in the previous year) included statistics on crime, construction outputs, consumer price index including owner/occupier housing costs, and statistics on the claimant count. We did however see progress towards improving some areas of concern. Statistics on Overseas Travel and Tourism Expenditure regained National Statistics designation and we have made progress with improvements to UK Trade Statistics, Police Recorded Crime and Construction Price Statistics. We have also been seeking to improve our crime and migration statistics to reflect key policy challenges in these areas. For our Labour Market Statistics, we have been working to manage the transition from Jobseeker's Allowance to Universal Credit and working with the Department for Work and Pensions to consider whether a change in the claimant count results from a change in benefits or from an underlying change in unemployment. Addressing issues of statistical quality and relevance will be key to our plans for the coming years.

Over the course of this year ONS published 97% of its releases by the 09:30 deadline

as set out in the Code of Practice. Our ability to publish all data at 09:30 has been hindered by our publishing platform which has, for some time, needed improvement. During the course of this year we worked closely with users to develop a new ONS website which will fundamentally improve the user experience and enhance access to data and statistics. Working through Alpha and Beta stages, we launched our new website in February 2016. Following this launch all statistical releases were released by the 09:30 deadline the first time.

The production of high quality, easy to use, statistics and analyses is a key element of the organisation's strategy and there are policies in place to promote a culture of continuous improvement and quality management. This year more than 99% of ONS statistical releases were free from major errors. A number of potential issues were addressed pre-publication therefore showing the strength of our control framework; however there were a small number of further issues. For example, in quarter one of this year there was an error in the Output and New Orders in the Construction Industry statistics and in quarter three there was an error in Labour Productivity statistics. Both could be attributed to basic human errors. Such issues damage trust in official statistics and highlight the importance of addressing legacy issues in ONS statistical production. A programme of National Statistics Quality Reviews is in place and this year reviews of Foreign Direct (FDI) Investments and the Living Costs and Food Survey (LCFS) were undertaken leading to a number of recommendations for improvement.

In order to ensure we provide a valuable service we have sought feedback from users. Overall satisfaction is high with 90% satisfied as measured by the ONS Customer Survey, it is also clear that the

majority of our users feel that our outputs are trustworthy. However, we have seen a reduction in overall satisfaction by 2 percentage points between 2014/15 and 2015/16. The ONS Customer Survey (alongside direct feedback from our stakeholders) have been an important part of our control and performance management framework. We must improve how we measure stakeholder satisfaction to ensure we distinguish between stakeholders of different levels of influence and interest. In 2016 the Authority will revise its approach to engagement to ensure there is an effective mechanism for understanding both satisfaction with elements of the statistical system as well as stakeholder business needs and issues.

Information Security And Confidentiality

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

We have a range of policies and controls in place to ensure that access to information is managed throughout the lifecycle. In accordance with Cabinet Office requirements we complete an annual Departmental Security Health Check background and highlight report. My responsibilities as Accounting Officer in this area are supported by the Board level Senior Information Risk Owner,

the Departmental Security Officer, the IT Security Officer and a network of Information Asset Owners who cover all the information assets held by the organisation. In addition we have a network of Information Asset Liaison Officers who help ensure that assets are handled correctly.

In line with other government departments we are required to report any incidents relating to classified personal data to the Information Commissioner's Office and I am pleased to confirm that there have been no incidents regarding information security notified to the Information Commissioner during 2015-16.

Resources And Organisation

The Authority must be able to demonstrate the value of its role, add sufficient value proportionate to its costs and have the resources and capability to be able to safeguard the comprehensiveness and coherence of official statistics across government.

To manage our financial risks, which are largely associated with managing the effects of a diminishing resource base for our existing operations whilst developing new services and products, we have improved our budgetary planning and critical business processes to demonstrate the best use of resources and compliance with key financial controls. We have continued to improve our financial management, business planning and governance. In particular, medium term financial planning and integrated planning are being treated as a high priority.

The Authority's delegated budget for 2015/16 was set as part of the 2013 Spending Review and is detailed in our Annual Accounts. We met the challenge

of a reducing budget through a focus on the continuous improvement of our processes across the organisation. During the course of this year we engaged with HM Treasury to consider future spending plans for the organisation as part of the 2015 Spending Review. This process required a significant effort from across the organisation as we considered how we will change over the coming four years.

The settlement we received recognises the value of official statistics but also that we must change in order to provide a service which is fit for purpose for policy and decision makers across the UK. By 2019/20 we are required to make a real terms reduction of 19% through increasing the productivity of core business and focussing on the 'digital dividend' through initiatives such as online data collection and the use of administrative data. Our settlement allows us to deliver transformation of our data collection operations and economic statistics, as well as ensuring all of our outputs meet the needs of users, and supporting our work towards a predominately online Census in 2021. Technological change will be at the heart of these changes. We will continue to transform, at pace, to meet digital and technology challenges and complete the process of modernising the ONS technology and data estate moving away from old and, in some cases, high risk applications and systems. These changes are detailed in our Business Plan for 2016/17 to 2019/20.

In order to link our strategy to execution we have in place medium term business plans for each part of the organisation. We report and review on how well we are progressing against our plans through detailed quarterly reviews in

a monthly organisational performance report that includes information related to workforce, risk, finance and management information. In addition we have in place assurance processes such as corporate governance assurance statements and an assurance map, both of which are evidence based and help provide assurance that the Authority can respond effectively to business, operational and financial risk or changes.

In relation to our people, we continue to experience challenges in recruitment and in maintaining and improving workforce engagement. This year the Authority saw a disappointing 6% decrease in staff engagement, as measured by the Civil Service People Survey. Our people were clearly very dissatisfied with issues around pay and reward, and also with how change had been managed within the organisation. We know as we face a significant programme of change we have to engage our staff to ensure we deliver successfully.

In addition the Department has adopted a centrally developed Whistleblowing Policy that provides a robust process for dealing with protected disclosures. The Department takes its obligations very seriously and has appointed and trained a Senior Civil Servant to be the Nominated Officer for the Whistleblowing Policy.

Both the Authority and the wider GSS are facing a significant programme of change requiring the development and recruitment of relevant specialist skills, for example in programme management, statistical computing, digital exploitation, and building skills needed to put statistics and analysis at the forefront of decision making. We have recognised the mismatch between the skills we have and our future requirements. Linked to the skills challenge is the identification of

talent within the GSS to ensure that those with the potential reach the positions where they can influence decision makers. A programme of workforce transformation is now underway within the Authority which will build a workforce of the right size, shape and skills needed for the future. However, the Authority has only made the first steps towards these changes and they will be a key priority over the coming years.

Opinion Of The Head Of Internal Audit

The Head of Internal Audit has provided an annual opinion of 'Moderate' assurance for the 12 months ended 31 March 2016. 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 28 audit reviews have been undertaken in the 2015/16 financial year. Of these reviews, eight were assessed as substantial, seven were moderate, and four were assessed as limited assurance. In addition, seven follow up reviews were undertaken. Two concluded that good progress had been made; four concluded that reasonable progress had been made, and one concluded that only limited progress had been achieved. Two advisory reviews were also undertaken which did not provide an audit opinion.

There have been no reviews in 2015/16 that warranted an 'unsatisfactory' opinion.

Opinion Of The Chair Of The Audit And Risk Assurance Committee

The opinion of the Chair of the Audit and Risk Assurance Committee is that the framework for risk management, control and governance is sound and has been in operation effectively during 2015/16. This framework will, however, need to continue to evolve and change in response to the transformation programmes which will modernise the business and deliver the recommendations of the Bean review. The Committee will continue to concentrate its efforts on these key areas of risk to the Authority's developing business.

Signed by



John Pullinger CB CStat
Accounting Officer, 27 June 2016

SUMMARY FINANCIAL INFORMATION

Key Financial Outturns

The key financial outturns for 2015/16 are shown below:

Resources	2015/16 Estimate	2015/16 Outturn	Saving
	£'000	£'000	£'000
Departmental Expenditure Limit - Resource	182,094	180,560	1,534

The Authority has been able to utilise over 99% of its Resource funds throughout the year in progressing its strategic and operational objectives. As can be seen from the annual accounts we have been able to increase our income to support our activities and we continue to consider new opportunities to be able to increase the value we provide to our stakeholders.

The large majority of our costs continue to be in the two primary areas of staff and information technology (IT) and we continue to progress our plans to reduce the overall expenditure in both areas through reducing our overall headcount and for replacing ageing infrastructure with efficient and cost effective modern solutions.

Departmental Expenditure Limit – Capital

	2015/16 Estimate	2015/16 Outturn	Saving
	£'000	£'000	£'000
Capital	8,851	8,596	255

The Authority has been able to utilise over 97% of its Capital funds throughout the year, building more efficient and effective IT systems and also maintaining the safety and security of our building assets.

Depreciation/Impairment

	2015/16 Estimate	2015/16 Outturn	Saving
	£'000	£'000	£'000
Depreciation	17,551	15,650	1,901
Impairment	-	1,753	(1,753)

The Authority has robust financial controls in place for asset management and we have been able to plan effectively for the utilisation of our assets. During the year we have continued to review our assets, with some further reductions to the Useful Economic Life of certain IT assets.

Annually Managed Expenditure

	2015/16 Estimate	2015/16 Outturn	Variance
	£'000	£'000	£'000
Annually Managed Expenditure - Resource	5,887	167	5,720

The Annually Managed expenditure (AME) under-spend is attributed to a reduction in provisions required for Voluntary Redundancy Schemes during the year.

The Authority's financial position remains under significant pressure, and detailed efficiency plans have been developed for 2016/17 and the remainder of the Spending Review period.

Included within the resource expenditure are staff costs which are analysed in the staff report. This 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 18 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 70 to 71.

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

Audit fees charged in the accounts amount to £78,000 (2014/15 £78,000). There were no non-audit fees charged in either 2015/16 or 2014/15.

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.

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 years 2014/15 to 2015/16

Total departmental spending

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn
Resource DEL							
Section A: Programme Expenditure	205,899	304,690	311,853	181,109	173,588	170,161	180,560
Section B: Departmental Unallocated Provision	-	-	-	-	-	-	-
Total Resource DEL	205,899	304,690	311,853	181,109	173,588	170,161	180,560
<i>Of which:</i>							
Pay	110,196	125,285	158,457	112,912	115,163	116,667	125,427
Net current procurement ¹	81,136	166,678	138,986	54,107	47,208	39,096	38,505
Current grants and subsidies to the private sector and abroad	(70)	(781)	(1,044)	(1,153)	(799)	(582)	(775)
Current grants to local government	-	-	-	-	-	-	-
Depreciation	15,849	13,436	14,721	15,243	11,779	14,980	17,403
Other	(1,212)	72	733	-	237	-	-
Resource AME							
Section C: Provisions	14,420	7,056	(719)	1,069	(914)	982	1,255
Section D: Utilised Provisions	(13,849)	(10,072)	(5,559)	(3,837)	(1,951)	(1,218)	(1,088)
Total Resource AME	571	(3,016)	(6,278)	(2,768)	(2,865)	(236)	167
<i>Of which:</i>							
Pay	-	-	-	-	-	-	-
Net current procurement ¹	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-
Current grants to local government	-	-	-	-	-	-	-
Net public service pensions ³	-	-	-	-	-	-	-

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn
Take up of provisions	13,956	3,038	(1,736)	1,069	(1,631)	158	1,338
Release of provisions	(15,216)	(10,072)	(5,559)	(3,837)	(1,951)	(1,218)	(1,088)
Depreciation ²	469	4,018	1,017	-	717	824	
Other	1,362	-	-	-	-	-	(83)
Total Resource Budget	206,470	301,674	305,575	178,341	170,723	169,925	180,727
<i>Of which:</i>							
Depreciation ²	16,318	17,454	15,738	15,243	12,496	15,804	17,403
Capital DEL							
Section A: Programme Expenditure	14,374	14,627	19,853	19,414	15,290	11,861	8,596
<i>Total Capital DEL</i>	<i>14,374</i>	<i>14,627</i>	<i>19,853</i>	<i>19,414</i>	<i>15,290</i>	<i>11,861</i>	<i>8,596</i>
<i>Of which:</i>							
Net capital procurement ⁴	14,374	14,627	19,853	19,414	15,290	11,861	8,596
Capital grants to the private sector and abroad	-	-	-	-	-	-	-
Capital support for local government	-	-	-	-	-	-	-
Capital support for public corporations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Capital AME							
Total Capital AME	-	-	-	-	-	-	-
<i>Of which:</i>							
Capital grants to the private sector and abroad	-	-	-	-	-	-	-
Net lending to the private sector and abroad	-	-	-	-	-	-	-
Capital support for public corporations	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total Capital Budget	14,374	14,627	19,853	19,414	15,290	11,861	8,596
<i>Total departmental spending^{5**}</i>	<i>204,526</i>	<i>298,847</i>	<i>309,690</i>	<i>182,512</i>	<i>173,517</i>	<i>165,982</i>	<i>171,920</i>

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn
of which:							
Total DEL	204,424	305,881	316,985	185,280	177,099	167,042	171,753
Total AME	102	(7,034)	(7,295)	(2,768)	(3,582)	(1,060)	167

Notes

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

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

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Assets of which:							
Non-Current Assets	313	319	112	99	84	67	77
Current assets	12,122	23,044	14,549	11,799	8,614	13,517	18,801
Intangible assets :							
Software licences	3,187	2,431	5,670	5,678	4,519	3,066	1,427
In-house developed software applications and applications under construction	31,773	32,755	35,275	35,475	31,916	39,462	33,083
Tangible assets:							
Property plant and equipment and building refurbishments under construction	50,724	45,722	43,016	42,528	40,271	39,671	38,616
	98,119	104,271	98,622	95,579	85,404	95,783	92,004
Current liabilities	(30,538)	(39,949)	(41,198)	(33,509)	(31,380)	(22,321)	(25,867)
Non- current liabilities	(25,116)	(20,846)	(14,195)	(12,076)	(8,715)	(8,026)	(8,506)
Capital Employed	42,465	43,476	43,229	49,994	45,309	65,436	57,631

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 continuing operations.

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 97 per cent of transactions for the year ended 31 March 2016. 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, within five days. We achieved payment in accordance with this policy in 86 per cent of transactions for the year.

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

TRANSPARENCY

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 provide transparency across its operations the Authority publishes information which is regularly updated on its own website and/or the ONS website.

This includes:

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

CONTRACTUAL 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 British Telecom and Landmark who provide IT services and organisations (such as but not limited to) Steria, Parity Resources Ltd and LA International who 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.

The following sections Remuneration and Staff Reports, Statement of Parliamentary Supply, and Parliamentary Disclosures have been subject to Audit.

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 interests of the Executive and Non-Executive Directors of the UK Statistics Authority. The Authority does not make payments-in-kind. These disclosures have been subject to audit.

Remuneration of Executive Directors for the UK Statistics Authority and the Office for National Statistics, 2015/16 and 2014/15

Senior Directors	2015/16	2014/15
Name and title	Salary £'000	Salary £'000
John Pullinger CB Stat National Statistician Statistics Authority Fixed- term contract 1 July 2014 to 30 June 2019	150-155	110-115 (full-time equivalent 150-155)
Dame Jil Matheson DCB National Statistician Statistics Authority Fixed- term contract To 30 June 2014	N/A	35-40 (full-time equivalent 150-155)
Heather Savory Deputy National Statistician for Data Capability From 13 April 2015	120-125	N/A
Jonathan Athow Deputy National Statistician for Economic Statistics From 1 June 2015	95-100 (full-time equivalent 110-115)	N/A
Glen Watson Deputy National Statistician for Population and Public Policy	110-115	105-110 (plus ex-gratia payment 0-5)

Senior Directors	2015/16	2014/15
Name and title	Salary £'000	Salary £'000
Ed Humpherson Director General for Regulation	140-145 (plus bonus 10-15)	140-145
Guy Goodwin Director of Social and Analysis	85-90	85-90
Joe Grice Chief Economic Adviser	110-115	110-115
Paul Layland Director of Finance	85-90	85-90 (plus bonus 5-10)
Caron Walker Director of National Accounts and Economic Statistics To 3 October 2014	N/A	45-50 (plus bonus 5-10) (full-time equivalent 90-95)
Neil Wooding Director of Business Services and Development	95-100 (plus bonus 10-15)	95-100 (plus bonus 5-10)
Nicholas Vaughan Director of National Accounts and Economic Statistics From 8 September 2014	85-90	40-45 (full-time equivalent 85-90)
Ian Cope Director of Census	90-95 (plus bonus 10-15)	90-95
Peter Benton Director of Data Collection From 2 February 2015	85-90 (plus bonus 10-15)	10-15 (full-time equivalent 85-90)
David Best Director of Digital Services, Technology and Methodology From 15 June 2015	85-90 (full-time equivalent 110-115)	N/A
Peter Fullerton Interim Director of Data Collection To 1 February 2015	N/A	70-75 (full-time equivalent 85-90)
Ritin Patel Director of Research Development and Infrastructure To 30 June 2015	30-35 (full-time equivalent 130-135)	75-80 (full-time equivalent 130-135)

No Directors had any significant interests that would have influenced their decision making.

	2015/16	2014/15
	Salary £'000	Salary £'000
Band of highest paid director's total remuneration £'000	150-155	150-155
Median total remuneration	£21,118	£19,734
Ratio	7.17	7.60

Staff remuneration ranged from £500 to £151,000 during 2015/16 (2014/15 £500 to £155,000). No employees received remuneration in excess of the highest-paid director in either 2015/16 or 2014/15.

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

The following table details the total number of non-payroll engagements in excess of £220 per day for a period longer than 6 months (between the 1 April 2015 and 31 March 2016)

	2015/16	2014/15
Number of new engagements or those that reached six months in duration between 1 April 2015 and 31 March 2016	17	31
Number of new engagements which include contractual clauses giving the department the right to request assurance in relation to Income Tax obligations and National Insurance obligations	17	31
Number for whom assurance has been requested	17	30
Of which:		
Number for whom assurance has been received	13	30
Number for whom assurance has not been received	4	-
Number that have been terminated as a result of assurance not being received	-	-

Note

Where assurance has not yet been received this is due to contractors not yet reaching the period for which assurance is required.

The following table identifies all non-payroll engagements as at 31 March 2016 for more than £220 per day for a period longer than 6 months

	2015/16	2014/15
Number of existing engagements as at 31 March 2016 and 31 March 2015	43	70
Of which:		
Number that have existed for less than 1 year at the time of reporting	11	22
Number that have existed between 1 - 2 years at the time of reporting	12	13
Number that have existed between 2 - 3 years at the time of reporting	4	19
Number that have existed between 3 - 4 years at the time of reporting	9	5
Number that have existed for 4 years or more at the time of reporting	7	11
Number of off-payroll engagements of board members with significant financial responsibility during the financial year.	-	-
Number of individuals that have been deemed board members with significant financial responsibility during the financial year. This figure should include both off-payroll and on-payroll engagements.	14	14

Total consultancy costs for 2015/16 were £1.083million (2014/15 £514,000).

Remuneration of Non-Executive Directors of the UK Statistics Authority: 2015/16 and 2014/15

	2015/16	2014/15
Name/Title	Salary £'000	Salary £'000
Sir Andrew Dilnot CBE Chair of UK Statistics Authority Current fixed contract From 1 April 2012 to 31 March 2017	70-75	70-75
Professor Sir Adrian Smith FRS Deputy Chair Current fixed contract From 1 September 2015 to 31 August 2018	30-35	30-35
Dame Colette Bowe DBE Non-Executive Director Current fixed contract From 1 February 2016 to 31 January 2019	15-20	15-20
Dame Moira Gibb DBE Non-Executive Director Fixed contract From 1 February 2016w to 31 January 2018	15-20	15-20
Dr David Levy Non-Executive Director Current fixed contract From 1 August 2014 to 31 July 2017	15-20	15-20
Professor David Hand OBE FBA Non-Executive Director Fixed contract From 1 April 2013 to 31 March 2016	20-25	20-25
Professor Jonathan Haskel Non-Executive Director Current fixed contract From 1 February 2016 to 31 January 2019	0-5 (full time equivalent 15-20)	N/A
Carolyn Fairbairn Non-Executive Director Fixed contract From 1 April 2013 to 30 September 2015	15-20	15-20
Professor David Rhind CBE FRS FBA Deputy Chair Current fixed contract From 1 July 2012 to 30 June 2015	5-10 (full time equivalent 30-35)	30-35
Partha Dasgupta Non-Executive Director Fixed contract From 1 February 2013 to 30 June 2014	N/A	0-5 (full time equivalent 15-20)

Salary

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

'Salary' refers to and 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 CBE;
- John Pullinger CB Stat; and
- Professor Sir Adrian Smith FRS

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

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

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

Benefits in Kind

None of the above received benefits in kind.

Bonus Payments

These are determined by an individual's performance in the previous appraisal year and are evaluated as part of the appraisal process, i.e. payments made in 2015/16 relate to performance outcomes in 2014/15 and the comparative bonuses reported for 2014/15 relate to performance in 2013/14.

Pension Benefits

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

Senior Directors	Real increase in pension and related lump sum at age 60	Accrued pension at age 60 as at 31 March 2016 and related lump sum	Cash Equivalent Transfer Value at 31 March 2015	Cash Equivalent Transfer Value at 31 March 2016	Real Increase in Cash Equivalent Transfer Value
	£'000	£'000	£'000	£'000	£'000
John Pullinger CB Stat National Statistician Statistics Authority Fixed- term contract 1 July 2014 to 30 June 2019	2.5-5 plus 12.5-15 lump sum	65-70 plus 195-200 Lump sum	1,231	1,417	87
Heather Savory Deputy National Statistician for Data Capability From 13 April 2015	2.5-5 lump sum Nil	2.5-5 lump sum Nil	N/A	34	25
Jonathan Athow Deputy National Statistician for Economic Statistics From 1 June 2015	7.5-10 lump sum Nil	30-35 lump sum Nil	304	425	89
Glen Watson Deputy National Statistician for Population and Public Policy	2.5-5 plus 7.5-10 lump sum	35-40 plus 110-115 lump sum	604	712	53
Ed Humpherson Director General for Regulation	2.5-5 plus 0-2.5 lump sum	50-55 plus 50-55 lump sum	620	726	34
Guy Goodwin Director of Social and Analysis	0-2.5 plus 2.5-5 lump sum	30-35 plus 90-95 lump sum	498	562	17
Joe Grice Chief Economic Adviser	2.5-5 plus 0-2.5 lump sum	70-75 plus 140-145 lump sum	1,525	1,529	48
Paul Layland Director of Finance	2.5-5 plus 0-2.5 lump sum	15-20 plus 40-45 lump sum	183	223	15
Neil Wooding Director of Business Services and Development	0-2.5 lump sum Nil	15-20 lump sum Nil	263	316	26
Nicholas Vaughan Director of National Accounts and Economic Statistics From 8 September 2014	2.5-5 lump sum Nil	25-30 lump sum Nil	323	401	41

Senior Directors	Real increase in pension and related lump sum at age 60	Accrued pension at age 60 as at 31 March 2016 and related lump sum	Cash Equivalent Transfer Value at 31 March 2015	Cash Equivalent Transfer Value at 31 March 2016	Real Increase in Cash Equivalent Transfer Value
	£'000	£'000	£'000	£'000	£'000
Ian Cope Director of Census	0-2.5 plus 2.5-5 lump sum	35-40 plus 110-115 lump sum	634	711	19
Peter Benton Director of Data Collection From 2 February 2015	5-7.5 plus 10-12.5 lump sum	25-30 plus 70-75 lump sum	295	403	73
David Best Director of Digital Services, Technology and Methodology From 15 June 2015	2-2.5 lump sum Nil	2-2.5 lump sum Nil	N/A	36	30
Ritin Patel Director of Research Development and Infrastructure To 30 June 2015	0-2.5 lump sum Nil	2.5-5 lump sum Nil	23	34	7

Note

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

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2005, civil servants may be in one of five defined benefit schemes; either a final salary scheme (**classic**, **premium** or **classic plus**); or a whole career scheme (**nuvos** or **alpha**). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos**, and **alpha** are increased annually in line with Pensions Increase legislation. Members joining from April 2015 may opt for either the appropriate alpha or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 3.80% and 8.05% pensionable earnings for **classic premium**, **classic plus**, **nuvos**, and **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is no automatic lump sum. **Classic plus** is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per **classic** and benefits for service from October 2002 worked out as in premium. In **nuvos** and **alpha** a member builds up a pension based on pensionable earnings during the period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with Pensions Increase legislation. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

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

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

Cash Equivalent Transfer Values

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

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

Real increase in CETV

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

Compensation for loss of office

No Directors received compensation for loss of office during 2015/16. Exit costs for all staff are disclosed in the staff report.

STAFF REPORT

STAFF NUMBERS AND RELATED COSTS

Staff Costs

			2015/16	2014/15
	Total	Permanently employed staff	Others	Total
	£'000	£'000	£'000	£'000
Statistical Services Staff Costs	100,559	91,555	9,004	95,700
Social security costs	6,529	6,529	-	5,794
Other pension costs	18,339	18,339	-	15,173
Total	125,427	116,423	9,004	116,667
Less recoveries in respect of outward secondments	(68)	(68)	0	(110)
Total net costs	125,359	116,355	9,004	116,557

Staff Numbers (full-time equivalent)

			2015/16	2014/15
	Total FTE	Permanently employed FTE	Others FTE	Number Total FTE
	£'000	£'000	£'000	£'000
Objective				
Statistical Services	3,247	3,164	83	3,161

Note

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

Capitalised Staff Costs

	2015/16		2014/15	
	Cost	FTEs	Cost	FTEs
	£'000		£'000	
Electronic Data Collection	248	7	181	4
Consumer and Retail Price Indices	38	2	225	6
Common Open Road Architecture platform (CORA)	358	8	233	6
Life Events	-	-	139	4
Central ONS Repository for Data (CORD)	231	5	204	4
Longitudinal Study	37	1	153	4
ARDC	1	-	52	1
Total	913	23	1,187	29

Notes

The 2015/16 salary figures reflect a net yearly movement of £(66,000) of accrued holiday and flexi pay, and PRP of £879,000, refer to notes 10 and 12.

In addition to the £125,361,000 in note 3.1, £913,000 (2014/15 £1.2million) of salary costs are categorised as capital expenditure and are not included in the Operating Cost Statement.

Recoveries of £68,000 (2014/15 £110,000) in respect of outward secondments are included as operational income shown in note 5.

Pensions

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

For 2015/16, employers' contributions of £18.3million were payable to the PCSPS (2014/15 £15.2million) at one of four rates in the range of 20 to 24.5 per cent (2014/15 16.7 to 24.3 per cent) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

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

Employers' contributions of £197,000 (2014/15 £166,235) 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 (2014/15 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 £6,556 representing 0.8 per cent; (2014/15 £11,044 0.8 per cent) of pensionable pay were payable to PCSPS to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees. Contributions due to the partnership pension providers at the balance sheet date were £32,036 (2014/15 £18,468). Contributions prepaid for both 2015/16 and 2014/15 were nil. 12 members of staff (2014/15 4 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 2015/16 or 2014/15.

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

Reporting of Civil Service and Other Compensation Schemes/Exit Packages

for the period ending 31 March 2016

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	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
<£10,000	-	4	1	1	7	12
£10,000 – £25,000	-	-	2	-	45	-
£25,000 – £50,000	-	-	2	-	78	-
£50,000 – £100,000	-	-	-	-	-	-
£100,000 – £150,000	-	-	-	-	-	-
£150,000 – £200,000	-	-	-	-	-	-
More than £200,000	-	-	-	-	-	-
Total number of exit packages by type (total cost)	-	4	5	1	130	12

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.

Number of Senior Civil Service Staff

SCS Pay Band	2015/16		2014/15	
	Headcount	FTE	Headcount	FTE
SCS Pay Band 1 (Deputy Director)	34	33	35	34
SCS Pay Band 2 (Director)	8	8	8	8
SCS Pay Band 3 (Director General)	4	4	2	2
Permanent Secretary	1	1	1	1
Grand Total	47	46	46	45

Staff Numbers as at 31 March

Contract Type	2015/16		2014/15	
	Headcount	FTE	Headcount	FTE
Permanent Employment Contract	3,706	3,124	3,633	3,047
Fixed Term Employment Contract	62	62	64	63
Paid Secondment or Loan In	4	4	7	6
Grand Total	3,772	3,190	3,704	3,116

Contingent Worker Type	2015/16	2014/15
	Headcount	Headcount
Agency Worker	12	14
Contractor	63	92
Service Worker	49	13
Grand Total	124	119

Staff Composition as at 31 March 2016

Grade	Headcount		FTE	
	Female	Male	Female	Male
AA / AO	898	690	634	493
EO	362	207	318	204
HEO	401	296	370	290
SEO	252	206	234	203
Grade 7	142	180	134	177
Grade 6	34	57	33	56
SCS Pay Band 1 (Deputy Director)	12	22	12	21
SCS Pay Band 2 (Director)	-	8	-	8
SCS Pay Band 3 (Director General)	1	3	1	3
Permanent Secretary	-	1	-	1
Grand Total	2,102	1,670	1,736	1,456

Staff Composition as at 31 March 2015

Grade	Headcount		FTE	
	Female	Male	Female	Male
AA / AO	908	688	639	489
EO	377	210	332	206
HEO	388	299	357	293
SEO	229	178	210	175
Grade 7	136	164	128	161
Grade 6	31	50	30	50
SCS Pay Band 1 (Deputy Director)	12	23	12	22
SCS Pay Band 2 (Director)	-	8	-	8
SCS Pay Band 3 (Director General)	-	2	-	2
Permanent Secretary	-	1	-	1
Grand Total	2,081	1,623	1,708	1,407

Sickness Absence

Average working days lost during 2015/16 was 8.7 (2014/15 was 8.2)

Staff policies applied for disabled persons were in line with required government policies.

SPECIAL PAYMENTS AND LOSSES

for the period ending 31 March 2016

	2015/16	2014/15
	£'000	£'000
Ex-gratia claims	2	2
Special payments	250	3
	252	5

The Authority has paid £43,000 of ex-gratia and special payments to employees in keeping with the Civil Service Management code during 2015/16 (£5,000 during 2014/15). All cases were below the individual disclosure threshold of £300,000.

	2015/16	2014/15
Number of Claims/Losses	£'000	£'000
Ex-gratia claims	16	18
Special Payments	1	1
	17	19

STATEMENT OF PARLIAMENTARY SUPPLY

Summary of Resource and Capital Outturn 2015/16

	2015/16 Estimate			Outturn			2015/16 Voted outturn compared with Estimate: saving/ (excess)	2014/15 Outturn
	Voted	Non-Voted	Total	Voted	Non-Voted	Total		Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Departmental Expenditure Limit								
- Resource	182,094	-	182,094	180,560	-	180,560	1,534	170,161
- Capital	8,851	-	8,851	8,596	-	8,596	255	11,861
Annually Managed Expenditure								
- Resource	5,887	-	5,887	167	-	167	5,720	(236)
Total	196,832	-	196,832	189,323	-	189,323	7,509	181,786
Total Resource	187,981	-	187,981	180,727	-	180,727	7,254	169,925
Total Capital	8,851	-	8,851	8,596	-	8,596	255	11,861
Total	196,832	-	196,832	189,323	-	189,323	7,509	181,786

Net Cash Requirement 2015/16

	2015/16			2015/16 Outturn compared with Estimate: saving/ (excess)	2014/15
	Estimate	Note	Outturn		Outturn
	£'000		£'000	£'000	£'000
	172,794	SOPS 2	172,298	496	180,537

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 46 to 50.

SOPS 1 NET RESOURCE AND CAPITAL OUTTURN

for the period ending 31 March 2016

SOPS 1.1 Analysis of net resource outturn

	Gross Resource Expenditure	Income	Outturn	Net Total	2015/16 Estimate Net Total outturn compared with Estimate	2014/15 Prior-year outturn
			Net Total			
	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limit						
Voted						
A. Programme Expenditure	209,197	(28,637)	180,560	182,094	1,534	170,161
Annually Managed Expenditure						
Voted						
B. Provisions	1,255	-	1,255	(81)	(1,336)	(236)
C. Utilised Provisions	(1,088)	-	(1,088)	5,968	7,056	-
Resource Outturn	209,364	(28,637)	180,727	187,981	7,254	169,925

Note

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

SOPS 1.2 Analysis of net capital outturn by section

	Gross Capital Expenditure	Income	Programme Outturn	Net Total	2015/16 Estimate Net Total outturn compared with Estimate	2014/15 Prior-year outturn
			Net Total			
	£'000	£'000	£'000	£'000	£'000	£'000
Spending in Departmental Expenditure Limit						
Voted						
A. Programme Expenditure	8,703	(107)	8,596	8,851	255	11,861
Capital Outturn	8,703	(107)	8,596	8,851	255	11,861

SOPS 2 RECONCILIATION OF NET RESOURCE OUTTURN TO NET CASH REQUIREMENT

for the period ending 31 March 2016

	Note	2015/16 Estimate	2015/16 Outturn	2015/16 Net total Outturn compared with estimate: saving / (excess)	2014/15 Outturn £'000
	£'000	£'000	£'000	£'000	£'000
Resource Outturn		187,981	180,727	7,254	169,925
Capital Outturn		8,851	8,596	255	11,861
Accruals to cash adjustments					
Depreciation and amortisation	4	(17,551)	(15,650)	(1,901)	(14,980)
Impairment	4	-	(1,753)	1,753	(824)
Adjustments to provisions	4	(7,301)	(1,255)	(6,046)	(158)
Other non-cash items	4	(600)	(890)	290	(78)
Adjustments to reflect movements in working balances					
Increase in receivables	10	-	6,015	(6,015)	4,498
(Increase)/Decrease in trade and other payables	12	-	(3,859)	3,859	8,688
Other movements in working capital not reflected in operating costs		-	(721)	721	387
Utilisation of provisions	13	1,414	1,088	326	1,218
Net cash requirement		172,794	172,298	496	180,537

Note

The Authority has utilised 99% of its available cash resources to tightly controlled cash flow forecasting.

DISCLOSURE OF INFORMATION TO THE AUDITORS

So far as the Accounting Officer is aware:

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

Signed by

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

John Pullinger CB CStat

**Accounting Officer
UK Statistics Authority**

27 June 2016

THE CERTIFICATE 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 2016 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. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that are described in those reports and disclosures 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 2016 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 2016 and of the Department's 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 parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures 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

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28 June 2016



UK Statistics
Authority

Chapter 4

UK Statistics Authority Annual Accounts

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the Year to 31 March 2016

	Note	2015/16	2014/15
		£'000	£'000
Programme Expenditure			
Staff	3	125,427	116,667
Other	4	83,937	80,640
Operating Income	5	(28,637)	(27,382)
Net Operating Costs for the year ending 31 March 2016		180,727	169,925
Other Comprehensive Net Expenditure			
Net (gain)/loss on:			
– revaluation of property, plant & equipment	6	(704)	(486)
– revaluation of intangibles	7	265	336
Total Comprehensive Expenditure for the year ending 31 March 2016		180,288	169,775

Reconciliation of Net Operating Costs to Statement of Parliamentary Supply

	2015/16	2014/15
	Outturn	Outturn
Total resource outturn in Statement of Parliamentary Supply	180,727	169,925
Net Operating Costs for the year ended 31 March 2016	180,727	169,925

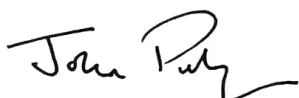
The notes on pages 77 to 105 form part of these accounts

STATEMENT OF FINANCIAL POSITION

as at 31 March 2016

	Note	2015/16	2013/14
		£'000	£'000
Non-current assets:			
Property, plant and equipment	6	38,616	39,671
Intangible assets	7 & 7.1	34,510	42,528
Financial assets	10	77	67
Total non-current assets		73,203	82,266
Current assets:			
Trade and other receivables	10	4,687	2,969
Other current assets	10	13,618	9,331
Cash and cash equivalents	11	496	1,217
Total current assets		18,801	13,517
Total assets		92,004	95,783
Current liabilities:			
Trade and other payables	12	(25,323)	(21,464)
Current early retirement provision	13	(544)	(857)
Total current liabilities		(25,867)	(22,321)
Total assets less current liabilities		66,137	73,462
Non-current liabilities:			
Other provisions	13	(7,639)	(6,904)
Early retirement provision	13	(867)	(1,122)
Total non-current liabilities		(8,506)	(8,026)
Assets less liabilities		57,631	65,436
Taxpayers' equity and other reserves			
General fund		45,211	53,446
Revaluation reserve		12,420	11,990
Total equity		57,631	65,436

Signed by



John Pullinger CB CStat
Accounting Officer
UK Statistics Authority

27 June 2016

STATEMENT OF CASH FLOWS

for the period ending 31 March 2016

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

This statement illustrates how the Authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash arising from operating activities is a key indicator of service costs and the extent to which these operations are funded, by way of income from receipts from 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.

		2015/16	2014/15
	Note	£'000	£'000
Cash flows from operating activities			
Net operating costs	2	(180,727)	(169,925)
Adjustment for non-cash transactions	4	19,547	16,040
(Decrease) in trade and other receivables	10	(6,015)	(4,498)
<i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		107	480
Decrease/(increase) in trade payables	12	3,859	(8,688)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Expenditure</i>	6, 7 & 12	1,505	(7)
Use of provisions	13	(1,088)	(1,218)
Net cash outflow from operating activities		<u>(162,812)</u>	<u>(167,816)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(5,596)	(5,139)
Purchase of intangible assets	7 & 7.1	(3,890)	(7,582)
Net cash flow from investing activities		<u>(9,486)</u>	<u>(12,721)</u>
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		171,577	180,925
Advances from the Contingencies Fund		-	29,374
Repayments to the Contingencies Fund		-	(29,374)
Net Financing		<u>171,577</u>	<u>180,925</u>
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for payments to the Consolidated Fund	11	(721)	388
Cash and cash equivalents at the beginning of the period	11	1,217	829
Cash and Cash equivalents at the end of the period	11	<u>496</u>	<u>1,217</u>

The notes on pages 77 to 105 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the period ending 31 March 2016

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 1 April 2014		42,283	11,833	54,116
Changes in taxpayers' equity for 2014/15				
Net Parliamentary Funding - drawn down		180,925	-	180,925
Advances from the Contingencies Fund		29,374	-	29,374
Repayments to the Contingencies Fund		(29,374)	-	(29,374)
Comprehensive expenditure for the year		(169,925)	-	(169,925)
ARDC capital income received		480	-	480
Non cash adjustments				
Non cash charges - auditor's remuneration	4	78	-	78
Movements in reserves				
Transfers between reserves		(7)	7	-
Net loss on revaluation of property, plant and equipment	6	-	486	486
Net gain on revaluation of intangible assets	7	-	(336)	(336)
Amounts issued from the Consolidated Fund for supply but not spent at year end		(1,217)	-	(1,217)
Deemed supply	11	829	-	829
Balance at 31 March 2015		53,446	11,990	65,436
Changes in taxpayers' equity for 2015/16				
Net Parliamentary Funding - drawn down		171,577	-	171,577
Comprehensive expenditure for the year		(180,727)	-	(180,727)
ARDC capital income received		107	-	107
Non cash adjustments				
Non cash charges - auditor's remuneration	4	78	-	78
Movements in reserves				
Transfers between reserves		9	(9)	-
Net gain/loss on revaluation of property, plant and equipment	6	-	704	704
Net gain/loss on revaluation of intangible assets	7	-	(265)	(265)
Amounts issued from the Consolidated Fund for supply but not spent at year end		(496)	-	(496)
Deemed supply	11	1,217	-	1,217
Balance at 31 March 2016		45,211	12,420	57,631

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 77 to 105 form part of these accounts.

1. STATEMENT OF ACCOUNTING POLICIES AND ACCOUNTING CONVENTION

The 2015/16 financial statements are prepared in accordance with the 2015/16 Government Financial Reporting Manual (FReM) issued by HM Treasury.

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

In addition to the primary statements prepared under IFRS, the FReM also requires the Authority to prepare 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.

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 pounds Sterling; the Authority keeps a small balance of sterling and euros as well as shopping vouchers and postage stamps.

1.1 ADRC-E COLLABORATIVE AGREEMENT

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

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

The Economic and Social Research Council funds the arrangement via the University of Southampton who is the lead applicant to the collaborative agreement. The Authority has disclosed the expenditure and income relating to the arrangement in line with the requirements of IFRS 11 Joint Arrangements and IFRS 12 Disclosure of Interest in other Entities.

1.2 PROPERTY, PLANT AND EQUIPMENT

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

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

Any expenditure on leasehold assets is stated at current cost by using indices taken from the Authority's publication "Price Index Numbers for Current Cost Accounting". The properties occupied at Titchfield, Christchurch and Newport have been professionally valued as at 31 December 2015 by a commercial company qualified to undertake these valuations. The valuations are prepared in accordance with the appropriate sections of the Practice Statements (PS) and the United Kingdom Practice Statements (UKPS) contained within the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards.

All other PPE assets are re-valued from the beginning of the quarter of acquisition. These assets are stated at current costs by using indices taken from the Authority's publication Price Index Numbers for Current Cost Accounting.

PPE assets must exceed the capitalisation threshold of £2,000 (including VAT) and have a life greater than one year.

1.3 INTANGIBLE ASSETS

Intangible assets consist of software licenses and in-house developed software. Software licenses are not re-valued and are included at depreciated historical cost.

In-house developed software is stated at current costs by using indices developed by the Office for National Statistics (ONS) National Accounts Division.

In House Developed Software assets must exceed a capitalisation threshold of £50,000 (including VAT) and have a life greater than one year. (previous years capitalisation threshold of £2,000)

Software Licences must exceed a capitalisation threshold of £2,000 (including VAT) and have a life greater than one year.

1.4 STATISTICAL RECORDS

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

1.5 DEPRECIATION AND AMORTISATION

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

Classification	Depreciation/Amortisation period	Previous Periods
Civil Estate Land	Not depreciated	No Change
Leasehold property	Over the term of the lease	No Change
Freehold property	As indicated by the District Valuation Officers annual report	Between 3 and 20 years
Computer assets	Between 4 and 7 years	No Change
Office machinery	Between 4 and 7 years	No Change
Furniture and fittings	10 years	10 years
In-house developed software	Between 3 and 16 years	Between 9 and 15 years
Software licences	2- 10 years	No Change

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 2 and 13 years, (subject to an annual review), charged from the quarter in which the assets are completed.

The development of new software assets are built under an 'agile' framework and are likely to be replaced significantly quicker than older ONS assets. These software assets are provided useful lives of between 2 and 5 years (subject to an annual review).

Perpetual software licenses are amortised on a reducing balance basis over a life of 4 years. Where software licenses are over a specific period they are depreciated over this useful life.

Each group of assets is reviewed annually for impairment.

1.6 ASSETS IN THE COURSE OF CONSTRUCTION

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

1.7 RESEARCH AND DEVELOPMENT

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

1.8 OPERATING INCOME

Operating income which relates directly to the operating activities of the Authority comprises of the invoiced value of services supplied to the private sector, the wider public sector and other government departments. Income is recognised on completion of work and the value of work completed. Prices are calculated in accordance with Managing Public Money (published by the Treasury).

1.9 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 39 (derivatives).

Transactions, other than Euros, are translated into sterling at the exchange rate ruling on the date of each transaction. Assets and liabilities denominated in Euros are translated into sterling at the exchange rate ruling at the date of the Statement of Financial Position.

1.10 LEASES

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

1.11 FINANCIAL INSTRUMENTS

The Authority does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised less 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 agreed terms.

1.12 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 -1.55 per cent for a time period up to five years, -1.00 per cent for a time period of six to ten years, and -0.80 per cent for time periods greater than ten years. The discount rate for pension provisions is discounted at the rate of 1.30 per cent; discount rates are published by HM Treasury. These provisions are reviewed each year in accordance with IAS 37.

1.13 TRADE RECEIVABLES

Trade receivables are recognised at fair value less provision for impairment. A provision for impairment of trade receivables is established when there is evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivable.

1.14 STAFF COSTS

Under IAS19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave at the year end.

1.15 EARLY DEPARTURE COSTS

The Authority meets the responsibility of additional costs of employees who take voluntary early severance or who retire early by paying the amounts required over the period between early departure and normal retirement date. The Authority provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments which are discounted by the HM Treasury discount rate of 1.37 per cent.

1.16 CASH AND CASH EQUIVALENTS

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

1.17 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.

1.18 PROGRAMME EXPENDITURE

The Statement of Comprehensive Net Expenditure is analysed between programme and staff costs and income. The classification of expenditure and income as programme 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.

1.19 PENSIONS

Past and present employees are covered by the provisions of the Principal Civil Service Pension Schemes as described in notes to the accounts and 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.

1.20 CONTINGENT LIABILITIES

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

Where the time value of money is material, contingent liabilities 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.

1.21 STANDARDS NOT YET ADOPTED

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

IFRS 9 Financial Instruments this review includes three phases.

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

This standard is due to be adopted by FreM in 2018/19, the Authority anticipates this will have no impact on its financial statements.

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

This standard is due to be adopted by FreM in 2018/19, the Authority anticipates this will have a limited impact on its financial statements.

IFRS 16 Leases. specifies the elimination of the current operating lease categorization for virtually all leases with the exception to short term leases. Assets and liabilities will be recognised on a 'right to use' basis.

This standard is due to be adopted by FreM in 2019/20, the Authority anticipates this will have a limited impact on its financial statements.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

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

1.22 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, called 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.

1.23 INTANGIBLE ASSETS USEFUL ECONOMIC LIFE

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

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

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

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

A full review of these factors is considered each year, and is presented to the Audit and Risk Assurance Committee for consideration.

The remaining economic lives for intangible assets are estimated at between two and thirteen years for internal projects.

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

1.24 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.

1.25 PROVISIONS FOR BAD DEBTS

This is based on judgement of the debt materialising. The value of the debt is maintained by invoice based on its age and efforts are made to recover the debts by contacting the customer. 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 the 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).

1.26 PROVISION FOR POTENTIAL CLAIMS

The value for provisions for tribunals and personal injury claims are based on ongoing cases at the year end and their likelihood of an outcome, with the probabilities being derived from the judgement of legal expertise the authority has employed. For example the value of a provision for an ongoing case has been calculated based on the overall claim multiplied by the probable outcome, if there is considerable doubt over the value and timing of the claim it should be treated as a contingent liability and as such not disclosed in the financial statements. All provisions are reviewed each year in accordance with IAS 37 Provisions, Contingent Liabilities and contingent Assets. The key principle established by IAS 37 is a provision should be recognised only when there is a present obligation resulting from past events. Planned future expenditure cannot be recognised.

1.27 ESTATES DILAPIDATIONS

The terms of any lease that the Authority has entered into may state that the building should be returned to a fit state 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.

1.28 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	1.30%	1.30%	1.30%
All other provisions	-1.55%	-1.0%	-0.80%

Rates are published by HM Treasury.

1.29 ACCRUALS

Accruals are an accounting methodology that records 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. Other goods and services will require 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.

The Authority is currently compliant in meeting its reporting requirements relating to estimates and judgements and where these estimates change, they are amended within the guidelines of accounting standard IAS 8.

2. SEGMENTAL INFORMATION OF EXPENDITURE AND INCOME

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

	2015/16 Gross expenditure	2015/16 Income	2015/16 Net expenditure	2014/15 Gross expenditure	2014/15 Income	2014/15 Net expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Reportable Segments						
Census	18,434	(156)	18,278	11,719	(204)	11,515
Data Collection	46,090	(14,734)	31,356	44,103	(12,242)	31,861
National Acc & Economic Stats	24,060	(608)	23,452	23,622	(515)	23,107
Social and Analysis	17,462	(3,691)	13,771	16,932	(3,973)	12,959
Digital Services, Technology and Methodology	44,810	(479)	44,331	48,430	(401)	48,029
Corporate Support	36,608	(8,969)	27,639	30,137	(9,717)	20,420
UK Statistics Authority	1,487	-	1,487	5,093	(330)	4,763
UK Statistics Authority						
	188,951	(28,637)	160,314	180,036	(27,382)	152,654

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

	Note	2015/16 Gross expenditure	2015/16 Income	2015/16 Net expenditure	2014/15 Gross expenditure	2014/15 Income	2014/15 Net
		£'000	£'000	£'000	£'000	£'000	£'000
Total reported by segment		188,951	(28,637)	160,314	180,036	(27,382)	152,654
Reconciling items							
Depreciation	4	15,650	-	15,650	14,980	-	14,980
Provisions created in year	13	1,388	-	1,388	299	-	299
Provisions not required in year	13	(51)	-	(51)	-	-	-
Unwinding discount on provisions	4	(82)	-	(82)	(141)	-	(141)
Downward revaluations of fixed assets	4	1,753	-	1,753	824	-	824
Performance related pay year end accrual		879	-	879	1,503	-	1,503
Loss on disposal of equipment	4	811	-	811	-	-	-
Movement in holiday pay	10 & 12	65	-	65	(194)	-	(194)
Statement of Comprehensive Net Expenditure							
		209,364	(28,637)	180,727	197,307	(27,382)	169,925

Net assets are not reported separately to the CODM.

3. STAFF NUMBERS AND RELATED COSTS

for period ending 31 March 2016

3.1 Staff Costs

	2015/16	2014/15
	Total	Total
	£'000	£'000
Statistical Services Staff Costs	100,559	95,700
Social security costs	6,529	5,794
Other pension costs	18,339	15,173
Total	125,427	116,667
Less recoveries in respect of outward secondments	(68)	(110)
Total net costs	125,359	116,557

4. PROGRAMME COSTS

for the period ending 31 March 2016

	2015/16	2014/15
Rentals under Operating leases	£'000	£'000
Other operating leases	4,198	4,125
Hire of plant and machinery	82	23
	4,280	4,148
Non-cash items		
Depreciation	15,650	14,980
Impairment of fixed assets	1,753	824
Unwinding and rewinding of discount on provisions	(82)	(141)
External audit fee ¹	78	78
Loss on disposal of equipment	811	-
Net release of provisions	1,337	299
	19,547	16,040
Accommodation	12,874	11,956
Information technology	20,429	24,739
Payments for carrying out surveys	11,767	7,883
Travel and subsistence	5,488	5,477
Other expenditure	4,420	4,601
Telecommunications	1,553	1,672
External training	952	1,240
Postage	921	905
Miscellaneous fees	686	888
Consultancy	473	514
Stationery	392	370
Hospitality	125	146
Ex-gratia payments	44	5
Exchange rate (gains)/losses	(14)	56
	83,937	80,640

Note

1 There were no non-audit fees incurred in either 2015/16 or 2014/15.

5. INCOME

for the period ending 31 March 2016

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

	2015/16	2015/16	2015/16	2014/15	2014/15	2014/15
	External	Public Sector	Total	External	Public Sector	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Statistical services	2,108	16,708	18,816	2,979	13,908	16,887
Operational income	822	8,224	9,046	1,808	8,105	9,913
EU Income	775	-	775	582	-	582
	3,705	24,932	28,637	5,369	22,013	27,382

	2015/16	2014/15
	£'000	£'000
Statistical services	18,816	16,887
Operational income	9,046	9,913
EU Income	775	582
	28,637	27,382

6. PROPERTY, PLANT AND EQUIPMENT

as at 31 March 2016

	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 2014	9,882	23,483	28,641	4,457	7,922	363	74,748
Additions	-	-	1,879	215	180	2,656	4,930
Transfers from assets under construction	-	2,068	(68)	-	-	(2,068)	(68)
Disposals	-	-	(55)	-	-	-	(55)
Impairment	-	(1,458)	-	-	-	-	(1,458)
Revaluations	-	(18)	89	7	120	-	198
At 31 March 2014	9,882	24,075	30,486	4,679	8,222	951	78,295
Depreciation							
At April 2014	-	1,199	23,586	3,322	6,370	-	34,477
Charged in year	-	1,666	2,438	447	584	-	5,135
Disposals	-	-	(54)	-	-	-	(54)
Impairment	-	(634)	-	-	-	-	(634)
Revaluations	-	(440)	49	4	99	-	(288)
Transfer out of group	-	-	(12)	-	-	-	(12)
At 31 March 2015	-	1,791	26,007	3,773	7,053	-	38,624
Cost or valuation							
At April 2015	9,882	24,075	30,486	4,679	8,222	951	78,295
Additions	-	-	1,371	192	217	3,174	4,954
Transfers	-	3,857	(44)	-	-	(3,857)	(44)
Disposals	-	-	(21,817)	(2,660)	(250)	-	(24,727)
Impairment	-	(2,248)	-	-	-	-	(2,248)
Revaluations	160	(409)	(52)	2	254	-	(45)
At 31 March 2016	10,042	25,275	9,944	2,213	8,443	268	56,185
Depreciation							
At April 2015	-	1,791	26,007	3,773	7,053	-	38,624
Charged in year	-	1,803	2,199	489	446	-	4,937
Disposals	-	-	(21,816)	(2,660)	(250)	-	(24,726)
Impairment	-	(494)	-	-	-	-	(494)
Revaluations	-	(943)	(26)	1	219	-	(749)
Transfer out of group	-	-	(23)	-	-	-	(23)
At 31 March 2016	-	2,157	6,341	1,603	7,468	-	17,569
Net book value at 31 March 2015	9,882	22,284	4,479	906	1,169	951	39,671
Net book value at 31 March 2016	10,042	23,118	3,603	610	975	268	38,616
Asset financing:							
Owned	10,042	23,118	3,603	610	975	268	38,616
Net book value at 31 March 2016	10,042	23,118	3,603	610	975	268	38,616

Note

Included in the £5million of additions are £128,000 of capital creditors. The total amount of capital creditors brought forward from 2014/15 was £770,000. The properties at Titchfield, Christchurch and Newport were professionally valued as at 31 December 2015 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. The Authority calculates and publishes indices, which are used to value non-property assets on a quarterly basis.

During the year a comprehensive review of fixed assets was completed to identify Property, Plant and Equipment that has a nil Net Book Value, and where no longer held by the authority. The majority of these assets related to computer equipment, that had been securely disposed over a number of years

7. INTANGIBLE FIXED ASSETS

as at 31 March 2016

In-house developed software applications

	NeSS Projects	CORD (Odyssey) Projects	CASPA (The Social Survey Repository)	Web Data Access	Web Development Project	CPI/RPI	CORA (Common Open Road Architecture)	Electronic Data Collection	Virtual Micro Laboratory	Improving Dissemination	Software Licences	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valuation												
At April 2014	13,239	7,540	15,723	9,627	8,155	5,446	1,607	2,152	-	-	19,232	82,721
Additions	-	-	-	-	-	-	-	-	-	-	1,005	1,005
Transfers from assets under construction	-	499	763	2,297	-	2,811	821	1,991	-	-	-	9,182
Transfer into group	-	-	-	-	-	-	-	-	-	-	68	68
Revaluations	(124)	(78)	(172)	(129)	(84)	(56)	(17)	(25)	-	-	-	(685)
At 31 March 2015	13,115	7,961	16,314	11,795	8,071	8,201	2,411	4,118	-	-	20,305	92,291
Amortisation												
At April 2014	11,357	5,161	9,992	670	3,572	682	80	59	-	-	14,713	46,286
Charged in year	237	298	840	3,674	1,347	372	213	350	-	-	2,514	9,845
Transfer into group	-	-	-	-	-	-	-	-	-	-	12	12
Revaluations	(106)	(55)	(109)	(13)	(51)	(10)	(3)	(2)	-	-	-	(349)
At 31 March 2015	11,488	5,404	10,723	4,331	4,868	1,044	290	407	-	-	17,239	55,794
Valuation												
At April 2015	13,115	7,961	16,314	11,795	8,071	8,201	2,411	4,118	-	-	20,305	92,291
Additions	-	-	-	-	-	-	-	-	-	-	214	214
Disposals	(11,765)	-	-	-	-	-	-	-	-	-	(13,048)	(24,813)
Transfers from assets under construction	-	310	-	-	-	44	751	-	244	861	-	2,210
Transfer into group	-	-	-	-	-	-	-	-	-	-	44	44
Revaluations	(118)	(71)	(141)	(86)	(111)	(71)	(24)	(35)	-	-	-	(657)
At 31 March 2016	1,232	8,200	16,173	11,709	7,960	8,174	3,138	4,083	244	861	7,515	69,289
Amortisation												
At April 2015	11,488	5,404	10,723	4,331	4,868	1,044	290	407	-	-	17,239	55,794
Charged in year	805	381	829	3,652	1,615	520	437	490	57	53	1,874	10,713
Disposals	(10,955)	-	-	-	-	-	-	-	-	-	(13,048)	(24,003)
Transfer into group	-	-	-	-	-	-	-	-	-	-	23	23
Revaluations	(106)	(48)	(96)	(31)	(90)	(11)	(4)	(6)	-	-	-	(392)
At 31 March 2016	1,232	5,737	11,456	7,952	6,393	1,553	723	891	57	53	6,088	42,135
Net book value of in-house software 31 March 2015	1,627	2,557	5,591	7,464	3,203	7,157	2,121	3,711	-	-	3,066	36,497
Net book value of in-house software 31 March 2016	-	2,463	4,717	3,757	1,567	6,621	2,415	3,192	187	808	1,427	27,154
Remaining useful economic life	-	6	6	1	1	12	7	7	7	4		

Notes

The net book value of in-house developed software would be £29million 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 £214,000 software licences additions is £Nil of capital creditors and the amount brought forward from 2014/15 is £31,000.

The Neighbourhood Statistics Service (NeSS) website was archived in March 2016. It 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.

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 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 CPI/RPI Re-engineering Project and Business Prices 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.

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

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

The Virtual Micro Laboratory provides a facility for researchers to review and collate administrative data.

Web Data Access (WDA) enables the dissemination of a range of social and economic data sets in a way that maximises use in line with government policy and transparency. A review of this software was undertaken during 2014/15 which resulted in a remaining useful economic life of 1 year.

The Web Development Programme delivered the archived ONS website. Following the launch of the new ONS website under the Improved Dissemination Programme this asset has been given a useful economic life of 1 year.

The Improving Dissemination program has delivered a new, modern website with improved search and navigation. The programme also delivers new internal systems for statistical production areas to release outputs.

7.1 Assets Under Construction

	Longitudinal Study Redevelopment	CPI/RPI Re- engineering Project	Central ONS Repository for Data CORD	Social Survey Data Collection Transformation	Web Data Access	Electronic Data Collection	European Systems Accounts 2010	Life Events	CORA Platform	ADRC-E	Improving Dissemination	Business Prices	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At April 2014	198	1,599	96	763	2,297	201	2	3,651	-	-	-	-	8,807
In year expenditure	376	1,212	492			1,822	-	1,072	913	155	364	-	6,406
Impairment	-	(2,811)	(499)	(763)	(2,297)	(1,991)	-	-	(821)	-	-	-	(9,182)
Transfers to fixed assets	-	-	-	-	-	-	(2)	-	2	-	-	-	-
At 31 March 2015	574	-	89	-	-	32	-	4,723	94	155	364	-	6,031
At April 2015	574	-	89	-	-	32	-	4,723	94	155	364	-	6,031
In year expenditure	76	44	374	-	-	1,019	-	(3)	880	92	928	125	3,535
Transfers to fixed assets	-	(44)	(310)	-	-	-	-	-	(751)	(244)	(861)	-	(2,210)
At 31 March 2016	650	-	153	-	-	1,051	-	4,720	223	3	431	125	7,356

	2015/16 Total	2014/15 Total
	£'000	£'000
Net book value of assets under construction at	7,356	6,031

Notes

Included in the additions of £3.5million is £Nil of capital creditors. The amount of capital creditors brought forward from 2014/15 is £110,000.

Assets under construction are not revalued or depreciated.

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

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

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

A full breakdown of non current assets is shown below.

	2015/16 Total £'000	2014/15 Total £'000
Non-current assets	£'000	£'000
In-house developed software & software licences	27,154	36,497
Assets under construction	7,356	6,301
Intangible assets	34,510	42,528

8. IMPAIRMENTS

for the period ending 31 March 2016

8.1 Property Plant & Equipment

Note	Newport Building Revaluation	Titchfield Building Revaluation	Total
	£'000	£'000	£'000
Component value as at 31 March 2016	1,394	1,730	3,124
Depreciation relating to the component	(184)	(311)	(495)
Reserves related to the component	-	(876)	(876)
Total cost of impairment 2015/16	1,210	543	1,753

Note

Following a market valuation undertaken by DVS the Newport and Titchfield buildings were impaired.

9. FINANCIAL INSTRUMENTS

for the period ending 31 March 2016

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

	2015/16	2015/16	2014/15	2014/15
	Non-interest bearing	Non-interest bearing	Non-interest bearing	Non-interest bearing
	financial assets	financial liabilities	financial assets	financial liabilities
	£'000	£'000	£'000	£'000
Gross financial assets/ liabilities – Euro	324	(325)	327	(384)

10. TRADE RECEIVABLES AND OTHER ASSETS

as at 31 March 2016

	2015/16	2014/15
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	4,687	2,969
Deposit and advances	3	24
Prepayments and accrued income	13,615	9,307
	<u>18,305</u>	<u>12,300</u>
Amounts falling after more than one year:		
Deposits and advances	77	67
	<u>18,382</u>	<u>12,367</u>

10.1 Total Trade Receivables Outstanding

	2015/16	2014/15
	£'000	£'000
1-30 days	4,476	2,718
31-60 days	36	200
61-90 days	165	32
91-180 days	3	17
	<u>4,680</u>	<u>2,967</u>
greater than 181 days	7	2
	<u>4,687</u>	<u>2,969</u>

Statement of Financial Position

	2015/16	2014/15
	£'000	£'000
Deposits and advances falling due after more than one year	77	67
Trade and other receivables	4,687	2,969
Other current assets	13,618	9,331
	<u>18,382</u>	<u>12,367</u>

Notes

2015/16 figures reflect a net yearly movement of £38,000 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

as at 31 March 2016

	2015/16	2014/15
	£'000	£'000
Balance at 1 April	1,217	829
Net change in cash and cash equivalent balances	(721)	388
Balance at 31 March	496	1,217
The following balances at 31 March were held at:		
Government Banking Service accounts	368	1,096
Commercial banks and cash in hand	127	120
Cash equivalents	1	1
Balance at 31 March	496	1,217

12. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

as at ending 31 March 2016

	2015/16	2014/15
	£'000	£'000
Amounts falling due within one year:		
Other taxation and social security	5,652	3,744
Trade payables	6,540	3,946
Other payables	533	971
Accruals and deferred income	12,102	11,586
Amounts issued from Consolidated Fund for supply but not spent at year end	496	1,217
	25,323	21,464

Note

2015/16 figures reflect a net yearly movement of (£27,000) 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.

13. PROVISIONS FOR LIABILITIES AND CHARGES

as at 31 March 2016

	Early departure costs	Drummond Gate dilapidations	Other Provisions	Total
	£'000	£'000	£'000	£'000
Balance at 1 April 2014	3,113	6,830	-	9,943
Provided in year	40	-	259	299
Provisions not required written back	-	-	-	-
Provisions utilised in the year	(1,218)	-	-	(1,218)
Unwinding of discount	73	(383)	-	(310)
Rewinding of discount	(29)	198	-	169
Balance at 31 March 2015	1,979	6,645	259	8,883
Balance at 1 April 2015	1,979	6,645	259	8,883
Provided in year	298	-	1,090	1,388
Provisions not required written back	-	-	(51)	(51)
Provisions utilised in the year	(880)	-	(208)	(1,088)
Unwinding of discount	31	(198)	-	(167)
Rewinding of discount	(17)	102	-	85
Balance at 31 March 2016	1,411	6,549	1,090	9,050

	2015/16	2014/15
	£'000	£'000
Current early retirement provision 2015/16	544	857
Early retirement provision due after more than one year	867	1,122
Other provisions	7,639	6,904
Balance at 31 March	9,050	8,883

Analysis of expected timing of discounted flows

	Early Departure Costs	Drummond Gate Dilapidations	Other	Total
	£'000	£'000	£'000	£'000
up to 31 March 2017	544	-	1,090	1,634
Between 2018 and 2020	706	6,549	-	7,255
Between 2021 and 2026	139	-	-	139
Between 2027 and 2030	22	-	-	22
Balance at 31 March 2016	1,411	6,549	1,090	9,050

Notes

Early Departure Costs

The Authority meets the additional costs of benefits, beyond the normal PCSPS benefits, in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and the normal retirement date. The Authority provides for this in full when the Early Retirement programme becomes binding by establishing a provision for the estimated payments discounted by HM Treasury pensions discount rate of 1.30%.

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 HM Treasury discount rate of -1.55%.

Other Provisions

The Authority is currently negotiating pension rights as a result of TUPE transfers into the organisation following the end of an IT contract.

14. CAPITAL COMMITMENTS

as at 31 March 2016

	2015/16	2014/15
	£'000	£'000
Contracted capital commitments	3,128	859
Total commitments as at 31 March not otherwise included in these financial statements	3,128	859

15. COMMITMENTS UNDER LEASES

as at 31 March 2016

Operating Leases

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

	2015/16	2014/15
	£'000	£'000
Buildings:		
Not later than one year	4,301	4,331
Later than one year and not later than five years	3,167	7,215
More than five years	52	-
	7,520	11,546
Other:		
Not later than one year	366	23
Later than one year and not later than five years	526	45
	892	68

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

	2015/16
	£'000
Not later than one year	7,477
Later than one year and not later than five years	19,940
	27,417

16. OTHER FINANCIAL COMMITMENTS

as at 31 March 2016

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

	2015/16	2014/15
	£'000	£'000
Not later than one year	17,800	20,127
Later than one year and not later than five years	20,792	27,046
More than 5 years	1,711	-
	40,303	47,173

17. CONTINGENT LIABILITIES

as at 31 March 2016

None

18. RELATED PARTY TRANSACTIONS

for the period ending 31 March 2016

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 (£5,740,196)
- Metropolitan Police £4,041,000
- Department for Business, Innovation, and Skills - aggregate value (£2,200,304)
- Crown Prosecution Service (£3,442,500)
- National Savings and Investments (£1,490,697)
- Welsh Government - aggregated value £(1,244,350)
- Intellectual Property Office - aggregated value (£1,542,740)

No Board Member, Key Manager, or other related parties have undertaken any material transactions with the Authority during the financial year 2015/16.

19. COLLABORATIVE AGREEMENTS

for the period ending 31 March 2016

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

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

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

Statement of Comprehensive Net Expenditure

	2015/16	2014/15
	£'000	£'000
Staff	725	636
Other	219	268
Operating Income	(1,057)	(1,601)
Net Operating Costs for the year ending 31 March	(113)	(697)

Statement of Financial Position

	2015/16	2014/15
	£'000	£'000
Non-current assets:		
Intangible assets	440	480
Bank	810	697
as at 31 March 2016	1,250	1,177

Taxpayers' equity and other reserves

	2015/16	2014/15
	£'000	£'000
Income Capital	440	480
Net Reserve Expenditure	810	697
as at 31 March 2016	1,250	1,177

20. MACHINERY OF GOVERNMENT - TRANSFER OF FUNCTION

for the period ending 31 March 2016

On 1 April 2015, responsibility for the production of statistics on construction prices and cost indices were transferred from the Department for Business Innovation and Skills (BIS) to the Authority, via a Machinery of Government Change (MoG).

In order to facilitate this £400k budget was transferred from BIS to the Authority.

The 2014/15 Statement of Comprehensive Net Expenditure and Statement of Financial Position have not been restated to reflect this MoG, as the change is not considered material to these financial statements.

21. EVENTS ARISING AFTER THE REPORTING DATE

On 23 June the UK voted to leave the European Union. We will be addressing the implications in detail during 2016/17.

One of the impacts over the longer term will be on EU income which for 2015/16 totalled £775k (2014/15) £582k

On 25 January 2016 the Authority announced a voluntary redundancy scheme.

Applications to the scheme closed on the 19 February 2016, and decisions on successful applications were made on 15 April 2016.

On 20 April 2016 the Authority made voluntary redundancy offers to employees totalling £5.05million.

22. DATE OF AUTHORISATION OF THE ACCOUNTS

The Accounts were authorised for issue on the date of the Comptroller and Auditor General's certification.



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