



# Annual Report and Accounts

# 2019/20





# UK Statistics Authority Annual Report and Accounts 2019/20

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This is part of a series of departmental publications which, along with the Main Estimates 2019/20 and the document **Public Expenditure: Statistical Analyses 2013**, present the Government's outturn for 2019/20 and planned expenditure for 2020/21.



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# Chair's Foreword

This is our annual report for 2019/20. It feels as though it looks back to another world. But the past year was important for the UK Statistics Authority and for its two arms, the Office for National Statistics (ONS) and the Office for Statistics Regulation (OSR). The work they did then and in the previous years has provided the basis for the things they have both done to help inform the nation during the pandemic. I believe they really have lived up to the objective set in our founding legislation, that of safeguarding the production and publication of official statistics that serve the public good. I feel proud of what they have achieved, and they should too.


This report touches on some of the changes of the past few months, but the detail will be for next year. For this report the important points are how Better Statistics Better Decisions (BSBD), the strategy set nearly five years ago, has pointed the way to a more outward looking and responsive ONS, with people and the technology willing and able to cope with faster change, and in the Digital Economy Act, supported by legislation to drive quicker use of administrative data. Similarly, OSR, a creation of the Bean Review, has grown in capability and independent stature, and become fleet of foot.

The successor strategy to BSBD will be published in the summer and I look forward then to explaining the next phase of our development.

The past year saw three National Statisticians: John Pullinger who retired after five successful years, Ian Diamond whom we welcomed in the autumn, and Jonathan Athow who ably led the ONS during the interregnum.

It also saw the retirement of Adrian Smith, who was on the Board when the Authority began, was Deputy Chair and Chair of the Regulation Committee among so many other contributions.

I am deeply grateful to them, to the members of the Authority Board, and above all to the thousands of people who work in the ONS and OSR, who have continued to produce excellent data and analysis, and have not just maintained their authoritative voice but are gaining ever stronger recognition of the importance of objective understanding of our society and economy.



*David Norgrove*

**David Norgrove**

Chair, UK Statistics Authority

7 July 2020

**Sir David Norgrove**



# Chief Executive's Report

This is my first Annual Report since taking up the post of National Statistician in October 2019. I am delighted to lead the UK Statistics Authority at a pivotal moment; my predecessor, John Pullinger CB, has laid the foundation for a radical transformation of the information available to the UK on our environment, economy and society.

Since joining I have spent considerable time listening to colleagues including those from the government statistical service, analysis function and wider research community.

I have discussed our ambitious plans for more streamlined access, use and sharing of data with ministers and other senior officials from across government and beyond, whose appetite for more data, in richer forms than ever before is only growing as part of enabling a data informed policy agenda. The global pandemic of COVID-19 is just one example of where more timely access to data can help us better understand how this new disease could impact our economy and those most vulnerable within our society and what can be done about it.

All of this work, along with extensive staff engagement exercises, has been part of the Authority's development of our new five-year strategy. That strategy presents an ambitious look into the future, but the Annual Report presents an opportunity to highlight the outstanding work that I am proud to say has taken place over the past year.

## Economic Statistics

The UK's economy continues to adapt in a changing global and domestic landscape. Producing timelier statistics is ever more important in order to understand how sudden changes to day-to-day life, such as those presented by COVID-19, impact our economy.

The COVID-19 pandemic has not only changed the UK economy, but also our ability to measure it. The temporary closure of businesses, the increase in remote working and introduction of social distancing had a significant impact on our key business data collections, posing difficult practical and conceptual challenges to our core economic



statistics. The ONS implemented detailed contingency plans to minimise its impact on our regular prices, labour force, trade, public sector finance and GDP statistical releases.

Collaboration has been at the heart of how we have improved measurement of the economy. Engagement with the Economic Statistics Centre of Excellence has been central to this and the first phase of research that provided key insights into a modern economy and how to better measure it was published in 2019.

Better use of administrative data from across government has allowed us to make strides in improving the coverage and timeliness of economic statistics.

Using Value Added Tax data, we have produced new GDP estimates with greater geographical granularity, offering users estimates for all UK countries and the nine English regions. This is providing greater insights into the regional disparities that exist between different parts of the country and helping government channel investment accordingly.

On the labour market we have collaborated extensively to develop methods for producing monthly aggregates for employment and earnings using Real Time PAYE information. This has led to the first joint ONS/HMRC release accompanying the headline labour market statistics and demonstrated the potential of using tax data in the labour market more widely, offering coverage of the actual labour market rather than a sample, and a better comparison of pay for jobs paid at different intervals.

Automation and the changing labour market are topics of policy interest and wider public debate. We have responded to this by producing new estimates of the probability of automation using Organisation for Economic Co-operation and Development (OECD) established methods. These estimates have included demographic and geographic analyses to understand groups and regions which may be impacted by automation. The results were disseminated for the first time using the ONS's chatbot.

Last year we continued our ambitious development work to meet increased demand for trade statistics as the UK negotiates new bi-lateral partnerships outside the EU. We have introduced Trade in Goods and Services by industry, Trade in Services by mode of supply, and Services Trade by Business Characteristics, providing more insight than ever before on the UK trade position on a timelier basis.

How we measure inflation remains at the centre of public debate and is of great importance to the UK. In 2020, we held a joint consultation with HM Treasury on the future of the Retail Prices Index in response to the 2018 inquiry by the House of Lords Economic Affairs Committee.

The consultation was extended to account for the UK's response to the COVID-19 pandemic, and the government and the Authority expect to respond to the consultation in the autumn.

## **Public Policy**

We provide decision makers – from the citizen to the heart of government – with the statistics and analysis they need to make the best possible decisions. Our work spans a huge range of areas including life expectancy, loneliness, housing and homelessness, health, human capital, the environment, crime, migration and the changing population. A key strand is to continue to improve the coherence of statistics across the UK given devolution, and to collaborate ever more effectively across government statistical producers.

Over the past year we have delivered new statistics which have filled vital gaps in the evidence base. We have collaborated across government and beyond, bringing new data sources together to improve existing statistics and developed new statistics which enable further understanding on how society is changing.

In the past year we launched a new series of reports showing the contribution those living with disability make to our society and the inequalities they face in the context of education, employment, housing, crime, social participation, well-being and loneliness. This included, for the first time, analysis on the disability pay gap. This means we now produce disability, ethnicity and gender pay gaps.

In the summer we published our first set of preliminary adjustments to migration statistics. To improve our International Passenger Survey based estimates and account for migrants uncertain intentions, we adjusted the numbers of non-EU students and EU8 citizens moving to the UK using administrative data from across government.

We have continued to produce estimates of domestic abuse. But over and above this we have delivered new estimates of child abuse, leading to improvements in understanding the types and nature of abuse, their impact on support services. This has given insights into the criminal justice system's response to perpetrators of abuse.

We recently published our second iteration of estimates of deaths relating to homeless people, using innovative methods which linked death records with locations of homeless shelters and hostels. The release led to raised awareness and parliamentary discussion on how to urgently tackle this issue.

Delivery of the 2021 census will continue to be a priority. Over the past year we continued to make progress towards delivering a successful, predominantly online census. The Census Order (England and Wales) 2020 came into force on 21 May 2020, the Census (England) Regulations on 23 June 2020 and the Census (Wales) Regulations on 26 June 2020.

The end of last year saw successful completion of our Collection and Coverage Survey Rehearsals and our Processing and Outputs Rehearsal started in February 2020. The rehearsals allow us to fully test systems, processes, platforms and methods to ensure we are ready to conduct the census. This will give us confidence that we will meet our commitment to deliver the first outputs within 12 months of collection. While work is progressing on the Census 2021, work is also underway to support our commitment on providing recommendations to government on the future of the census.

## **Building Capability**

We're using our well-established experience to harness data to build the capability for a new approach to the collection and use of data for policy-making, research and investment in the economy and public services.

Through the Digital Economy Act we can transform how government uses data. The Act enables the Authority to acquire data from public bodies for statistical and research purposes, allowing access to valuable data for the first time. We recently acquired HMRC PAYE and DWP data which will allow us to deliver estimates on income, help with insight into the labour market and will likely play an important role in enhancing census outputs.

The Act also allows government to provide the wider research community with access to new and linked data sources for research that is of clear public benefit. To support this we've made changes to the Secure Research Service (SRS) which means we have successfully provided the first researchers with remote access to their research projects, which will support an increase in secure access to government data. We continue to transform our technology to support the move to online data collection, including a digital first census tested through a successful rehearsal. We are also continuing the development of our platform to ingest and process administrative data to feed into our statistics and analysis.

In the recent Budget we successfully received funding to develop a safe, secure and trusted platform for government data, enabling analysis to provide new insight and support better public services. We continue to make use of a multidisciplinary approach through the Analysis

Function, which is a collective of all the analytical professions across the government, as well as working with colleagues from DCMS, GDS, ONS and CSA in the development of this framework. The platform will deliver a cross-government approach for how government should provision, consume and share data to drive improvements in public services, and research and analysis to support policy-making and evaluation of those policies.

Our Data Science Campus continues building on its previous success, partnering with the Department for International Development (DfID) to launch a new Hub of the Data Science Campus in East Kilbride. This is focused exclusively on using data science and AI for International Development.

The Government Data Science Partnership, a collaboration between the Data Science Campus, the Government Digital Service and Go-Science, has been conducting the first Data Science Capability Audit to evaluate the skills present across government to inform and guide development of a more data science capable public sector.

The Campus recently responded to a high-priority request from DfID for information on flight passenger flows from the Wuhan region of China in order to understand the risks travel from China could have on the UK. Working with colleagues from the Department for Transport and using data from the UN Global Platform, airport websites and APIs, within hours of the initial request, the team provided DfID with maps and analysis of passenger flows, informing the government response.

## **Final Remarks**

When my predecessor outlined a strategy for 2015-2020, we were entering a period of transformation. We have come a long way towards realising this vision.

I want to personally thank everyone at the ONS and within the Government Statistical Service (GSS) who has contributed to making this happen.

I want now to build on the good work of Better Statistics, Better Decisions moving forward whilst acknowledging how much has changed. Topics such as Britain's departure from the EU and climate change have moved their way up the public agenda which, together with unexpected change such as the recent COVID-19 pandemic, exemplify situations which can lead to uncertainty. To meet such challenges, a new approach is needed which is ambitious enough to answer the challenging questions of the day, whilst welcoming innovation to provide fresh insights in a rapidly changing social, political and economic environments.

However, we also need to ensure that our work is sustainable. Through advances in technology and data science we are able to collaborate across government and we need to ensure that we continue doing this through sharing more knowledge, continuing to produce statistics that matter to people and delivering value for money.

We also need to continue the progress we have had on ensuring this organisation is as inclusive as it can possibly be. In recent years, we have welcomed an increasing diversity in our workforce but as I write this, during the Civil Service Year of Inclusion, there is still much more to do. The ONS needs to be doing more to reflect society through a range of means, be that removing barriers that have previously stopped those from a minority group taking up senior leadership positions or breaking down the stigma of alternative working patterns to allow a better reflection of the balance of family and work lives.

We also need to make sure that the work we are doing on inclusivity is not just inward facing. Our methods of data collection and analysis need to allow us to gain insights for people from a range of backgrounds and ensure that no voice is left unheard. We need to provide statistics which shine a light on every group in society to ensure the public and decision makers are well informed, more than anything we need to ensure our statistics are communicated in a way that ensures they are usable and used.

Finally, I want to thank all the staff for your hard work and let you know how energised I am to provide the support you need to make these next five years successful.



**Professor Sir Ian Diamond**

National Statistician  
UK Statistics Authority  
7 July 2020





**10,835**

**National print stories**  
informed by ONS and  
its statistical outputs



**1%**

**Increase in staff engagement**  
between 2018/19 and 2019/20



**7,813**

**Hours of training**  
delivered by Data Science  
Campus Faculty team



**15.3m**

**ONS Website sessions**  
in 2019/20



**649**

**Parliamentary questions**  
and FOI requests answered



**1.269M**

**Survey responses**  
processed by ONS



**£0.8m**

**Efficiency savings**  
from ONS in 2019/20



**791,000**

**Online data collection**  
responses received



**749**

**Statistical releases**  
from ONS in 2019/20



**Price Indices**

**The most searched for**  
ONS statistics



**169**

**New analysts**  
recruited to ONS

**Visit our website**  
**to find out more**



# Purposes and Activity

## Statutory Framework

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

The work of the Authority is further defined under the secondary legislation made under the Act by the UK Parliament or 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
- 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](http://www.statisticsauthority.gov.uk)

The collective mission of our official statistics system is:

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

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## Functions

The Authority's strategy covers the three principal elements of the UK official statistical 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 (ONS) and independent regulation through the Office for Statistical Regulation (OSR).

### 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, 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. The ONS has an important role at the heart of the GSS, providing guidance, support, standards and training.

### The Office for National Statistics (ONS)

The ONS is the executive office of the UK Statistics Authority. It is the UK's National Statistical Institute and largest producer of official statistics. The 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.

### Office for Statistics Regulation (OSR)

The OSR is the Authority's independent regulatory function, established by the Statistics and Registration Service Act (2007), and based in offices in England, Scotland and Wales. It provides independent regulation of all official statistics produced in the UK, and aims to enhance public confidence in the trustworthiness, quality and value of statistics produced by government.

OSR does this by setting the standards official statistics must meet in the Code of Practice for Statistics. It ensures that producers of official statistics uphold these standards by conducting assessments against this Code. Those statistics that meet the standards are given National Statistics status, indicating that they meet the highest standards of trustworthiness, quality and value. OSR also reports publicly

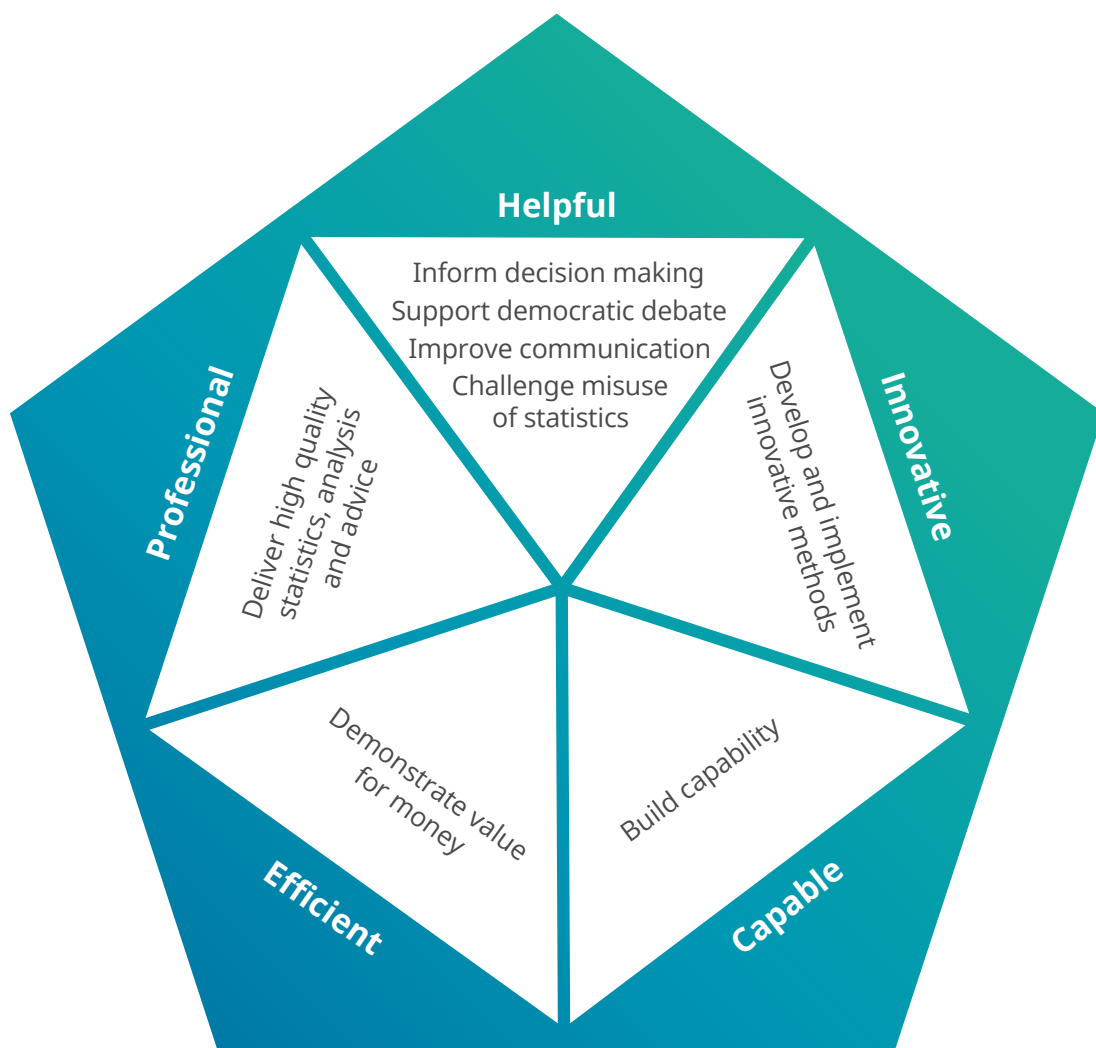
on system-wide issues and on the way that statistics are being used, celebrating when the standards are upheld and challenging publicly when they are not.

The legislation which established the UK Statistics Authority 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 reports directly to the Chair of the Authority and produces a separate annual performance report.

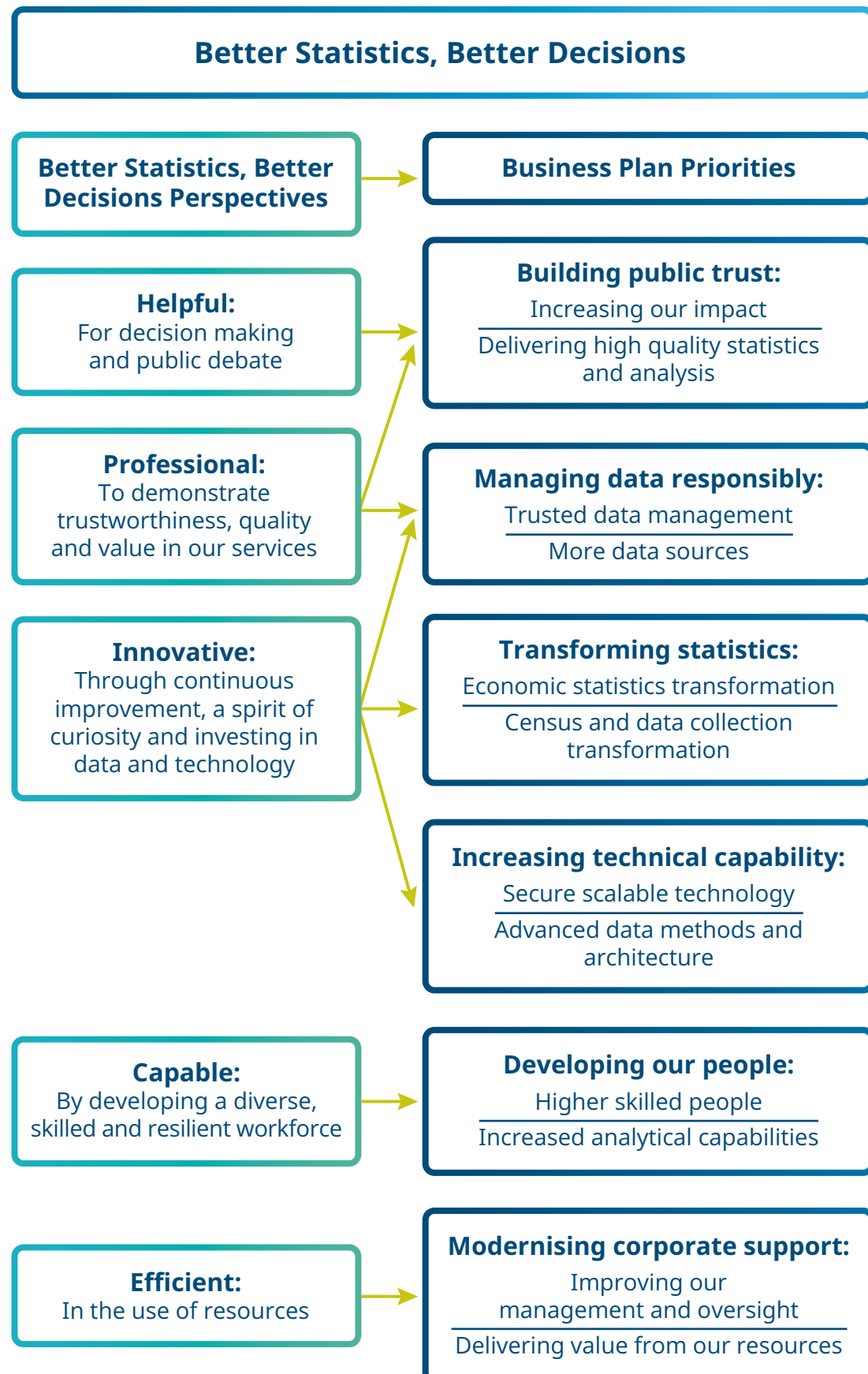
The ONS, together with other government departments, agencies and other bodies, are producers of statistics and therefore are subject to assessment by the OSR. More detail about OSR, including its approach, its governance and an assessment of its effectiveness is set out in the Annex to this document.

# Strategic Objectives

To achieve its mission, over the five years to 31 March 2020 the Authority was focused on five perspectives: a **helpful, professional, innovative, efficient** and **capable** statistical service, designed to serve the public good and help our nation make better decisions. These perspectives describe the way the Authority works 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 is intended to enable the Authority to be more helpful and intuitive in responding to the needs of stakeholders. To explain how we operate within each perspective, we have identified eight strategic objectives within Better Statistics, Better Decisions. These are depicted in the model below.



## A Better Statistics, Better Decisions Delivery Model



# Overview

2019/20 is the fifth and final year of our current strategy – Better Statistics, Better Decisions – and coincides with the final year of the Spending Review 2015.

We have made significant progress against our stated objectives in the four years prior to 2019/20.

We have built our leadership team and developed key relationships with partner organisations. We secured our financial remit in 2016 for the Spending Review period and subsequently obtained funding to fulfil our commitments in light of Sir Charles Bean's review of economic statistics.

On this solid financial base we have been able to invest in technologies – building our core Data Access Platform; reviewing our IT sourcing; we have delivered on key promises such as the development of the Data Science Campus and Economic Centre of Excellence; enacted the important provisions of the Digital Economy Act 2017 and made great progress in acquiring administrative data.

Using these enhanced technologies and convening powers we have been able to improve our range of statistical products and analyses; developed our partnerships further providing wider access to data in a controlled environment to academics and researchers; and leveraged our Data Science Campus to carry out new and innovative projects.

In this the final year of Better Statistics, Better Decisions we have continued our momentum to deliver against our key objectives as set out in our refreshed business plan published in 2019.

This chapter will assess our performance in more detail against the commitments we made 12 months ago with our progress against our key priorities for the period summarised below:

- 2019 Bluebook – was released with its planned enhancements in October 2019
- census rehearsal – we have delivered an incredibly successful rehearsal exercise and achieved several other key Census 2021 programme milestones during the period including Full Business Case sign off. The rehearsal exercise included the testing of the end to end processes and technologies needed for data collection and processing. We achieved a 41% response rate, learning valuable lessons that will feed into the planning for 2021

- we have increased our access to data through the Secure Research Services including secure remote access for researchers
- we have enhanced our data capability in terms of internal skill sets, acquisition of data and development of technologies to support usage
- we are currently formulating our strategy and strategic business plan for the next five years and hope to publish in late summer 2020. The delay in publication was made in light of the current national COVID-19 pandemic to allow us time to reflect on how this pandemic will impact upon our people, products and services
- we have responded to the Spending Round for 2019 securing ongoing funding for our activities and programmes for financial year 2020/21
- COVID-19 – whilst not a priority set out in our current business plan our work in aiding the government to rapidly respond to the pandemic became the key priority towards the end of the financial year

In addition to the key priorities set out above, the underlying theme of our 2019 Business Plan refresh was to bolster our role in aiding society to understand its key challenges.

- In economic statistics we have aimed to continue to aid in understanding the impact of EU Exit; to better understand the complexities in the services sector; and to use VAT and PAYE data to produce statistics through administrative data. We continued to engage with partners, such as Economic Statistics Centre of Excellence (ESCoE), to do so and more generally to help address the key challenges of measuring a modern economy.
- In public policy we have aimed to greater understand the impacts of societal changes such as inequalities and population and migration across different lenses including at a national and sub-national level.
- To make this possible we have needed to progress our technical and data capabilities in terms of technologies, architecture and methodology. Access to administrative data has been a key enabler for progress to date but is also a key ongoing challenge.
- We have continued to build on our successes and leverage our Data Science Campus – completing key cross government projects, delivering benefits and boosting capabilities across the analytics and data science communities.
- Across the board we aimed to improve the quality of our statistical output; to increase our ties with our partners across sectors; to enhance our reputation across government and in the international community; and to build our overall capability across our key statistical, analytical and technical skills base.

- Finally, we have aimed to run our organisation in a more efficient and effective way through better organised planning, corporate systems enhancements, financial management and corporate governance.

There is still much to do. During the year much has changed which has meant that we have needed to be responsive to those changes. Whilst we will have been prepared to help the UK understand the impacts of EU Exit, no one could have predicted the impacts of the current COVID-19 pandemic. We feel however that our role has never been more important in helping society understand and plan. These two key challenges and the shortened Spending Round for 2019 have meant that we have needed to keep our original business plan under constant review. This has consequently impacted upon our ability to deliver against our original stated commitments in some areas.

We have spent a large part of 2019/20 assessing our position within government and wider society and how we can seek to maximise our contribution over the next five years led by our new National Statistician who we welcomed in the autumn 2019. We will publish our conclusions from this exercise through our revised Strategy and Strategic Business Plan in 2020/21. We have considered our role within the professional communities of which we are a significant player. We have reflected on the challenges that we have faced and continue to face and the need now more than ever to perform our core function – to help enable the UK to make better evidence-based decisions.

The following analysis sets out how we feel we have performed against our detailed objectives for the period; what has gone well and what has not gone so well.



# Performance Analysis

## **Building Public Trust – Helpful and Professional**

### Increasing our Impact

Public trust in statistics and the Authority is based on ensuring our statistics are helpful to those who use them. The job is not done when the statistics are published, only once they are received, understood and valued by users. We remain committed to the Code of Practice for Statistics, and the ONS's leadership role in facilitating best practice across the Government Statistical System (GSS).

With that in mind, we have set out to maximise the use, range and impact of our published data. 99.8% of our releases have been before our 9.30am deadline. The publications seek to balance the need for detail with the need to draw attention to the key insights, trends and patterns included within the data. From March 2020, the ONS moved publication of market-sensitive releases that were published alongside a lock-in briefing from 9.30am at 7:00am, to ensure equality of access.

We have made steady progress in terms of the enhancements we have made to trade, productivity and labour market statistics including disaggregation at sub-national levels. To further aid user understanding and broaden the reach of our analysis we have published an online book 'Understanding the Economy' with associated learning resources including three chapters of a further book 'Measuring the Economy' aimed at 2nd and 3rd year economic undergraduates.

In the people and public policy context we have established five Centres of Expertise to address key areas of significant policy interest. These are hubs, working to inform the public and meet the needs of policy makers on the topical questions of the day and to set the agenda for future debate. They cover: Ageing and Demography; Crime and Justice; Equalities and Inclusion; International Migration and Subnational Analysis.

These centres produce new analysis and insights which are often cross-cutting and in partnership with other government departments, academics and external bodies. They undertake a wide range of work to fill crucial evidence gaps by utilising new sources of data; adopting the latest tools and approaches; and working in collaboration with others. Examples of their work in the period include an analytical series on living longer, new insights into child and domestic abuse, health inequalities, inclusive growth, international migration and the health sector and new analysis on High Streets and Towns.

As part of the Government wide analytical community, we have a key leadership role across the Government Statistical Service (GSS). In 2019/20 we launched and implemented the GSS People Plan supported by the Government Analysis Function career framework which helps to build a GSS career pathway aimed at increasing the impact of the analytical professions across government.

In order to maximise our impact, we need to be able to communicate effectively with our customer and user bases in ways that resonate with those bases. User numbers in respect of the ONS website reached record levels in 2019/20. In November 2019, the ONS website received 1 million users in a month for the first time, double the typical monthly traffic the site received when it relaunched in March 2016. By March 2020 user numbers reached more than 1.5 million in the month as interest grew in historical and weekly deaths data, and our outputs and analysis of COVID-19 impacts – these statistics have continued to grow in the early part of 2020/21.

We have also seen a change in the way our users consume our data – in March 2020, mobile and tablet visits to the website overtook desktop visits for the first time, reflecting a shift in demographic and user type, as well as the wider social climate. In late March there was also a substantial shift in the consumption patterns of users. The ONS website is typically visited during office hours, but visits to the website both increased and extended to later hours as users visited the site increasingly at home to get data and information.

The ONS' commitment to data visualisation continues to enable greater reach and impact of our data. In 2019/20, 1.4 million people viewed a data visualisation embedded on 3rd party websites including The Guardian, SkyNews.com, the Daily Mail and Economicsonline.com. In February 2020 the ONS agreed it would look to develop editorial collaborations with media organisations, in order to drive greater impact and reach. Work has started on a project with BBC News, and while plans to extend this have been put on hold during the COVID-19 pandemic the ONS' Digital Content team will look to accelerate these partnerships in the coming year.

During the year we have seen significant growth across our social media presence particularly via Twitter and Facebook interactions (up 16% and 107% respectively year on year). Social media is an important platform for the ONS to reach a broader user base. In year followers across the ONS' social media estate grew to 332,000 – an increase of more than 23,000 on 2018/19.

We have also worked closely with key stakeholders inside and outside government to develop our human capital estimates. Following a formal consultation we will, alongside enhancing the current measure of human capital, develop a new framework to consider human capital through an indicator lens.

A critical strand of our communication strategy – and linking in with one of our stated key priorities – has been in relation to the design and delivery of the census activation campaign both in support of the census rehearsal and wider planning for Census 2021. This has included proactive communications, brand and channel establishment in advance of the rehearsal and management of the environment around the Census Order and Census Regulations.

We continue to articulate our role as a custodian of a wide and growing range of administrative data to our stakeholder and user base ensuring that our dissemination products continue to evolve to meet user need; continue to adhere to best practice; and are compliant with data protection legislation to build on the public trust in our work. Our current assessment of user satisfaction indicates that 75% of end users would recommend us against a 60% user satisfaction target. As we have changed our method of capturing this qualitative feedback it is not possible to make a meaningful comparison against prior years.

As an organisation we have ambitions to be world leading. We have been providing international leadership in the way we have been reporting progress against the UN Sustainable Development Goals (SDGs). For example, we have developed in collaboration with the United States an open-sourced reporting platform that has been adopted by 14 countries and includes international assistance across the world to support these countries to report their SDG data; we work with the UN Economic Commission for Europe (UNECE) to improve the communication of SDG statistics and data transmission; and have been praised by the United Nations for the UK's Voluntary National Review being data led. In addition, the ONS was praised by the OECD for being the first country to publish a combined Personal and Economic Well-being release. We also lead international work to improve the evidence on ageing globally via a United Nations "City Group" that aims to provide better data on older populations.

## Delivering High Quality Statistics and Analysis

In terms of quality, we have strived to ensure that our key outputs meet the quality standards set out within the National Statistics framework as overseen by the Office for Statistics Regulation. Whilst the majority of our releases during 2019/20 were free from error (99.6%) we made six

major errors which have required revision and re-statement. These are discussed further in Section 3 (Improving Our Statistics). There has been no financial impact or penalties as a result of the breaches.

2019/20 was a critical year for us in understanding the ongoing relationship we have with the European Union. We set out as part of our business plan our ambition to more fully understand and meet the increased demand for trade statistics as the UK negotiates new bi-lateral partnerships outside the EU. Significant developments have been made in this area encompassing systems changes to provide higher quality, more timely insight including the introduction of statistics on the trade in goods and services by industry; trade in services by mode of supply; and services trade by business characteristics.

Blue Book 2019 included improvements to data sources to give information on the diversification of the services economy and the costs incurred by businesses through the introduction of the Annual Survey of Goods and Services and the reintroduction of the Annual Purchases Survey. Understanding the economic impacts of these major changes is fundamental and underpins core policy and decision making in the future.

Improvements have been made to the quality of Gross Domestic Product (GDP), trade and other core statistics including the greater use of administrative data and experimental approaches. We have further enhanced quality by e.g. the introduction of new deflators to support the National Accounts production process. Through engagement with key stakeholders we have implemented a new treatment for student loans in public sector finances. We have in addition improved consistency in measuring capital stocks and the consumption of fixed capital.

As planned, the Authority in conjunction with HM Treasury published a joint consultation on the future of the Retail Price Index (RPI) on 11 March 2020 as announced by the Chancellor of the Exchequer at the Budget. The consultation seeks views on the proposals and the timings for reform of RPI methodology. The consultation exercise has been extended until August 2020 in light of the current COVID-19 pandemic.

As part of our scheduled development of population and migration statistics we published our first set of preliminary adjustments to migration statistics in Autumn 2019. Again, using administrative data from across government we were able to improve our International Passenger Survey based estimates to assess the impact of non – EU students and EU8 citizens moving to the UK.

We recently published our second iteration of estimates of deaths relating to homeless people, using innovative methods which linked death records with locations of homeless shelters and hostels. The release led to raised awareness and parliamentary discussion on how to urgently tackle this issue. This type of data linking will become increasingly more important.

Our work in support of the government's response to the COVID-19 pandemic had only just started toward the end of financial year 2019/20 but since that time our work has received widespread and largely positive media coverage. We have provided information on deaths since the outset of the pandemic; developed experimental statistics on the economic impacts of the lock down; and initiated work on a COVID-19 infection survey. These supporting activities further highlight the value and quality of our outputs and analysis and our ability to be flexible in the face of ever-changing data needs. The pandemic has also provided us with further opportunities to increase our leadership role in collaboration across statistical producers in the GSS.

Global and national developments such as the Sustainable Development Goals "leave no one behind" agenda and Equality Act 2010 have led to an increased demand for monitoring equalities across all protected characteristics, including disability. In the past year we launched a new series of reports showing the contribution those living with disability make to our society and the inequalities they face in the context of education, employment, housing, crime, social participation, well-being and loneliness. This included, for the first time, analysis on the disability pay gap. This means we now produce disability, ethnicity and gender pay gaps.

Led by the now established Disability Analysis team and the Centre for Equalities and Inclusion, the ONS is committed to an ongoing research programme that aims to improve the evidence base by disaggregating wider outcomes by disability (for example, income and wealth), to ensure appropriate measurement and reporting of the concept of disability, and to use longitudinal analysis to shine a light on the impact of disability over the life course to better understand the drivers behind disparities in outcomes for disabled people.

We have continued to make improvements in the recording of crime. Our production of estimates of domestic abuse for example have been enhanced to include new estimates of child abuse, vital in understanding the types and nature of these crimes, how improvements can be made and their impact on support services. This has also given insights into the criminal justice system's response to perpetrators of abuse.

## **Managing Data Responsibly – Professional and Innovative**

### **Trusted Data Management**

In light of our increased access, the Digital Economy Act 2017 and the new ways of working across the Authority, we have needed to continue to embed our policies on the use, management and security of data. Given our lead role across the Data Architecture Network this need to embody best practice is driven by internal need but also has an external, cross GSS dimension.

The Government Data Architecture Community (GDAC) has been developing as the year has progressed – there are now four sub-groups looking at the key issues effecting data architecture across government – Business Glossaries, Metadata, Data Standards and Data Governance. The National Statistician has attended meetings to help promote a new government wide data standard.

During 2019/20 we have made significant improvements both to the digital and physical security of our assets in accordance with our security strategy managed through a central Security and Information Management division. This has included the introduction of mandatory security training across the organisation which in 2019 saw over 4,500 staff successfully achieve the required standard.

We have improved our information management governance and training across the organisation; supported risk and design across our digital and technology transformation activities; designed and implemented a security risk framework for application across our projects and programmes; fully implemented enhanced protective monitoring; and developed and implemented a security and capability accreditation process in support of the Digital Economy Act and the work carried out under its auspice.

We have actively engaged in reviews to seek external/expert validation for our security measures in the period including significant engagement with the National Cyber Security Centre.

The Authority plays an important role in a wider community of partner organisations, research and academic institutions. We recognise that the biggest issues of the day cannot be solved through the data that we produce alone. To support this wider community, we have made changes to our Secure Research Service providing remote access to the first cadre of researchers to facilitate their projects and to support a more general increase in secure access to government data. This has included the implementation and review of an accreditation scheme as stated above for researchers under the terms of the Digital Economy Act 2017.



## More Data Sources

A cornerstone of our current and future strategy is our ability to access and then use administrative data from other government departments and the commercial sector. Whilst progress in the early part of the Spending Review 2015 (SR15) period was slow we have continued to expand our acquisition of data sets in 2019/20. We have overcome the early challenges we faced by building relationships with data suppliers, refining our requirements in line with what is deliverable and implementing innovation that has helped us acquire some of the most ambitious datasets. We will always need to satisfy our data suppliers in respect of security practice and policies with this forming a critical part of the process. There remains a challenge in terms of bandwidth – we've learnt that more engagement and requirements definition work is needed and these take time and resources that sometimes don't match the scale of demand. We mitigate this by ongoing prioritisation and growing our capability in line with our target operating model.

Amongst our successes in data acquisition in the period are the strategically significant data sets from HM Revenue and Customs and Department for Work and Pensions. The data sets acquired have been vital in delivering estimates on income; helping develop insights into the labour market; and will assist in enhancing census related outputs.

Our Data Access Platform (DAP) and Secure Research Service (SRS) systems are now supported by these increased data sets – there are currently 237 unique sets operating within the platforms. There are risks that remain with the acquisition of data including our dependence on data suppliers to share the data and the application of appropriate security and access controls. However, we feel that the position with the largest and most strategically important datasets has stabilised significantly in the period.

In the last year, further new data has been added to the SRS specifically, belonging to a wide range of Government Departments including HMRC (Trade in Goods), BEIS (Energy Efficiency), DfT (National Travel Survey) and UCAS (Undergraduates). The SRS is now also the primary access route for researchers wishing to use DfE data, with close to 100 projects underway using the National Pupil database. Working with our partners we hope to add further data in the near term from MoJ and a range of linked data from various sources.

As we acquire more and more data from third party organisations the infrastructure and methodology to support and allow us to shape and leverage the benefits from this data has developed in parallel.

The use of administrative data has been critical across a number of our existing statistical products. In addition to this we have continued with our programme of administrative data methods research. We have initialised three further projects from this programme working in collaboration with academia and other partners. Whilst our ability to develop the research aspects of our work is constrained by other organisational priorities such as support for Census 2021, we continually assess our wider project delivery capacity calling off new projects as we are able.

## **Transforming Statistics – Innovative**

### **Economic Statistics Transformation**

Transformation across our economic statistics reflects work done in our core economic statistics transformation programme and captures the work we have done to embed the recommendations from the Bean Review 2016. Many of the recommendations and developments relate to the publication of the Blue Book 2019 which as stated previously we have achieved in line with our planned timescales. This has included the compilation of National Accounts using a new annual production process for Blue Book outputs.

New data sources for the financial sector have been used in the production of experimental enhanced financial accounts statistics. A combination of commercial (e.g. Equifax) and regulatory data sources (e.g. Bank of England and Prudential Regulatory Authority Solvency II survey) were utilised to improve the quality, coverage and granularity (including counterparty information) of the UK Financial Accounts. The ONS has acquired test retail scanner data and are working on the production of scanner data indices. We have published some experimental indices using web-scraped data for four technological goods.

We have introduced new and improved functionality for the aggregation of Consumer Prices using a common platform (CORD).

In 2019/20 we have delivered all of our ESA10 derogations thus we have met our international standards compliance obligations which mitigates a previous risk of infraction proceedings and fines. Whilst the UK's exit from the EU may impact in this area, compliance with international standards remains an objective.

Enabling the nation to first understand and then make decisions based on evidence is critical to our role. Measuring the modern economy and how the world is changing links directly into this role. To support the wider public debate around automation and the digital economy we have produced new estimates of the probability of automation using



the Organisation for Economic Co-operation and Development (OECD) established methodology. To add further richness to this data and to reflect our drive to produce greater sub national and other granularity these estimates have included demographic and geographic analyses.

In terms of experimental estimates, we have published experimental 'item level indices' making better use of alternative data sources, new methods and harmonised systems from December 2019. We published Enhanced Financial Accounts as experimental statistics working in partnership with the Bank of England calling on their knowledge and expertise of the financial sector.

We have consulted with experts via the Economic Expert Working Group (EEWG), Economic Statistics Centre of Excellence (ESCoE) and ONS Fellows (established as part of the Bean Review response) as we have made significant changes to our statistical outputs during the year (e.g. developing our price statistics and double deflation). The EEWG meets six times a year and consists of eight ONS Fellows (external experts) and ONS senior leaders. The group provides expert advice and guidance on key statistical outputs and the overall strategy in terms of economic statistics. The 2019 ESCoE conference was held in May attracting 320 delegates and 115 speakers. This conference discussed current economic challenges such as the digital economy, regional statistics, administrative data, the National Accounts and GDP. This conference is bolstered by quarterly ONS Economic forums and regional discussions. The aim is to seek a broad engagement across stakeholder groups to drive continuous improvement across our statistical products.

We have leveraged the administrative data that we have obtained in the period in enhancing economic statistics. As an example, we are using Value Added Tax data to produce new GDP estimates with greater geographical granularity, offering users estimates for all UK countries and the nine English regions. This helps identify regional differences and in turn helps government to rectify disparity by focusing investment where it is most needed. All new and additional data sources have been acquired, transmitted and processed in accordance with the prevailing security requirements and this will remain a key pre-requisite for future data activity.

Transforming Labour Market Statistics is a stated longer-term ambition, but progress has been made in this area again using administrative data sources – this time in terms of Pay As You Earn data – to drive benefits. During the period, and through extensive collaboration we developed methods for producing monthly aggregates for employment and earnings using real time PAYE. This is a significant success in joint working with colleagues at HM Revenue and Customs.

We also introduced a fortnightly Business Impacts of the Coronavirus Survey to provide timely UK data on the effect the pandemic was having on turnover, employment, business costs and prices, trade and a range of other areas. This new online survey has been widely used across Government and helped inform key policy decisions during the pandemic.

We recognise that having the right people with the right skills is fundamental to the success of the transformation of economic statistics and indeed the wider organisation. To that end we have further bolstered our in-house analytical skills development programmes, recruiting staff with the required skill sets to compliment this. During the period we have reviewed and revised the structure of the economic statistics group to better position ourselves for the challenges ahead.

## Census and Data Collection Transformation

Whilst the focus of our efforts during 2019/20 has been on preparing for and delivering the census rehearsal, further significant programme milestones have been achieved as planned. The Authority submitted the Programme Full Business Case as scheduled in Summer 2019 with HM Treasury approval obtained shortly afterwards. The Census Order (England and Wales) 2020 came into force on 21 May 2020, the Census (England) Regulations 2020 on 23 June 2020 and the Census (Wales) Regulations on 26 June 2020.

We delivered the necessary technologies and third-party supplier contract integrations allowing us to test the full end to end processes first to deliver the census rehearsal exercise and then to prepare for Census 2021 itself. Developing a full collection and processing system as a proof of concept and operating this in a live environment has meant that we have been able to conduct a full review of the successes and areas for improvement in order to feed into the main census.

The rehearsal exercise on the whole, was successful with a response rate of 41% across three main channels. We delivered the collection rehearsal activities in October 2019 as planned and the rehearsal processing of data again as planned by March 2020.

At present we continue to plan for delivery of Census 2021 in line with existing timescales. We are however assessing the risks and re-planning is taking place in light of the COVID-19 pandemic and how this might impact.

As an ancillary benefit and as part of the planned wider benefits of the systems development the online collection tools will be made available for potential wider use across government.

Whilst the key focus for the transformation programme in 2019/20 has been on census activity we have also made progress against other stated people and public policy objectives. We have published new population and migration statistics research reports in May 2019 and again in March 2020 and have developed an integrated data (administrative, survey and census) and statistical design of a new longitudinal, administrative data led population, migration and social statistics system.

We have migrated 791,000 business surveys online in line with our specific commitment in our latest business plan and we are now operationally ready to begin collection of rationalised online financial surveys.

These developments will help to realise benefits to the organisation in terms of quicker results and more cost-effective collection routes, which will in turn facilitate benefits for respondents in terms of reduced administrative burden, and for users in terms of more timely access to data and analyses.

We continue to review our plans for survey and data collection including census related activity for the longer term. Updates on our considerations and proposals will be provided in future strategic and business planning documentation.

## **Increasing Technical Capability – Innovative**

### **Scalable Technology**

We successfully facilitated both the census rehearsal collection and processing technical requirements within the required timescales (October 2019 and February 2020 respectively). This is a significant achievement under tight and immovable deadlines with the preparatory work essential for Census 2021. This includes proving the fitness for purpose of the Survey Data Collection products in terms of their scalability and ability to meet the Census 2021 volume requirements. We have successfully developed and used an online questionnaire and established a test contact centre. Our technical developments were based on Cloud native infrastructure which operated with 100% availability and without security incidents. On the back of the development of key solution architecture for the rehearsal the solution architecture for the census exercise itself was agreed in the period.

From a methodological perspective in June the census rehearsal address register was developed, meeting all agreed quality targets.

We have worked collaboratively across the organisation to prototype systems using our new strategic platform. This has included for example areas of economic statistics such as prices and deflation.

In December we delivered a user learning pathway encompassing initial awareness through to expert use and advice to facilitate the ongoing use of our Data Access Platform. To date we are supporting around 900 platform users which, whilst falling short of the target 2,000 by the end of 2019/20, does show significant progress. By the end of the year we had introduced the capability to design and execute business workflows and manage contributors in the system. Migration of SRE to DAP was completed in March 2020 which further stabilises core systems and the statistical products that rely upon them.

We have faced challenges during the year in balancing our need to continue to support key organisational deliveries with the need to continue our progress in migrating from our legacy systems and implementing our 'cloud native' strategy to underpin core systems. We have made progress in moving e.g. surveys to new platforms including economic surveys using the existing capabilities of our Survey Data Collection (SDC) platform and have recognised the need to inject pace into our plans. In addition, we have moved 20 business surveys onto the SDC platform.

We have baselined our technology strategy and architecture roadmaps and have initiated a programme of work specifically focused on driving legacy system migration across the office. Overall, we have achieved a 56% uplift of legacy systems to date including over 500 ONS business systems databases to our new strategic platform improving security, stability and resilience.

We have made significant progress on virtual office working and have introduced Skype and Google Hangouts across the organisation. Never more so has the effectiveness of this work been proven than in response to the current COVID-19 pandemic where – with minimal disruption and almost immediately – approximately 4,000 employees were able to effectively work at home.

## Advanced Data Methodology and Architecture

Through the period we have continued to develop data linkage methods and capability. We have increased the resources and built expertise in our methodology area, the wider ONS, and the GSS to support amongst other things the recommendations and outcomes of the Office for Statistics Regulation systematic review of data linkage – “Joining up data for better statistics”.

In order to make further use of emerging data sources, such as job vacancy data, and apply them to our ongoing maintenance and revision activity we have created a coded living index of current job titles and developed the coding element into a standalone tool.

We continue to adhere to and iteratively develop our core data standards and guidelines for metadata and data management. As part of our administrative data methods research, we continue to interactively and incrementally develop and implement methods – starting with smaller scale deliverables – that support the key challenges faced when using administrative/non-survey data for official statistics.

Work has started in 2019/20 to assess how automation can be applied to the data ingest process, specifically the automatic ingestion of data at the point of receipt and removal of data on physical storage.

We have worked to define and implement a framework for the management of Reference Data at the ONS, known as 'The Reference Data Management Framework (RDMF)'. We have led a data discovery exercise to understand in greater depth our statistical data (which are currently brought into, disseminated out of, and held across the ONS); and what their main structure is; in order that we can understand not only where they are, but what variables they include and therefore where our main standardisation efforts should be focused.

Our Data Science Campus continues to build on its previous successes, partnering with the Department for International Development (DfID) to launch a new Hub of the Data Science Campus in East Kilbride. This is focused exclusively on using data science and AI for International Development.

We have developed our geospatial strategy vision, implementation plan and road map aligned with the organisation's data strategy to support the ONS' data transformation and to become a world class user of spatial data. This was facilitated by the establishment of the Geospatial Campus during the period.

## **Developing our People – Capable**

### **Higher skilled people**

Continuing to develop our people and setting in place mechanisms and strategies to approach this centrally as an organisation has been a key focus of our efforts in the year. There has been a clear emphasis on developing and securing scarce skills including across the analytical and technology professions and we have put in place plans to build capability more widely across the organisation.

We have developed our Inclusion and Diversity strategy in line with the ONS Strategic Business Plan and the new People Plan, Building and sustaining an open, inclusive, and supportive working environment will be key to achieving our business goals. Our people will be able to make the most of their skills and creativity to achieve their full potential.

We have developed a talent management approach within the ONS, that links to our wider work in supporting the GSS, to identify talent at SCS, Grade 6 and Grade 7 levels and then address the development needs of high potential individuals at all levels and grades. This ties in with the work we have done to improve succession planning by identifying the critical roles from SCS to Grade 7 and, through our strategic workforce planning, the skills that the organisation needs both now and into the future.

We have developed a comprehensive People Plan based on five key workplace and five key workforce themes which will be part of the ONS Strategic Business plan and outlines our approach to both. We continue to develop career pathways across all professions to ensure opportunities for all. Another of our key successes has been the roll out of the Analysis Function pathway across government.

In terms of the views of our people – we achieved an engagement score of 63% in the Autumn 2019 Civil Service People Survey exercise – an increase of 1% on the 2018 results. This is our highest score across the last five years. From the survey results, and in line with prior years, an action plan has been developed for implementation to improve on the areas of our organisational management that our people have told us need to be improved.

We have improved and embedded a new Reward and Recognition scheme within the organisation which seeks to better reflect reward for good performance contemporaneously and allows peers to nominate peers for a job well done. We have reduced our Gender Pay Gap. Furthermore, we have developed a new pay strategy, which allows us to mitigate some of the attraction and retention risks, and will enable delivery of both the People Plan and strategic workforce plans.

### Increase analytical capability

A governance structure was established during the year to drive a coherent approach to all elements of the cross-government analysis functional blueprint, including the development of capability and capacity. Working through the analysis function board and with colleagues across government an Analysis Function 'People and Talent' strategy was agreed and implemented across the analytical community, encouraging development for all, diverse and inclusive careers, supporting talent management through succession planning and supporting Civil Service talent programmes. The analysis function Career Framework was publicised – showcasing the varied career paths for analysts; attracting aspiring analysts to consider a career in government.



GSS Careers within the ONS lead on cross government GSS apprenticeships from a policy perspective, at both level 4 (data analyst) and level 6 (data scientist).

Our role in developing the data science capability across the public sector progressed in the year. The Government Data Science Partnership, a collaboration between the Data Science Campus, the Government Digital Service and Go-Science, has been conducting the first Data Science Capability Audit to evaluate the skills present across government to inform and guide development.

## **Modernising Corporate Support – Efficient**

### **Improving our management and oversight**

Through the course of 2019/20 we have worked to develop our next strategy that takes us to 2024/25. Given the current COVID-19 pandemic the publication of our new strategy and its supporting strategic business plan will be delayed until the summer to allow time for the organisation to properly reflect on how the pandemic may impact upon our strategic direction.

The Spending Review in 2019 became a short-term Spending Round concentrating on a one financial year roll forward of budgets.

The Spending Round secured ongoing funding for activities for 2020/21.

We have developed a pipeline and commenced the further leverage of our cloud based corporate ERP and HCM system including the introduction of automation and improved functionality. We have played an active leadership role assisting cross government colleagues in their corporate systems implementation – providing the benefit of our home-grown expertise in this area.

In terms of further enhancements of corporate systems and technologies we have updated our corporate desktop as planned (including almost 5500 PCs and laptops migrated to Windows 10); migrated our contact centre and introduced Skype external connectivity; and improved the functionality of our concierge room booking software to dramatically increase the utilisation of our estate. By implementing elements of Office365 we have enabled greater remote systems access and improving our overall data storage capacity in the process.

Reshaping the workforce as business and social surveys start to move online has not progressed as originally envisaged. This area will form a core consideration under our new strategy and business plan objectives. Delay has had an impact on the efficiencies we have been able to deliver.

## Delivering value from our resources

We have remained within our budgetary control totals for the entire Spending Review (SR) 15 period (2015/16 to 2019/20) which were calculated originally net of our efficiency savings targets. We have been able to achieve 82% of the target cost reductions as sustainable efficiencies going forward. We have not been able to hit our total sustainable cost reduction target of £17.9m due to a number of factors including re-prioritisation of activities making further data collection savings impossible within the period. Delays in the use of administrative data has also impacted upon the level of sustainable savings achieved. We aim to further reflect on future cost savings and efficiency plans as part of future spending review exercises.

## Office for Statistics Regulation (OSR)

The OSR is the Authority's independent regulatory function, established by the Statistics and Registration Service Act (2007), and based in offices in England, Scotland and Wales. It provides independent regulation of all official statistics produced in the UK, and aims to enhance public confidence in the trustworthiness, quality and value of statistics produced by government.

The OSR does this by setting the standards official statistics must meet in the Code of Practice for Statistics. It ensures that producers of official statistics uphold these standards by conducting assessments against this Code. Those statistics that meet the standards are given National Statistics status, indicating that they meet the highest standards of trustworthiness, quality and value. OSR also reports publicly on system-wide issues and on the way that statistics are being used, celebrating when the standards are upheld and challenging publicly when they are not.

The legislation which established the UK Statistics Authority 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 reports directly to the Chair of the Authority and produces a separate annual performance report.

The ONS, together with other government departments, agencies and other bodies, are producers of statistics and therefore are subject to assessment by the OSR. More detail about the OSR, including its approach, its governance and an assessment of its effectiveness is set out in the Annex to this document.



## OSR work relating to the ONS

The OSR as the independent assessor of official statistics is a regulator of the ONS as the National Statistics Institute and key producer within the UK. During 2019/20 the ONS has made a greater effort to ensure all producer teams are aware of the Code of Practice for Statistics: through putting on targeted training sessions, for example. The below sets out a summary of the key areas of and findings from OSR work in relation to the ONS during 2019/20.

At its best, the ONS produces insightful, coherent, and timely statistics, which are of high policy-relevance and public interest. This has been demonstrated during the ongoing COVID-19 pandemic, when the OSR has commended the ONS for its authoritative statistical leadership in very challenging circumstances, as it rapidly develops new statistics to support the UK Government's pandemic management.

Other OSR regulatory work in 2019/20 has found strengths in the way the ONS produces statistics. OSR's Assessment of the UK Employment and Jobs statistics and its Assessment of the preparatory stages for the 2021 census found strong evidence that the ONS collaborates closely and engages effectively with users and stakeholders, to help ensure data and statistics reflect user needs. Similarly, in short reviews of the UK Healthy Life Expectancy statistics and the Business Investment in the UK statistics, OSR commended the ONS producer teams for the way they have communicated and engaged users about methodology changes. OSR also recognised in its Assessment of the UK Employment and Jobs statistics that ONS statisticians challenge inappropriate use of the statistics, which is important to maintain trust in these statistics.

A number of OSR short reviews, including the compliance check of National Population Projections and compliance check of Capital Stocks and Fixed Capital Consumption statistics, have commended ONS teams for their collaborative working and the involvement of subject experts when agreeing on methods and assumptions. The ONS has shown it can work collaboratively to produce new, influential statistics on a range of important issues facing society, including deaths of homeless people, student suicide, domestic violence and child abuse. The ONS has drawn on data linkage, innovative techniques and partnerships with civil society, to make use of multiple available data sources to produce new insights. Similarly, through the Economic Statistics Centre of Excellence (ESCoE), the ONS has been able to collaborate with a community of academics and experts in economics to help them better describe and measure the economy. OSR will look to present these developments as exemplars for the ONS and other producers in 2020/21.

However, there are still areas for improvement. Although there are good examples of the ONS taking opportunities to share and draw together data sources and statistics to fill data gaps, there is also evidence that gaps in data persist in some areas, with the result that users are not getting data and statistics they want and need. OSR's Assessment of UK Employment and Jobs Statistics highlighted a number of gaps, and there are several topic areas where OSR have heard there is a demand for local data, which is currently not available, such as crime. OSR's Assessment of UK Employment and Jobs Statistics also highlighted a need for more effective communication regarding uncertainty around estimates and trends. Other regulatory work, including a short review of ONS Business Demography statistics and a short review of Business Investment in the UK statistics, has shown the need for producers to draw greater insight from published data and statistics.

A really key piece of work in 2019/20 has been OSR's Assessment of ONS Migration statistics. OSR's evaluation of these statistics concluded the quality of the estimates does not support effective decision making in this crucial area. Though the statistics are no longer designated as National Statistics and are now published as Experimental Statistics, OSR note that the ONS engaged with OSR openly and professionally about the quality of the statistics, and that the shift to experimental status was handled effectively, with users appearing to understand the nature of the change.

## **The Challenges We Have Faced**

We have faced challenges as we have set out through the performance analysis narrative which has meant that we have needed to prioritise certain key activities over others and have not achieved the full extent of our ambition set out in our latest business plan.

We have faced significant challenges across the SR15 period in obtaining and then using administrative data to the fullest extent across the range of statistics that we had targeted. We have set out that many of those challenges have now been overcome although we do still need to prioritise resources in light of the scale of demand.

We have continued to support a wider understanding of the impacts of EU Exit. Internally EU Exit has not had a material impact on the organisation's funding, processes or structure.

The organisation rapidly positioned itself as a key resource to assist the government in the fight against the COVID-19 pandemic during March 2020. We have needed to immediately re-prioritise our activities to enable us to accelerate essential data set ingestion to support the pandemic analysis and have stood up a new COVID-19 online survey in less than

a week. We have quickly and effectively moved to almost wholesale working from home which has included successful delivery of Google Hangouts Meet as an alternative to Skype as primary communications tools. We were one of the few organisations which remained open for business from week one of lockdown, recruiting and training people, to protect the talent pipeline and enable continued delivery of crucial analysis and statistics.

We have supported suppliers in line with government guidance, applying discretion where appropriate to ensure our supply chain is maintained both during and after the pandemic. The financial impacts of the pandemic are kept under constant review but during the period the overall effect has been minimal. We experienced a significant increase in the consumption of our data during March 2020 and we envisage this increase continuing for the foreseeable future.

The COVID-19 pandemic continues to present the organisation with significant challenges. Our ability to maintain all of our existing core statistical outputs, progress our ambitious future strategy and continue to support the government response to the pandemic will add further strain to the organisation and its people. Activity prioritisation and re-prioritisation together with the monitoring of the financial impacts is an ongoing and constant task at present. The pandemic has however afforded the Authority the opportunity to review and assess its structure, key products and services and overall role. We intend to articulate our future direction in the coming months.

## Looking Ahead

The UK Statistics Authority aims to publish its next strategy later in 2020. It will cover the principal elements of the UK official statistics system, setting the overarching mission for the next five years and describing the core principles that will deliver this mission.

Although still in draft the mission statement sets out that the Authority should seek to provide:

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### High quality data and analysis to inform the nation and improve lives.

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In parallel with the revised strategy, the ONS intends to publish a strategic business plan setting out how it plans to contribute to the delivery of the wider strategy over the next five years. The strategic business plan will set out the ONS's key objectives demonstrating how it will work in partnership with the GSS, data providers and the analytical community to deliver against its objectives; and the resources that will be required to do so.

# Key Performance Indicators

Over the course of the year, the ONS publishes hundreds of sets of statistics as well as analysis and research on the key issues facing the country. These outputs are used across the nation to inform decision making and to help people understand the world around them. Therefore, the quality of our products and services, and our ability to meet the expectations of our customers, is absolutely central to us.

Our Key Performance Indicators show how we have continued to meet the highest quality standards and address the needs of customers, although also acknowledging we still have room for improvement. Our performance against these indicators is summarised in the table below. It is important to note our targets are always used to stretch performance.

Our Key Performance Indicators align to the dimensions of our strategy. In this way we can see the link between these metrics and both our key objectives and strategic risks which we face.

## Helpful

Indicator	Target	Performance					Note
		2019/20	2018/19	2017/18	2016/17	2015/16	
Public Confidence in Official Statistics	>90%	N/A	88%	N/A	90%	N/A	1
Proportion of customers who feel ONS outputs are trustworthy	90%	Due late 2020	88%	N/A	88%	N/A	2
ONS online end user satisfaction	60%	75%	96%	20% positive opinion. 76% OK or above opinion.	40%	65%	3

### Note:

1. Public Confidence in Official Statistics is measured every other year.
2. ONS Customer Satisfaction Survey will be carried out in late 2020.
3. End user satisfaction continues to be above target.

## Professional

Indicator	Target	Performance					Note
		2019/20	2018/19	2017/18	2016/17	2015/16	
Proportion of statistical releases free from major errors (ONS)	100%	99.6%	99.6%	99.8%	99.8%	99.7%	4
Major statistical series not designated 'National Statistics'	0	2	1	1	0	N/A	5
Releases within 09:30 deadline	100%	98%	98.2%	98%	98.6%	N/A	6
Labour force survey response rate	56%	56.6%	55.7%	55.6%	55%	N/A	7
Significant data breaches or losses	0	0	1	0	0	N/A	8

### Note:

4. Six publications with major corrections.
5. The Migration Statistics Quarterly Report is no longer designated National Statistics and Trade remains not designated.
6. Performance broadly strong against a 100% target.
7. 11 month response rate (April 19 to February 20) has achieved target. Response rates from March 2020 onwards will be significantly affected by COVID-19.
8. We have not had any breaches over the last year deemed reportable to the ICO.

## Innovative

Indicator	Target	Performance					Note
		2019/20	2018/19	2017/18	2016/17	2015/16	
Deliver significant progress towards modernising ONS	Deliver all activities and milestones as outlined.	Good progress	Good progress	Good progress	Good progress	N/A	9
Proportion of business surveys available Online	625,000 by 19/20	791,000	458,000	Good progress	Progress made	N/A	10

### Note:

9. Whilst our transformation remains a key area of focus, we have delivered milestones broadly in line with our plans and approved business cases.
10. We have made 791,000 of our Business Survey sample online, surpassing our target of 625,000 for this stage. The increase in online despatch was boosted by getting the Quarterly Stocks and Financial Survey of Pension Schemes online.

## Efficient

Indicator	Target	Performance					Note
		2019/20	2018/19	2017/18	2016/17	2015/16	
Deliver our business while achieving annual efficiency savings	19% real terms reduction to core funding in 2020	£0.8m efficiency savings	£3.4m efficiency savings	£5.1m efficiency savings	£5.4m efficiency savings	N/A	11
Achieve set income target	£30.4m	£30.3m	£25.49m	£29.6m	£29.5m	£28.4m	12
The number of staff days lost per person across the Authority	<8	7.7	7.0	7.6	8.1	N/A	13

### Note:

11. We have largely delivered against our efficiency targets (achieving 82% of the sustainable savings targets), and have remained within our SR15 period budgets thus hitting our financial targets across the period. A total of £14.7m of efficiencies were achieved, against an efficiency target £17.9m. There are however elements of sustainable cost savings that have proved impossible to achieve as a result of factors outside of our control such as access to administrative data.
12. Target was increased at Supplementary Estimate. Income is £0.1m lower than the revised target, management consider target has been materially achieved.
13. AWDL is 7.7, an increase from last year's figure of 7.0. Mental Health is the highest absence reason, accounting for 9,445 (36%) days lost. ONS continues to support employees with Mental Health by having mental health allies, training line managers to support employees with a mental health absence.

## Capable

Indicator	Target	Performance					Note
		2019/20	2018/19	2017/18	2016/17	2015/16	
Level of staff engagement (Authority)	65%	63%	62%	62%	60%	54%	14
Proportion of ONS systems and processes that are resilient	90%	86%	82%	85.7%	85.5%	84.3%	15
Share of the ONS workforce who are members of the four Government analytical professions	28% by end 2019/20	37.1%	39%	19%	18%	N/A	16

### Note:

14. Engagement has continued to increase and is the highest it has ever been. It is above the engagement score of similar sized departments.
15. We have improved the resilience of our systems generally.
16. Although the proportion of analytical staff has fallen, the number of analysts increased by 66. ONS continued to increase the analytical profession, therefore adding value and insights to our statistics.

# Resources and Organisation

## Planning and Financial Management

The Authority's delegated budget for 2019/20 represents the final year of the 2015 Spending Review.

### Financial Outcome

Total Resource Expenditure increased from £305.6m in 2018/19 to £338.3m in 2019/20. This rise is mostly driven by the increase in funding relating to our census as we increase activity on census preparation in readiness for 2021.

Income increased from £25.5m in 2018/19 to £30.3m in 2019/20. The increase in income is mostly driven by the new grant collaboration with the Economic And Social Research Council and the ONS, the ARDC UK agreement.

During the year we invested in £6.8m of capital expenditure. Despite these additions, the value of our non-current assets has dropped by £9m. This is driven by a reduction in the value of our in-house software through amortisation.

The Authority also generates value for the country by undertaking and promoting Economic Research. We are implementing a new Secure Research Service to provide ease of access to our data among the academic community. The Authority incurred £2.2m of Research Spend that classifies as Capital spend under the European System of National and Regional Accounts (ESA10) but cannot be capitalised under IFRS. This has been identified as a reconciling item on the Statement of Parliamentary Supply.

### Financial Management

During 2019/20, we have continued to improve our budgetary planning and critical business processes to demonstrate the best use of resources and compliance with key financial controls. We have successfully managed our expenditure control totals for the year and complied with all requisite HM Treasury approvals processes and the annual Estimates cycle. We have successfully submitted our return for the Spending Round 2019 securing funding for financial year 2020/21. We have achieved a HM Treasury rating of 'good' in terms of our financial management.

As the Census and Data Collection Transformation Programme (CDCTP) progresses through it's lifecycle its importance to organisational funding



increases. For 2019/20 the programme funding represented 46% of the Authority's budget overall. The Full Business Case for the programme was signed off in the summer 2019 securing ongoing funding for 2019/20 and 2020/21. As the financial profiles associated with the programme continue to mature, we are gaining a greater understanding of when we require funding for the Census 2021 related activities. As part of the Estimates process in 2019 we have obtained approval to re-position £8m of funding originally earmarked for 2019/20 into 2020/21.

Robust governance, procurement and authorisation frameworks are in place for key contracts across the whole Authority, including for the high value census related contracts. This framework is bolstered by the internal governance forums to ensure we have the appropriate central oversight over expenditure.

We achieved 82% of our originally planned sustainable cost saving efficiency targets for the Spending Review 2015 (SR15) period. Our budgets across this fiscal event were set 'net of' these cost saving targets – and we have lived within these net budgets across the SR15 timescale. So, whilst we are disappointed that we have not achieved our sustainable efficiency target at 100%, we are nevertheless delighted to have achieved our overarching SR15 control total targets.

The Authority has continued to improve financial management, business planning and governance for business as usual activity. We have provided financial training to employees and budget holders across the organisation and have continued improvements in the quality of the operational management information and cost forecasting through revised corporate management products.

We have strengthened the relationship between key deliverables, workforce and finances. We report on how well we are progressing against our plans through monthly Integrated Performance Framework Reports which include information related to workforce, risk, finance and management information. In addition, we have in place assurance processes, such as delegation letters and corporate governance assurance statements, which are evidence based and help provide assurance that the Authority can respond effectively to business, operational and financial risk or re-prioritisation.

## **People Capability**

The Authority has stated its intent to create an inclusive, collaborative, happy and healthy working environment where employees of different backgrounds, grades, characteristics and ways of thinking are consistently empowered and inspired to innovate and deliver their best work. We have



a multi-faceted programme of work in place to achieve this, summarised in our developing People Plan which describes both the type of workplace and workforce required to enable delivery of the ONS Strategic Business Plan. This Plan recognises the importance of everyone that works with us and the need to support them to be the best they can be. We want the ONS to be an inclusive and brilliant place to work.

The Authority is committed to the development of the professional skills and capabilities of all its people, which it supports through a blended learning approach. It is important that individuals are able to develop a lasting and fulfilling career through the organisation, as this supports both the attraction and retention of high calibre employees. Through our Learning Academy we provide learning and development opportunities that are created through robust learning needs analysis and a longer-term alignment with the strategic workforce plan to ensure employees' skills remain current and relevant.

We are continuing to build our people capability in the analytical, data science and economics priority areas that underpin our core business delivery and will also continue to increase professional strength in our enabling functions.

The organisation's approach to apprenticeships and early talent is being centralised to ensure a consistent experience. As part of this approach we are also undertaking a review of our outreach work to align with our Inclusion & Diversity strategy, seeking to broaden our talent pipeline.

Our approach to talent management has been considerably strengthened with clear frameworks, the development of succession plans for key and critical senior roles and the creation of Talent Boards.

Recruiting and retaining some specialist skills continues to be a challenge, due to high market demand for some of the skillsets that are central to our organisation. However, we are proud to report a raise in number of hires compared to 2018. For pay and benefits we were pleased to see a five percentage-point increase in positive satisfaction in the Civil Service People Survey 2019, which we largely attribute to the exceptional pay business case in 2018. We have since developed a new Pay Strategy with emphasis on the overall employment offer, specialist skills, being able to attract and retain and to further reduce pay gaps for all protected characteristics. In 2019, we continued to reduce our hourly gender pay gap, now at 9.6% from 11.8% (mean) and to 3.5% from 11.2% (median). Our gender pay bonus gap median significantly increased to 16.7% from 2.2%. As a result, we undertook action and relaunched the recognition (bonus) scheme in July 2019 to make it more inclusive, our expectation is that the 2020 gender bonus gap will reduce significantly.

Our programme of workforce transformation continues to build a workforce of the right size, shape and capability for the future. We have seen the fundamental transformation of our Digital and Technology services, while our Economic Statistics, Population and Public Policy, and Methods, Data and Research areas are currently undergoing ambitious change programmes. In addition, our Census 2021 programme continues to gain momentum and build its workforce.

To support our transformation, we have run two voluntary exit schemes this year, which has allowed the organisation to refresh the skills that it requires for the future. We have also strengthened our workforce planning capability and continue to develop our strategic resourcing strategy in line with organisational needs. We have implemented Success Profiles as our selection tool and continue to upskill and invest in our managers to give them the knowledge and skills to use this framework effectively to meet the needs of the business.

We are focused on ensuring our people agenda is underpinned by evidence and insights drawn from analysis of people data. Our work on People Analytics continues to mature, with the intention that this acts as a driver and enabler of business and people decisions.

We have established good employment relations with our colleagues and recognised Trade Union colleagues, working in partnership to create a better work experience for all employees. We have seen an encouraging increase over the past four years in our employee engagement index score, as measured by the Civil Service People Survey. In 2019 it was 63 per cent, a small increase of 1% from 2018. This has been achieved despite periods of significant transformation across the ONS.

Whilst engagement scores have been incrementally improving, they remain short of where we would like them to be. We are redoubling our efforts on inclusion and diversity to ensure that all colleagues have the opportunity to realise their potential. We have begun with increasing the robustness of our recruitment principles, procedures and checks, and are now benchmarking all people activities against the Civil Service Inclusion & Diversity Practice standards. We have also placed a particular emphasis on improving change leadership capability in response to our engagement data, in light of our ongoing transformation work.

In summary, 2019 has seen significant progress in our workforce transformation programme and the development of our ambitious people agenda. We continue to horizon scan for emerging labour market trends and to develop innovative solutions to support the organisation's requirements.

# Corporate Responsibility

## Anti-corruption and Anti-bribery Measures

The Authority takes financial propriety very seriously. All senior leaders in the organisation – interpreted here as members of the Senior Civil Service – are required to sign a declaration of interests and confirm a statement on related parties. In addition, all members of the procurement profession who hold contractual delegation are also required to sign the declaration. The Commercial Assurance Group which makes recommendations on commercial agreements convenes once a month as part of the Authority's internal governance model.

Part of the standard agenda is a requirement of all members present to declare any specific interests in relation to any of the items for discussion at that meeting.

An ongoing register is maintained of all hospitality and gifts offered to Authority staff. All staff are aware of the civil service rules and the internal policy around acceptance of hospitality or gifts including the requirement to declare any offer. This register is periodically reviewed by the Authority Audit and Risk Assurance Committee to ensure adherence to policy. The last review took place in June 2020.

The Authority Counter Fraud Team maintains a Fraud, Bribery and Corruption policy which is made available to all staff via the internal intranet. The counter-fraud team has not identified any material fraud for the period.

## Other Information in the Public Interest

### Responding to Members of the Public

There are zero complaints in 2019/20 (2018/19 zero) that have been escalated to the Parliamentary Ombudsmen. All complaints have been resolved internally.

### Whistleblowing arrangements

Making sure the Authority's staff feel able to come forward with concerns is important in ensuring effective governance and management across the organisation.

The Authority's Whistleblowing and Raising a Concern Policy encourages employees to raise concerns about wrongdoing, advises on the protection afforded to whistle blowers, and provides reassurance

that concerns will be investigated responsibly and professionally. The Authority also has trained Nominated Officers in place who can be approached in relation to concerns. The policy and supporting guidance are accessible on the Department intranet.

## **Respect for Human rights**

The Authority fully complies with the Human Rights Act 1998.

The realisation of human rights correlates with the availability of sound official statistics. Statisticians play a critical role in supporting evidence-based policy and measuring civil, economic, political and social rights. In accordance with internationally accepted standards, starting with the Universal Declaration of Human Rights, the dissemination of relevant information is essential to meet peoples' right to information and delivering on related entitlements to trustworthy statistics. Upholding rights, such as the rights to privacy and to be registered as well as the rights of statisticians themselves is vital to ensure robustness and independence in official statistical systems.

The Authority recognises these challenges and have established a clear Statement of Principles to ensure that we:

- exercise our statutory responsibilities in a fair, proportionate and accountable way, with due regard for principles of privacy and appropriate degrees of internal and external scrutiny
- work in a collaborative, transparent and fair manner with data suppliers, civil society and the general public, responding to any concerns or opportunities as they arise
- reinforce our full accountability to the UK Parliament and the devolved legislatures in exercising our statutory responsibilities

## **Sustainable Development**

It is the policy of the UK Statistics Authority (including the Office for National Statistics, its Executive Office) to conduct its operations in a manner that reflects a commitment to the protection of the environment, embeds the principles and priorities of the Government's sustainable development strategy and complies with environmental laws and regulations.

Our Sustainable Development Policy states this will be met by:









- achieving continual improvement in environmental performance
- considering the environmental impact of our operations and prevent pollution and reduce carbon emissions

- aiming to meet the targets (KPIs) established by the Greening Government Commitments
- meeting all environmental legislative requirements
- complying with sustainable reporting requirements

## Environmental Performance

The Government's Greening Government Commitments (GGC) have challenged us to reduce the environmental impact of our estate and operations. This section presents progress against KPI and targets for reducing Greenhouse Gas Emissions, such as carbon and waste, on a yearly basis.

### Summary

Area	Baseline 2009/10	Target 2019/20	Reduction Target	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20
 Carbon (tonnes carbon dioxide)	9,952	4,976	50%	5,262	4,878*	4,361	4,072
 Domestic business flights (km flown ,000)	573	390	30%*	504	708*	718	868
 Waste (tonnes)	657*	438	13%	384	359*	306	319
 Waste going to landfill sites (%)	19%	10%	53%	20%	4%	3.3%	2.2%
 Paper A4 reams equivalent	57,109	28,554	50%	30,715	34,860*	28,930	27,115
 Water consumption (cubic metres)	18,526	12,923	30%	19,786	15,037	16,724	17,614
 Energy expenditure (£'000)	-	-	-	1,043	897	889	875
 Water expenditure (£'000)	-	-	-	88.4	77.6	85	74

**Note:**

\*Figures have been revised from those previously published. This is due to numbers being estimated in the 2017/18 Annual Report and the methodology used in estimating those figures undergoing improvements.

## Reduce our emissions

The Authority has been tasked with reducing the total Carbon production by 50% from the 2009/10 baseline position. Overall the Authority has reduced Carbon emissions by 59% by 2019/20, exceeding this target.

The Greening Government Commitments (GGC) also challenges the Authority to reduce domestic flights by 30% by 2019/20. The Authority has a travel policy which mandates that the cheapest method of transport be employed for any journey, which could encourage domestic air travel between the South East, North East and Scotland and Northern Ireland. During 2019/20 an intervention project has been put in place to mitigate domestic flight use, and during 2020/21 it is envisaged the travel policy will be reviewed in light of revised GGC travel requirements.

## **Improve our waste management**

All ICT equipment is disposed of via an established contract which helps ensure that all redundant ICT equipment is re-used or recycled responsibly.

The Authority has successfully reduced waste by 53% from the 2009/10 levels, and tasked with reducing the amount of waste going to landfill to less than 10%. The level of waste going to landfill sites during 2019/20 stands at 2.2%.

The Authority has also reduced paper use by 50% since 2009/10.

## **Water**

The increase in mains water use was a combined result of increased FTE, along with adverse weather events causing the grey water system at Newport to become ineffective for periods of time, thus supplementing demand with mains water.

## **Sustainable Procurement**

The ONS's standard Terms and Conditions requires all suppliers to comply with our Sustainable Development Policy, which includes, but is not limited to, the conservation of energy, water, wood, paper and other resources, a reduction in waste, the phasing out of the use of ozone depleting substances and the minimisation of the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment. It is noted that, whilst not all Contracts are currently utilising ONS's standard Terms and Conditions, the aspiration is that all future Contracts will be awarded on them to maximise the benefits of this Policy.

Expenditure Analysis from April 2017 – present reveals that the ONS averaged expenditure of circa 27% on SME's which is just above the target of 25% that was initially set. The ONS extensively uses Public Sector Framework arrangements collaboratively managed by Government Organisations such as the Crown Commercial Service (CCS). A key Framework utilised is the Government Digital Services' (GDS) offering, "G:Cloud".

The CCS and GDS Frameworks aim to encourage small and medium sized enterprises and local businesses to bid for work with support available to them if required.

The requirements of the Government Buying Standards are issued to the Commercial Services team on a quarterly basis via the Commercial Update, which is a comprehensive review of all Procurement news and legislation. The quarterly updates also provide information from across the Commercial Team such as data from the Cabinet Office approved Commercial Pipeline as these assist the Team in reviewing opportunities that may be of interest to smaller or local business ensuring appropriate timetables and market engagement are utilised.

## **Food and Catering**

All contractors are required to adhere to our Sustainable Development Policy. During 2019/20 the Authority has worked with their suppliers to remove consumer single use plastics, committing to a staged project with complete removal by 2020. Items removed include single use cups, plastic cutlery, single use sachets, containers and bottles across the estate's outlets.

The Authority are proud to confirm that as part of its food and catering provision, a coffee shop in one office location will be staffed by former prisoners. We recognise our role as an Employer of choice and this enables us to demonstrate our commitment to the Social Value Act and supporting the local economy and the benefits they can bring to us and our communities.

## **Sustainable Construction**

The Authority's refurbishment and construction works are designed and built with the objective of improving the performance of the estate, and in so doing contribute to achievement of Greening Government Commitments target. For example, the installation of LED light fittings as standard, low flow taps and grey water harvesting. All contractors are required to complete a sustainability questionnaire used as part of the tender process and are required to source materials in line with the GBS.

## **Biodiversity**

The Authority complies with The Environment (Wales) Act 2016 Section 6 on Biodiversity. It does not have any responsibility for Sites of Special Scientific Interest but takes such action as it can to promote, conserve and enhance biodiversity for example by specification of environmentally friendly measures of control in its Grounds Maintenance contract.



## Climate Change Adaptation

The Authorities' Sustainable Development Action Plan considers the long-term implications of its operations in relation to Climate Change. This Action Plan is updated yearly and assesses any risks of climate change, how the estate may require necessary adaption, are robust in the face of changing weather, extreme events and sea level rises from climate change.

## Sustainable governance and decision making

Our Sustainable Development Policy and Action Plan are embedded within our overall governance and decision making. Since 2017/18, when our Environmental Champions Group was initiated, many improvement projects have been identified, elevated and presented to senior management for approval. An example of these projects are:

- removal of single use plastics across the estate, with a 98% success rate as at 31 Jan 20, which will continue into 2020/21 with a 100% target
- installed and piloting electric vehicle charging points at Newport during 18/19, and Titchfield late 2019/20, with a view to increasing availability during 2020/21
- operating against ISO14001 Environmental Management System, as an organisation
- analysing business use flight data to consider mitigation strategies on flight use, including international flights from 2020/21

## Rural Proofing

Our estate is not positioned in rural areas, nor does the estate's operational policies affect rural areas.



### Professor Sir Ian Diamond

National Statistician  
UK Statistics Authority  
7 July 2020





# Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Authority to prepare, for each financial year, resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Authority 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 income and expenditure, Statement of Financial Position 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
- prepare the accounts on a going concern basis
- confirm that the Annual Reports as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable

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 (which are subject to audit) for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Authority's assets, are set out in Managing Public Money published by HM Treasury.

The Accounting Officer confirms that, as far as he is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer 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 entity's auditors are aware of that information.

The Accounting Officer confirms that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.

# Governance Statement

## Responsibilities

As Accounting Officer, I have responsibility for maintaining effective governance and a sound system of internal control to support the achievement of the UK Statistics Authority's (the Authority) 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 which have arisen, the remaining risks, and the system of control to manage these risks. Our Governance Statement supports the description of our performance provided in the Annual Report (chapter two) which sets out our strategy and the progress we have made towards delivery.

John Pullinger was Principal Accounting Officer until 30 June 2019. Between July 2019 and October 2019, Jonathan Athow, who was the Deputy National Statistician for Economic Statistics, was appointed as the acting National Statistician and Principal Accounting Officer before I was formally appointed.

Over this period both Jonathan Athow and I received briefings from John Pullinger, the Deputy National Statisticians and the Director of Finance, Planning and Performance to ensure a smooth handover from one Principal Accounting Officer to another.

On taking up the post of National Statistician on 22 October I continued to receive assurance on the effectiveness of the system of internal control to enable me to have confidence in these accounts.

## Compliance with the Corporate Governance Code

I have assessed the Authority's compliance with the Corporate Governance in the Central Government Departments' Code of Good Practice 2011. The code focuses on governance arrangements for ministerial departments and there are elements which are not directly relevant to the Authority due to our statutory framework and status as a non-ministerial department, for example, Commissioners oversight of the arrangements for the conduct of their proceedings and the delegation of functions (Section 12 and Section 14, CRCA 2005) and ministers attending the Board. However, we comply with the spirit and principles of the code.

## Role of the Authority Board during 2019/20

The UK Statistics Authority Board (Authority Board) has the statutory objective of promoting and safeguarding the production and publication of official statistics that 'serve the public good'. In accordance with the 2007 Act, the Authority Board is comprised of a majority of non-executive directors (including a Chair) appointed through open competition, and three executive members, as set out in the 2019/20 Governance and Committees of the Board table.

The post of Chair of the UK Statistics Authority is a Crown appointment. Sir David Norgrove was appointed by HM The Queen following an open competition and subject to a pre-appointment hearing by the Public Administration and Constitutional Affairs Committee and a formal debate on the floor of the House of Commons. Sir David took up his post on 1 April 2017 and his term of appointment will end on 31 March 2022.

## Governance and Committees of the Authority Board during 2019/20

During 2019/20 sub-committees, which supported the Authority Board in its work and reported to it, met as follows.

Committee	Chaired by	Purpose	Meetings
Audit and Risk Assurance	Ms Nora Nanayakkara	To support the Authority Board and the Authority's Accounting Officer in their responsibilities for risk management, control and governance.	Six
Regulation Committee	Professor Anne Trefethen	To help shape the regulation strategy and to oversee the programme of Assessment of sets of official statistics against the Code of Practice plus other work related to Assessment and regulation.	Five
Remuneration Committee	Sir David Norgrove	To determine 2018/19 performance bonuses for the members of the Senior Civil Service (SCS) employed by the Authority and to consider other staff pay issues.	Two

## Topics Covered by each Committee

<b>Authority Board</b>	Future Strategy; Business Planning; 2021 census; Data Acquisition; EU Exit; Retail Prices Index; Health statistics; Blue Book 2019; UN Global Platform; Public Administration and Constitutional Affairs Committee Report: Governance of Official Statistics; Spending Review 2019; Health Statistics; ONS Portfolio; Strategic risks; National Statistics Designation; Migration statistics; Social Trends; GSS User Engagement Strategy; and Board effectiveness.
<b>Audit and Risk Assurance Committee</b>	Annual Report and Accounts; census; Committee effectiveness; Corporate Governance Assurance; External Audit; Finances; Internal Audits; Procurement; Risk and Assurance; (including Risk Management); HR; Data Services; and Security.
<b>Regulation Committee</b>	Annual Review of Casework; OSR Work Programme and Business Plan; Regulatory Strategy; Committee effectiveness; Public Administration and Constitutional Affairs Committee Report: Governance of Official Statistics; National Statistics Designation Review; Data Landscape and Artificial Intelligence; Assessments; Trade statistics; Migration statistics; census; ONS Purchases Survey; National Rail Passenger Survey; HMRC Quality Review; Labour Market statistics; and Systemic Reviews: Adult Social Care; Statistical Leadership; Data Linkage; Public Finances; Skills; Policing; Housing and Planning.
<b>Remuneration Committee</b>	Senior Civil Service (SCS) performance moderation (base pay and non-consolidated performance related award).

## Attendance at the Board and its sub-committees

	Authority Board	Audit and Risk Assurance committee	Regulation Committee	Remuneration Committee
<b>Non-executive members</b>				
<b>Sir David Norgrove</b> Chair	9/9		5/5	2/2
<b>Professor Sir Adrian Smith</b>	9/9			
<b>Ms Sian Jones</b> Deputy Chair	8/9	5/6		2/2
<b>Professor David Hand</b>	9/9		5/5	
<b>Professor Jonathan Haskel</b>	5/9		5/5	
<b>Dr David Levy</b> To 31 May 2019	1/9			
<b>Ms Nora Nanayakkara</b>	7/9	6/6		
<b>Professor Ann Trefethen</b>	8/9		5/5	2/2
<b>Ms Helen Boaden</b> From 30 May 2019	7/9		2/5	
<b>Executive members</b>				
<b>Mr John Pullinger</b> Chief Executive and National Statistician To 30 June 2019	2/9	2/6		
<b>Professor Sir Ian Diamond</b> Chief Executive and National Statistician From 22 Oct 2019  National Statistician Designate 6 Aug 2019 to 21 Oct 2019  Non-executive director to 5 Aug 2019	9/9	5/6		1/1
<b>Mr Ed Humpherson</b> Director General for Regulation	9/9		5/5	
<b>Mr Jonathan Athow</b> Deputy National Statistician for Economic Statistics  Interim National Statistician from July 2019 to Oct 2019	8/9	1/6		1/1

## Board Effectiveness Review

This year's Board Effectiveness Review was overseen by the Chair of the Authority Board. A survey was undertaken that sought members' views on:

- processes for agreeing business plans
- adequacy of information provided to the Board, to allow it to monitor performance and progress
- board composition and culture
- support for members
- areas of focus for the coming year

The outcome of the survey was discussed at the board meeting in November 2019. The responses indicated an improvement in the operation of the Board in a number of areas, including strategy and business planning; the relationship between executive and non-executive members; the opportunities to engage with staff outside of Board meetings; the quality of papers; and the support provided by the Secretariat. Members recommended that the Board should engage more with strategic issues, long-term planning, and risk. These issues have been included in the Board's forward agenda.

Board minutes and papers are published on the UK Statistics Authority website at: [www.statisticsauthority.gov.uk/about-the-authority/board-and-committees](http://www.statisticsauthority.gov.uk/about-the-authority/board-and-committees)

## Assurance over the Quality of Information

The Authority Board recognises the need to ensure it receives sound advice and information to enable informed decisions to be made.

The Secretariat works with teams to ensure the information provided is of a good quality, with a template used for committee papers, structured to ensure risks and resource implications are highlighted and to ensure sufficient engagement and challenge during discussions.

The structure and information contained in regular agenda items are reviewed annually as part of the board effectiveness review.

An Integrated Performance and Finance Report is provided to the Authority Board in each meeting to aid decision making and the Strategic Risk framework has been discussed throughout 2019/20. During the year, Internal Audit highlighted improvements in risk management to support decision making, which are being addressed in response to the risk management report highlighted below. Overall, the Authority Board has been content with the quality of the data it is provided with during the year.



## **Executive Committees during 2019/20**

I chair the National Statistics Executive Group (NSEG). The role of NSEG is to support the National Statistician in the exercise of my functions as the Head of the Government Statistical Service (GSS) and Chief Executive of the UK Statistics Authority and the ONS, so as to achieve the collective mission and strategic objectives of the official statistics system. This Group met on 10 occasions during 2019/20.

## **Management of Risk**

During 2019, we have continued to develop our plan to mature our approach to risk management. We have made significant progress with capturing a full range of risks to projects, programmes and our directorates aims from across the organisation. This development has been supported by a comprehensive refresh of our strategic risks and further enhancements to our risk management platform.

Identified next steps will be maturing of our approach to Risk Governance, the effectiveness of mitigations on managing risk and greater access to more sophisticated reporting which adds greater insight and value to the organisation. Our Risk Appetite will undergo a comprehensive review in line with the developing Authority Strategy and this will lead to the issuing of a revised and updated Authority Risk Policy and further adaptations to our strategic risk framework.

## **Risk Management Approach and Strategic Risk Framework**

Throughout the year we assess how the achievement of our policies, aims and objectives might be affected by the risks we manage.

Within the Authority we have designed a system of internal control to mitigate risk and issues. 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 UK Statistics Authority Board (the Board). The Board has primary responsibility for identification and mitigation of the strategic risks faced by the Authority, and for deciding risk appetite. The Executive gives assurances to the Audit and Risk Committee on the management of risks, including strategic risks and the effectiveness of mitigating actions. The Audit and Risk Assurance Committee has responsibility for reviewing the comprehensiveness, (integrity) and reliability of those assurances through scrutinizing and advising and so in this way thereby provides assurance to the Board. Sub-committees have delegated responsibility for risks relevant to their terms of reference.

During this year we have continued to focus on increasing our maturity in risk management. Progress we have made includes:

- further developed our approach to identification and management of strategic risks, as set out at Figure 1, which recognises the risks that impact on all parts of our organisation
- increased our internal stakeholder management across a wide range of media to support our maturing approach, allowing for the development of improved risk guidance, to date focusing on mitigation management and commercial risk
- we have reflected on the delivery of the successful census rehearsal and completed a large-scale recalibration of risks within Census and Data Collection Transformation Programme
- developed new risk reports to support greater awareness and engagement with risk management within existing Leadership and Management groups and committees

Our recent Corporate Governance Assurance Statement has demonstrated an improving picture of compliance with risk management as our risk maturity profile has developed. However, a recent internal audit of risk management has highlighted the need to develop our approach to risk governance, strengthen the accountability arrangements in relation to risk and ensure that the strategic and operational risk frameworks are aligned with appropriate assurance mechanisms and that the overall system is supported by informative reporting.

## **UK Statistics Authority Strategic Risks**

As we move towards the publication of a new Authority Strategy we have worked with Executive and Non-Executive Authority Board members alongside the Executive Management team to develop a refined suite of strategic risks which reflects the medium to long term risks to the statistical landscape and our organisation and are set out in Figure 1. This new suite of strategic risks, which was approved by the Board in February 2020, supports our approach to delivery of the upcoming strategy. The strategic risk framework will continue to mature during 2020-21, in line with internal audit's findings.

## Figure 1: UK Statistics Authority Strategic Risks Summary

Risks	
<b>Trust in official statistics, data and analysis</b>	<p>External factors such as: the current political environment; scepticism about the role of statistics and data in society; competition for attention in public discourse; competition in the production of statistics, use of data and analysis; a reduced willingness for the public to engage in complex issues; raised expectations about the speed with which data is made available – combined with a failure to maintain and build relationships with key stakeholders and understand our users – impact on the Authority's independence and trustworthiness and the perception of the statistical system's value to society.</p> <p>This is mitigated by forming our response to the Retail Price Index enquiry, developing our understanding of the needs of key stakeholders, delivering a new system for migration statistics and promotion of our code of practice for statistics.</p>
<b>Strategic clarity</b>	<p>The effectiveness of the Authority, ONS and OSR and the governance of the statistical system is damaged by a failure to develop a cohesive strategy on the role of the Authority and the statistical system.</p> <p>This is mitigated by our developing Authority strategy and our OSR and ONS strategic delivery plans, developing our relationship with Parliament and delivery of our engagement strategy and ensuring that the 2020 spending review provides the necessary resources to support our strategy.</p>
<b>Managing change</b>	<p>Failure to deliver a modernised statistical system is a threat to the Authority and its delivery arms. A failure to transform the Authority's statistical processes, technology and ability to access data through the Economic Statistics Transformation Programme; Census and Data Collection Transformation Programme; and the Data Capability Integrated Delivery Plan present a significant risk to the credibility of the ONS. The Authority's ability to deliver change is affected by the external employment market and its attractiveness as an employer, which makes the recruitment of talent and key professional staff groups difficult.</p> <p>This is mitigated by our data acquisition strategy, implementation of the Digital Economy Act and effective internal governance.</p>
<b>Delivering quality</b>	<p>Changes to the scope and approach to the production of key statistics, including through increasing use of administrative data; combined with the fragility of the Authority's statistical systems and processes; affects the perception of quality of key statistics and the robustness of regulation.</p> <p>This is mitigated by our administrative data research programme, internal governance and assurance methodologies, engagement with the academic community and continued research and development.</p>
<b>Failure of census</b>	<p>There is the failure of the census, to deliver population estimates and wider analysis of UK society in 2021 to meet the expectations of key stakeholders.</p> <p>This is mitigated by our stakeholder engagement plan, internal and external assurance programmes and ensuring we have in place administrative data to support a parallel run alongside Census 2021.</p>
<b>Data breach</b>	<p>Significant data or cyber security breaches across government or in the wider society lead to a major data loss.</p> <p>This is mitigated by our security strategy, developing a security culture, demonstrating GDPR compliance and implementation of the Authority data policy framework</p>
<b>COVID-19 organisational impact</b>	<p>The COVID-19 pandemic has led to significant business disruption and a range of new demands on the business to support Government decision making.</p> <p>This is mitigated by providing clear guidance to all staff, ensuring payroll functions are met, supporting home working and staff wellbeing to ensure business continuity. We are also adjusting the mechanisms for the delivery of key outputs, reflecting the impact of the virus in key outputs to support decision makers, and delivering new products in response to external demand.</p>

We are working to manage the risks that come with the challenges associated with the role that statistics and data play in society, including the use of data and analysis. We have also addressed the aspects of competition both in terms of competition for attention in public discourse and in the production of statistics that affect the risks system. We recognise the potential impact of the risks associated with public trust on the Authority's independence and trustworthiness, and also the perception of the statistical system's value to society.

As we meet the challenges of developing and transforming our technology estate and the way in which we develop the warehousing, processing and publication of statistics we will manage the risks of meeting our financial commitments, and ensure we are developing the people in our organisation. The programmes of change are at the core of our strategic commitment to be more radical and innovative and again we have recognised a wide range of strategic risks in this space including the acquisition of administrative data sets from other government departments and the development of new platforms to deliver new statistical outputs and enhance the delivery of established outputs.

We have also articulated the risks that come with the use of large sets of public data, including the way in which we use the Digital Economy Act to gain access to data. As we meet the challenges of developing a professional service we must manage risks that are aligned with the effective use of administrative data, whilst ensuring the quality of our statistical output and the coherence of statistics across the GSS. At a senior level we must also manage the strategic risks associated with the effective implementation of our data security strategy.

Following the successful census rehearsal we have used lessons learnt activities to better understand and support the identification of risks and the mitigations that will enhance the delivery of the Census and Data Collection Transformation Programme in 2021.

In the latter part of the year, we managed the initial impact of the COVID-19 pandemic. The main impacts on our overall risk and control framework were:

- a significant change to the organisation's working pattern – with nearly all staff working from home from 23 March 2020. We are planning for the impacts on our working environment of the gradual lifting of social distancing measures over the summer
- changes to data collection methodologies across some of major statistics, due to the inability to collect data from households and businesses

- significant new work relating to COVID-19 starting in 2020-21, including new household surveys to assess the prevalence of the virus and its impact on society; new and enhanced business surveys; plus the innovative use of data to inform government on the effectiveness of social distancing policies

The full impact of COVID-19 on the Authority and the broader statistical system is still being worked through and is requiring the organisation to adapt innovatively and quickly to the environment. More detail will be set out in the Authority's strategy which will be published over the summer.

## Parliamentary commentary on the Authority

Public Trust in the Authority and its work is key to the ongoing success of the overall statistical system. We build public trust by improving the statistics where there are known weaknesses; delivering our programme of statistics in line with our schedule of releases and without errors; and by working with our users to understand the nature of their requirements and to explain the limitations in our statistics and overall approach.

In July 2019 the Public Administration and Constitutional Affairs Committee (PACAC) published its report on 'Governance of official statistics; redefining the dual role of the UK Statistics Authority; and revaluating the Statistics and Regulation Service Act 2007'<sup>1</sup>. The Committee recognised the significant improvements we have made to build and maintain trust in official statistics, our unique role, and the day to day challenges we face in our work. They highlighted the ending of pre-release access of ONS statistics, improvements to the ONS website, initiatives such as the Data Science Campus and Economic Statistics Centre of Excellence, and the Code of Practice in improving the quality of statistics. The Committee also raised concerns about the governance of the Authority and the statistical system, particularly in relation to the separation of the production and regulation roles, and the RPI. The Authority responded in September 2019<sup>2</sup> and on 29 May 2020<sup>3</sup>, we wrote to the Committee setting out our progress against the commitments made in that response.

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1 <https://publications.parliament.uk/pa/cm201719/cmselect/cmpubadm/1820/1820.pdf>

2 <https://publications.parliament.uk/pa/cm201719/cmselect/cmpubadm/2656/2656.pdf>

3 <https://committees.parliament.uk/publications/1374/documents/12699/default/>

## Improving our statistics

The Office for National Statistics, the Authority's Executive Office, has continued to deliver its 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 with our basic technology and continuing to invest in a significant programme of change to improve its outputs, processes and systems. In accordance with our priorities, improvements to economic statistics, preparations for a modern census in 2021, the use of new analytical and data science skills and techniques, and developing our approach to using administrative data have all been areas of focus during the year and have been highlighted in our work to assess the quality of our work.

As we engage with key stakeholders to mitigate the risks associated with statistical delivery, quality and developing our analytical capacity, we are broadening our links with the academic community through our administrative data research programme. This will provide additional technical input in support of our transition away from survey led statistics in some areas. We are developing an Integrated Planning and Delivery Infrastructure which will support our Data Science Campus, Digital Services and Technology and Methods, Data and Research in successfully delivering the capability, including legacy and access to data.

In the context of the Census and Data Collection Transformation Programme, we have succeeded in the delivery of our rehearsal for the 2021 census across four regions of the UK. We have undertaken significant activity to assess the performance of our key operational divisions as well as suppliers during the rehearsal, the lessons learnt from both field operations and engagement with online submissions. This has allowed for the development of our portfolio planning, risk identification and mitigation management to strengthen our confidence in the successful delivery of the 2021 census.

We continue to develop our approach to our outputs in the context of the UK's withdrawal from the European Union. The UK Statistics Authority has in place a programme of work to ensure the statistical system is well prepared for all potential outcomes to ensure our statistics inform the ongoing assessment of the economy and immigration post EU Exit.

During the year we have seen seven breaches of the Code of Practice for Statistics, with six outputs issued with major errors, with one of these being a market sensitive output. The most significant of these errors relates to Retail Price Index in October 2019. This error was caused by an issue in the Living Costs and Food Survey which is used to produce the weights underpinning the RPI. There was no impact on the Consumer



Prices Index and the RPI was not revised. The error was corrected in the next publication of RPI in line with the legislative framework for the production of RPI. Our examination of the full suite of these issues has not revealed an obvious pattern, but we will be improving our systems by reducing our reliance on legacy technology through our ongoing transformation programmes, which will address the main issues that have been highlighted in our quality work.

## **Data and security management**

We continue to work with other Government departments to acquire data, mindful of the security and data confidentiality issues this can raise. Key data sets, including Pay as You Earn data from HMRC and national insurance data from DWP have taken longer to acquire than we had planned, which has impacted on the progress of our transformation programmes. Though risks remain in our ability to use administrative data in support of the 2021 census and in the delivery of key outputs, we are making progress in this area. We are also balancing the use of administrative data with our established surveys. Where we have recognised the ongoing value of survey data we are seeking to develop these to provide additional insight for our external stakeholders and users.

We have recognised the potential impact that a data or cyber breach would have on public confidence and the support for the provision of data, the use of the Digital Economy Act and our ability to manage data. To support our approach to managing these areas, we have made significant investment in 2019, in staff training and development, monitoring technology and penetration testing. This has included extensive engagement with the National Cyber Security Centre. We have worked extensively with our contractors for the delivery of census services and deliverables. The security of our systems, in particular our key data management environment, the Data Access Platform, which will hold census data and the administrative data which will be key to the ongoing development of statistics, is key to our ongoing success.

We have successfully delivered the first year of our security strategy, increasing our monitoring of key performance indicators. In 2019 we delivered enhanced security training to all ONS staff and this is now part of mandatory training for all new starters. At the start of 2019 we revised the data sensitivity model to allow all data being ingested into core systems to be assessed for sensitivity to direct appropriate handling. In 2020 we will continue to develop our approach to data governance, revise data policies in particular our Data Archiving and Data Retention and Destruction to support the delivery of census.

## Information Management

Management of the Authority's documents and records throughout their lifecycle, and according to information legislation, continues to be a priority. During 2018/19, we rolled out a new document management system enabling greater functionality for the storage and sharing of operational information, this will be migrated to an upgraded version of the system during 2020/21. The document management system has been supported by a new document and records management policy which has been revised to allow for ongoing management of personal data in the upgraded system in support of compliance and accountability with data protection legislation.

With significant levels of confidential data collected and acquired for use in official statistics, information management and confidentiality are critical considerations where people, processes and systems interface with the external world. Staff working in some parts of the Authority have access to a range of business and personal data to produce high quality, accurate statistics. There is a recognised, strong cultural understanding that information must be handled lawfully, accurately and securely, supported by strong legal, technological and business processes.

In July 2018, the UK Parliament approved the statutory documents underpinning the Statistics and Research strands of the Digital Economy Act 2017, following a public consultation earlier in the year. These documents set out the principles by which the Authority will operate, to support access of new data sources in the production and transformation of UK official statistics, and to support accredited researchers to access de-identified data in secure access environments for public good research projects. The Authority has fully operated the new legal frameworks during 2019/20 in terms of access to data to support national and official statistics, and statistical research, and in supporting accredited researchers to access de-identified data in accredited environments for public good research projects.

As the statutory accreditor of processors, researchers and projects under the Research strand of the Digital Economy Act, we have established a new Research Accreditation Panel, with an independent chair and members, and representatives of Government Departments, the Devolved Administrations, and UK Research and Innovation. The Panel is chaired by Professor Paul Boyle CBE, and is responsible for considering, scrutinising and approving applications for accreditation under the Digital Economy Act Research powers. In line with our commitment to transparency, the minutes and papers of the Panel's deliberations are published on the Authority's website. The Panel has begun accrediting secure processing environments based on established



principles of good information management and security (e.g ISO27001 standards). The Panel has also accredited 40 research projects, and there are now over 3,000 researchers who have been accredited to the standards required under the legislation.

In January 2019, the Authority published a range of documents that describe how it looks after and uses data for the public benefit. These include the strategic approach to data use; a comprehensive data management framework to describe how the Authority manages and governs data practices to ensure we protect the confidentiality and security of data we hold, and meet our legal obligations; a range of data management policies; and a transparent register of the data sources we acquire from other organisations that support the production of our statistics and research.

In 2019/20, the Authority established a new function to provide a data protection auditing and compliance monitoring service. The function has developed an audit/compliance reporting programme to cover all activities across the Office from a data protection perspective, but also supports the work of the Data Protection Officer in providing guidance, training and awareness of data protection requirements.

The Authority is required to report any significant breaches relating to personal data to the Information Commissioner's Office (ICO). There have been no such incidents during 2019/20.

## **Improving our control environment**

We have also developed our organisational control framework to ensure that our governance, controls and oversight functions are able to keep pace with our overall transformation programmes. However, as set out in the risk management section above, there remains the need to integrate our risk and assurance processes.

During the year we have developed our controls in key areas, including:

- business planning, through a cross organisation approach to the development of our future business plan
- quality oversight, by developing the role of the Statistical and Analytical Priorities Group in overseeing quality across the organisation
- data handling and management, through the development of a single model for data acquisition and transfer
- security through the delivery of the first year of the security strategy
- finance function, where our financial control has been more responsive than in previous years

- commercial function, which has seen significant improvements in awareness and compliance through our Corporate Governance Assurance Statement assessment
- portfolio management, where we have designed a revised approach to overseeing our transformation programmes
- risk management – including significant improvement in risk identification and the development of a new suite of high-level risks in line with our new strategy

However, our internal assessment of the control's environment has identified areas where we still need to improve – including:

- governance and accountability – strengthening the role of NSEG's sub-committees in overseeing the risks that relate to their areas of expertise and ensuring that there is sufficient independent oversight of key areas – with a continuing focus on statistical quality, data acquisition, our people and the management of our core change programmes
- risk management – despite improvements in our strategic and operational risk management, we need to strengthen the accountability mechanisms and reporting of risks to ensure that it is informative and adds value
- assurance – outside of the Internal Audit function, our assurance work needs to be more comprehensive to ensure that we have adequate testing of controls in our major risk areas, including our approach to statistical quality
- management controls – we have identified key gaps in our management level controls in the following areas:
  - skills and capabilities management – including the ability to understand in full the organisation's learning needs and the effectiveness of learning interventions and our use of resources in this area
  - performance management – to support the development of our staff and improve succession planning, challenge behaviours and address under-performance. This was also reflected in our people survey and our governance compliance assessment, through our Corporate Governance Assurance Scores, during the year
  - management of contingent labour – including documenting compliance with IR35 regulations
  - implementation of data policies – where we need to ensure that our documentation of compliance with our data policies is complete

- threat management and reporting – including ensuring that comprehensive action is taken in response to threats and that we have a fully articulated view of the externally facing devices the organisation holds. Compliance with security policies and training was also reflected in our governance compliance assessment during the year
- business continuity and disaster recovery – including the comprehensiveness of our planning during the year. This was also reflected in our governance compliance assessment. The majority of the issues with business continuity and disaster recovery have been addressed in the context of our response to the COVID-19 pandemic
- communications – including the comprehensiveness of the communications strategy and assessment of the value of our use of resources

The governance issues will be addressed through the implementation of the next UK Statistics Authority Strategy and the associated Strategic Business Plans for the Office for National Statistics and Office for Statistics Regulation. The new strategy and business plan will also set out a range of revised management information to track our progress into the future.

We will seek to address the risk and assurance mechanisms by strengthening our capability in these areas. The first step in this process is the appointment of a Deputy Director for Risk and Assurance, which was confirmed early in 2020/21. This will provide an increased focus on assurance in key risk areas to support more proactive management of risks and issues.

The specific control areas will be addressed by the responsible directors and will be tracked via follow-up reports from Internal Audit and enhanced assurance mechanisms. We have also recognised the need to develop our approach to working with Internal Audit to pro-actively address control issues and close gaps as quickly as possible. This has been subject to particular attention from management during the latter half of the year.

## **Assurances from Internal Audit**

The Internal Audit function provides the National Statistician and the Audit and Risk Committee with a clearer view on any emerging risks. The internal audit programme is closely linked to the key risks of the Authority. Arrangements are in place to ensure that the National Statistician is made aware of any significant issues which indicate that key risks are not being effectively managed. The Internal Audit service complies with the Public Sector Internal Audit Standards.

## Opinion of the Head of Internal Audit

In my role as Head of Internal Audit, I am required to provide an overall opinion, based on my professional judgement which is supported by the outcomes of the 2019/20 internal audit programme of work. However, my opinion also recognises the wider control and operating environment within the Authority, the level and extent of change, and the way in which the organisation is managing and responding to its key risks. The opinion I provide reflects the status of the risk, control and governance environment, based at the point in time in which the work was undertaken.

During the last 12 months, we have seen the departure of the outgoing National Statistician, an interim covering the role and the appointment of the new National Statistician from 22 October 2019. As we have transitioned to the new National Statistician, I have noticed greater engagement with the work of internal audit and there has been greater dialogue and attention given to the management of risk and how (and from where) the Authority gets its assurance.

Within the last 12 months, I have observed some good progress in key areas including: the delivery of the first year of the security strategy; enhancements in data governance; the organisation's approach to business planning; governance and reporting within census; and, overall governance of the portfolio. However, our work this year has further highlighted that there remains a propensity for the organisation to work in silos, and that there is a lack of ownership and accountability from individuals to own a process, risk and/or to drive improvements, particularly where they cut across other parts of the organisation. This is a continuing theme from my 2018/19 annual opinion, and in the last 12 months I have again noted these historic and cultural challenges in areas such as IT disaster recovery and some areas of People and Business Services, including skills and capability. The impact of these challenges remains the same, notably areas of incohesive working; organisational silos that fail to communicate effectively; inefficiency; and a lack of a 'one-ONS' mindset. These cultural challenges have been recognised by the senior leadership team but remain difficult to eliminate.

I have also found that some challenges remain in the Authority's monitoring and oversight functions. The Authority needs to build a broader understanding of what second line assurance means, and for those critical second line activities that provides the senior leadership team, continue its investment and positioning of these functions. Similarly, our work in risk management has further highlighted the

need to develop the approach being taken to risk governance, the need to strengthen the accountability arrangements for risk, as well as to develop a better understanding of how management gain assurance to support their activities. The Authority continues to invest in its second line functions and the recent appointments of a Deputy Director of Risk and Assurance, and the Deputy Director of Planning and Portfolio Management should drive greater alignment, improvement and understanding across the Authority.

Overall, my opinion on the framework of governance risk management and control is 'limited' for 2019/20 financial year.

## **Opinion of the Chair of the Audit and Risk Assurance Committee**

Based on the work of the Committee and the External and Internal Auditors this year, it is my opinion that the Authority's governance and control framework is generally effective, but with some identified areas of weakness. The intensive programme of development and improvement that the organisation has committed to in its control and assurance framework is not yet complete. This year's limited assurance opinion focussed on the progress made in some key areas and lingering weaknesses in cross-organisational collaboration and horizontal integration.

The Committee recognises with regret that this is the fourth consecutive year with an overall limited opinion from the Head of Internal Audit. It is disappointing that the weaknesses identified are similar to those highlighted in 2018/19, particularly those of silo working, a lack of accountability, governance and ownership of cross organisational risks.

There remain three areas, therefore, where further improvement is needed:

- Strengthen risk and oversight functions
- Develop the culture of ownership and accountability
- Strengthen governance

The impact of the pandemic has resulted in a change of priorities. The Committee recognises the efforts of teams across the Authority in responding to the challenges and opportunities it has faced this year and is pleased to recognise once again the open, candid and effective relationship that exists between the Committee Chair, its members, the Accounting Officer, the Head of Internal Audit, the National Audit Office (NAO) and their external auditor partners, the Director of Finance, Planning and Performance and other colleagues.

## Overall conclusion

In conclusion, the overall governance of the Authority is established and effective. However, there is still work to do to improve the organisation's assurance functions, build accountabilities across the organisation, ensure that the governance of the Authority reflects its changing context and address specific control issues.

With the pace of change across the Authority, driven through the transformation programmes and the impact of COVID-19, the work to strengthen these areas needs to be delivered quickly.

To address this, we have boosted our leadership capacity in risk and assurance to ensure we have the capability to accelerate the development of these areas by the end of the 2020/21 financial period.



**Professor Sir Ian Diamond**

Accounting Officer

7 July 2020

# Summary Financial Information

## Key Financial Outturns

The key financial outturns for 2019/20 are shown below:

Resources	2019/20 Estimate £'000	2019/20 Outturn £'000	Variance £'000
Departmental Expenditure Limit – Resource	327,091	307,999	19,092

The Authority has utilised 94 per cent of its Resource funds throughout the year in progressing its strategic and operational objectives. The above figures include both ring-fenced and non-ring-fenced resources. The Authority utilised 76 per cent of its non-ring fenced funding.

The under expenditure during the period relates primarily to a net under-utilisation of the Census Data Collection Transformation Programme contingency budget. The largest expenditure items remain staff costs and information technology. This is consistent with our business plan projections and our continuing census activities.

The split between census and Other Business Activities is provided in Chapter 4, Note 4 on page 141. Census related activities will continue to increase across the next two financial years with funding increasing in line with this. Census cost forecasts are assumptions based with variations managed through contingency budgets. Our longer term aim across core business activities is to continue to reduce expenditure in line with future cost savings plans.

## Departmental Expenditure Limit – Capital

	2019/20 Estimate £'000	2019/20 Outturn £'000	Variance £'000
Capital	7,601	6,835	766

The Authority has been able to utilize 90 per cent of its Capital funds throughout the year using this funding to continue to transform our IT systems; invest in census activities, ensure our buildings assets are safe and secure; and to ensure our estate reflects our changing requirements.

## Depreciation and Amortisation

	2019/20 Estimate £'000	2019/20 Outturn £'000	Variance £'000
Depreciation	10,700	7,576	3,124
Amortisation	7,600	6,273	1,327
<b>Total</b>	<b>18,300</b>	<b>13,849</b>	<b>4,451</b>

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 which verified the continued useful economic life. A building impairment was recognised as a result of COVID-19 and is further explained in Chapter 4, Note 6 and Note 18.

## Annually Managed Expenditure

	2019/20 Estimate £'000	2019/20 Outturn £'000	Variance £'000
Annually Managed Expenditure – Resource	(800)	(1,865)	1,065

The Annually Managed Expenditure saving is attributed to a reduction in provisions created in year. The Estimate included provisions for an employee early departure scheme and contractual disputes that were either not fully utilised or not required at all.

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 (page 81) and Civil Service Pensions (page 102) provide further information on the relevant 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 17 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 112 to 116.



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

Audit fees charged in the accounts amount to £93,000 (2018/19 £89,000). There were non-audit fees in relation to Eurostat grant certification/assurance work charged in 2019/20 £5,000 (2018/19 nil).

## Core Tables

The Statistics Board Total departmental spending, 2015/16 to 2020/21

	2015/16 Outturn £'000	2016/17 Outturn £'000	2017/18 Outturn £'000	2018/19 Outturn £'000	2019/20 Outturn £'000	2020/21 Forecast £'000
<b>Resource DEL</b>						
Programme expenditure	180,560	206,930	249,775	280,124	307,999	466,471
<b>Total resource DEL</b>	180,560	206,930	249,775	280,124	307,999	466,471
<i>Of which:</i>						
Staff costs <sup>1</sup>	125,427	150,322	151,537	167,311	188,809	227,046
Purchases	38,505	67,819	106,460	116,592	135,652	245,726
Income	-	(29,445)	(29,565)	(25,493)	(30,311)	(26,600)
Current grants aboard (net)	(775)	-	-	-	-	-
Depreciation: <sup>2</sup>	17,403	18,234	21,343	21,714	7,576	9,299
Amortisation <sup>2</sup>	10,713	11,867	10,770	11,234	6,273	11,000
<b>Resource AME</b>						
Provisions	1,255	266	(4,663)	3,215	(787)	3,500
Utilised provisions	(1,088)	(1,124)	(719)	(765)	(1,078)	(2,500)
<b>Total resource AME</b>	167	(858)	(5,382)	2,450	(1,865)	1,000
<i>Of which:</i>						
Take up of provisions	13,956	365	499	3,215	2,348	3,500
Release of provision	(15,216)	(1,124)	(5,162)	-	(3,135)	-
Utilisation of provisions	-	-	(719)	(765)	(1,078)	(2,500)
Other	1,831	(99)	-	-	-	-
<b>Total resource budget</b>	206,470	206,072	244,393	282,574	306,134	467,471
<i>Of which:</i>						
Depreciation and amortisation <sup>2</sup>	16,318	18,234	21,343	21,714	13,849	20,299

	2015/16 Outturn £'000	2016/17 Outturn £'000	2017/18 Outturn £'000	2018/19 Outturn £'000	2019/20 Outturn £'000	2020/21 Forecast £'000
<b>Capital DEL</b>						
Programme expenditure	14,374	19,028	17,118	17,556	6,835	10,000
<b>Total capital DEL</b>	<b>14,374</b>	<b>19,028</b>	<b>17,118</b>	<b>17,556</b>	<b>6,835</b>	<b>10,000</b>
<i>Of which:</i>						
Purchase of assets	14,374	19,028	17,118	17,556	6,835	10,000
Capital AME	-	-	-	-	-	-
<b>Total capital budget</b>	<b>14,374</b>	<b>19,028</b>	<b>17,118</b>	<b>17,556</b>	<b>6,835</b>	<b>10,000</b>
<b>Total departmental spending<sup>3</sup></b>	<b>204,526</b>	<b>206,866</b>	<b>240,168</b>	<b>278,416</b>	<b>299,120</b>	<b>457,172</b>
<i>Of which:</i>						
<b>Total DEL<sup>4</sup></b>	<b>204,424</b>	<b>207,724</b>	<b>245,550</b>	<b>275,966</b>	<b>300,985</b>	<b>456,172</b>
Total AME	102	(858)	(5,382)	2,450	(1,865)	1,000

**Note:**

1. £2,179,000 of staff costs associated with research and development have been analysed as capital expenditure in the Core Tables in accordance with European System of Accounts 2010 Assets and Liabilities (ESA10).
2. Includes impairments.
3. Total departmental spending is the sum of the resource, AME and the capital budget excluding depreciation. Similarly total DEL is the sum of resource and capital DEL less depreciation. AME covers the cost of provisions.
4. 2017/18 total departmental spending and DEL in the published accounts contained depreciation which has now been removed.

	2015/16 Outturn £'000	2016/17 Outturn £'000	2017/18 Outturn £'000	2018/19 Outturn £'000	2019/20 Outturn £'000	2020/21 Forecast £'000
<b>Assets of which:</b>						
Non-current assets	313	63	68	16	50	40
Current assets	12,122	19,663	21,451	21,878	24,723	29,609
<i>Intangible assets:</i>						
Software licences	3,187	4,842	2,798	2,539	1,892	1,560
In-house development and applications under construction	31,773	22,603	18,401	12,397	9,646	7,954
<i>Tangible assets:</i>						
Property plant and equipment	50,724	47,190	51,565	52,811	47,190	38,914
	<b>98,119</b>	<b>94,361</b>	<b>94,283</b>	<b>89,641</b>	<b>83,501</b>	<b>78,077</b>
Current liabilities	(30,538)	(38,040)	(33,185)	(44,281)	(46,212)	(52,212)
Non-current liabilities	(25,116)	(527)	(2,009)	(4,148)	(2,556)	(2,556)
<b>Capital employed</b>	<b>42,465</b>	<b>55,794</b>	<b>59,089</b>	<b>41,212</b>	<b>34,733</b>	<b>23,309</b>

**Note:**

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 operation.

## Prompt Payment Target

The Authority is committed to both the Chartered Institute of Credit Management and the Department for Business, Energy and Industrial Strategy's prompt payment code. The policy sets out that all invoices 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 made payments in accordance with this policy in 94 per cent of transactions for the year ended 31 March 2020 (93 per cent in 2018/19). The performance is measured in accordance with HM Treasury guidelines.

In addition to the 30 days target we endeavor to pay small and medium sized enterprises within five days. We achieved payment in accordance with this policy in 83 per cent of transactions for the year, (80 per cent in 2018/19) compared to a target of 80 per cent.

## Directors' Report

The requirements of the Directors' report are covered by the following:

The UK Statistics Authority is a non-ministerial department, operating at arm's length from Government and reporting directly to Parliament and the devolved legislatures. The Cabinet Office retains residual ministerial responsibilities for the UK Statistics Authority.

The composition of the Authority Board and its sub-committees is set out in the Governance Statement (pages 54 to 72).

The Executive Directors of the UK Statistics Authority are set out in the Remuneration Report (pages 81 to 90).

The Authority maintains a Register of the Interests of its Board members. The Register of Interests is maintained on the UK Statistics Authority website at: [uksa.statisticsauthority.gov.uk/about-the-authority/the-authority-board/](https://uksa.statisticsauthority.gov.uk/about-the-authority/the-authority-board/)

It is updated at least annually. The onus is on individual members of the Authority to determine other interests that should be disclosed and to make known to the Chair and secretariat any subsequent changes in those interests. At the start of every meeting of the Authority Board, members will be asked to declare any interests in the business on the agenda. Members should similarly make an interest known should it arise during the business of the meeting.

Personal data related incidents are described in the Governance Statement (page 67).

Other disclosures are promulgated by HM Treasury through Public Expenditure System papers.

## Financial reporting to Parliament

This report forms part of the annual reporting process to Parliament. Further, and as part of the reporting process 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. Details can be found at: [www.gov.uk/government/collections/hmt-main-estimates](https://www.gov.uk/government/collections/hmt-main-estimates)

## Engagement and 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 published information which is regularly updated on its own website and/or the Authority 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
- exception reporting

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

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

## Contractual Arrangements

To deliver its business, the Authority works with over 270 Suppliers. All contracts utilise a Government Procurement Guidelines process to identify which suppliers are key suppliers. This determines the level of engagement to successfully deliver all contracts.

This process has identified that the Authority currently has twenty key suppliers. This is evenly allocated across the business to deliver both the census programme and corporate requirements. The census key suppliers have signed a Partnering Charter. This sets out the way in which the ONS, Suppliers and Sub-Contractors will engage. It sets out the programme vision and objectives, the benefits of Partnering (collaborative working) and the Partners Duties.

Supplier performance is reviewed in accordance with Government Procurement Guidelines. This includes monthly reviews to strategically monitor areas such as the financial stability of the business, compliance with the contractual deliverables which include Brexit and Social Value considerations and the performance of subcontractors where applicable.

In addition, the census key suppliers attend the Collaborative Key Supplier Meetings. The Key Supplier Meeting does not discuss day to day management or performance of a contract. It focuses on cross cutting relationships and interfaces. These meetings have representatives from ONS Deputy Directors, Business Area Leads and the leaders from each of our Key Suppliers. This meeting seeks to be:

- **Forward Looking** – Proactively managing shared risks and seeking to maximise opportunities and innovation
- **Provides Strategic Direction** – Seeks out solutions to cross-cutting challenges and focused on joint benefits and successes
- **Relationships** – Fosters and reinforces collaborative ways of working and enables an understanding of objectives and interfaces
- **Reflective** – Builds on Industry best practice and encourages lessons learnt and continuous improvement


# Remuneration Report

The remuneration report is presented in accordance with Civil Service Employer Pension Notice guidance.

## Service contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, based on 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](http://www.civilservicecommissioners.gov.uk).

## Remuneration policy

The Remuneration Committee concluded the pay arrangements for the UK Statistics Authority's Senior Civil Servants. The committee's membership is set out in the Governance Statement.

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.

## 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.

## Remuneration of Executive Directors for the UK Statistics Authority and the Office for National Statistics, 2019/20 and 2018/19 (audited)

Senior Directors	2019/20 Salary	2018/19 Salary	2019/20 Pension Benefits	2018/19 Pension Benefits	2019/20 Total	2018/19 Total
Name and Title	£'000	£'000	£'000	£'000	£'000	£'000
<b>Professor Sir Ian Diamond</b> National Statistician Statistics Authority Fixed-term contract 22 Oct 2019 to 21 Oct 2021	80-85 (fte 160-165)	-	32	-	110-115	-
<b>John Pullinger CB Stat</b> National Statistician Statistics Authority Fixed- term contract 1 July 2014 to 30 June 2019	40-45 (fte 160-165)	155-160 + bonus 0-5	1	25	40-45	180-185
<b>Heather Savory</b> Deputy National Statistician for Data Capability Left ONS 30 Nov 2019	115-120 (fte 130-135)	125-130 + bonus 0-5	41	50	155-160	175-180
<b>Jonathan Athow</b> Deputy National Statistician for Economic Statistics	120-125 + bonus 0-5	120-125	46	57	165-170	175-180
<b>Iain Bell</b> Deputy National statistician for Population and Public Policy	120-125	120-125 + bonus 0-5	45	68	165-170	185-190
<b>Simon Sandford-Taylor</b> Director of Digital Services, Technology and Methodology	90-95	60-65 (fte 90-95)	38	64	125-130	125-130
<b>Ed Humpherson</b> Director General for Regulation	145-150	145-150	65	63	210-215	195-200
<b>Peter Benton</b> Director of Population and Public Policy Operations	90-95	90-95	42	23	130-135	110-115



Senior Directors	2019/20 Salary	2018/19 Salary	2019/20 Pension Benefits	2018/19 Pension Benefits	2019/20 Total	2018/19 Total
Name and Title	£'000	£'000	£'000	£'000	£'000	£'000
<b>Francesca Kay</b> Deputy National Statistician for Data Capability	105-110 + bonus 10-15 Taxable expenses 5-10	95-100 Taxable expenses 5-10	44	39	145-150	130-135
<b>Tom Smith</b> Director of the Data Science Campus	130-135 Taxable expenses 15-20	130-135 + bonus 10-15 Taxable expenses 5-10	52	52	180-185	180-185
<b>Sarah Henry</b> Director Methods, Data and Research	95-100 + bonus 0-5 Taxable expenses 10-15	95-100 Taxable expenses 10-15	38	37	130-135	130-135
<b>Emma Rourke</b> Director Public Policy Analysis	40-45 (fte 95-100) Taxable expenses 0-5 (fte 0-5)	75-80 (fte 95-100)	17	28	55-60	100-105
<b>Owen Brace</b> Director Policy, Communications and Digital Publishing	95-100	90-95	38	37	130-135	130-135
<b>Nick Bateson</b> Director Finance, Planning and Performance	115-120 + bonus 10-15 Taxable expenses 1-5	115-120 + bonus 0-5 Taxable expenses 10-15	46	46	160-165	160-165
<b>Elizabeth McKeown</b> Director of Public Policy Analysis	90-95 + bonus 5-10	70-75 (fte 90-95)	56	59	145-150	130-135
<b>Philippa Bonay</b> Director for People and Business Services	105-110 + bonus 0-5 Taxable expenses 0-5	60-65 (fte 100-105) Taxable expenses 0-5 (fte 5-10)	42	25	145-150	85-100
<b>Grant Fitzner</b> Chief Economist	105-110	35-40 (fte 100-105)	42	16	145-150	50-55

Senior Directors	2019/20 Salary	2018/19 Salary	2019/20 Pension Benefits	2018/19 Pension Benefits	2019/20 Total	2018/19 Total
Name and Title	£'000	£'000	£'000	£'000	£'000	£'000
<b>Darren Morgan</b> Director of Economic Statistics Development From 1 May 2019	85-90 (fte 90-95)	-	42	-	125-130	-
<b>Nicola Tyson-Payne</b> Interim Director of Transformation, Population and Public Policy From 15 July 2019	60-65 (fte 90-95)	-	34	-	90-95	-

**Note:**

Nicholas Vaughan left ONS 31 October 2018, prior year remuneration was disclosed in the Authority's 2018/19 accounts and not in the above note.

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

## Notes to the remuneration tables (Current and Previous Board members)

Where a member of the Board served for only a part of a year, the full time equivalent (FTE) figure is also shown in brackets.

Pension benefits included in the table above represent the actuarially assessed increase in pension benefits at retirement age arising due to in-year service, calculated as per Finance Act 2013 rules.

### 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.

All the above information is based on payments made by the Authority 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 2019/20 relate to performance outcomes in 2018/19 and the comparative bonuses reported for 2018/19 relate to performance in 2017/18.

## Remuneration of Non-Executive Directors of the UK Statistics Authority 2019/20 and 2018/19 (audited)

Senior Directors Name and Title	2019/20 Salary £'000	2018/19 Salary £'000
<b>Sir David Norgrove</b> Chair of UK Statistics Authority Fixed contract From 1 April 2017 to 31 March 2022	50-55	55-60
<b>Ms Sian Jones</b> Fixed Contract Deputy Chair 12 Dec 2018 to 1 July 2024 Non-Executive Director From 1 July 2016 to 11 Dec 2018	30-35	10-15 (fte 30-35) and 5-10 (fte 15-20)
<b>Professor Sir Adrian Smith FRS</b> Fixed contract Non-Executive Director 12 Dec 2018 to 31 March 2020 Deputy Chair From 1 Sept 2015 to 11 Dec 2018	15-20	5-10 (fte 15-20) and 20-25 (fte 30-35)
<b>Dr David Levy</b> Non-Executive Director Fixed contract From 1 Aug 2014 to 31 May 2019	0-5 (fte 15-20)	15-20
<b>Professor David Hand OBE FBA</b> Non-Executive Director Fixed contract From 1 April 2013 to 1 April 2021	10-15	15-20
<b>Professor Jonathan Haskel</b> Non-Executive Director Fixed contract From 1 Feb 2016 to 31 Jan 2023	0	15-20
<b>Ms Nora Nanayakkara</b> Non-Executive Director Fixed contract From 1 July 2016 to 1 July 2024	15-20	15-20

Senior Directors Name and Title	2019/20 Salary £'000	2018/19 Salary £'000
Professor Anne Trefethen FBCS FREng Non-Executive Director Fixed Contract From 7 June 2018 to 6 July 2022	15-20	10-15 (fte 15-20)
Ms Helen Boaden From 30 May 2019 to 31 May 2022	10-15 (fte 10-15)	N/A

**Note:**

Professor Sir Ian Diamond was non-executive director to 5 August 2019, between 6 August 2019 and 21 October 2019 he was appointed National Statistician Designate and then formally appointed National Statistician on 22 October 2019. His services as non-executive were provided free of charge.

In addition to the Non-Executive Directors of the UK Statistics Authority, Tim Watkinson and Julia Mundy have been appointed as Independent Non-Executive Directors in advisory roles to the Audit and Risk Assurance Committee. Professor Jonathan Haskel provides his services free of charge since September 2018.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in UKSA in the financial year 2019-20 was £160,000 – £165,000 (2018/19: £160,000 – £165,000). This was 5.50 times (2018/19: 5.60 times) the median remuneration of the workforce, which was £29,540 (2018:19 £29,017). The ratio has fallen primarily because of an increase in the median remuneration of the workforce. This is due to a pay award during the year.

No employees received remuneration in excess of the highest-paid director in either 2019/20 or 2018/19. The lowest staff remuneration in 2019/20 was £18,041 (2018/19 £17,032). The mid-point of the banded remuneration of the highest paid director was £162,500 during 2019/20 (2018/19 £162,500).

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 median remuneration for 2019/20 is derived from the annualised remuneration of all staff as at 31 March 2020. Part time employees' payments are adjusted on a full time basis.

## Pension Benefits

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

Details of the Civil Service Pensions Scheme can be found on page 102.

Senior Directors	Real increase in pension and related lump sum at pension age	Accrued pension at pension age as at 31 March 2020 and related lump sum	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2020	Real Increase in Cash Equivalent Transfer Value
	£'000	£'000	£'000	£'000	£'000
<b>Professor Sir Ian Diamond</b> National Statistician Statistics Authority Fixed term contract from 22 October 2019 to 21 October 2021	0-2.5	0-5	-	34	27
<b>John Pullinger CB Stat</b> National Statistician Statistics Authority Fixed- term contract 1 July 2014 to 30 June 2019	0-2.5 + lump sum of 0-2.5	75-80 + lump sum of 225-	1,808	1,821	1
<b>Heather Savory</b> Deputy National Statistician for Data Capability Left ONS 30 Nov 2019	0-2.5	10-15	163	197	25
<b>Jonathan Athow</b> Deputy National Statistician for Economic Statistics	2.5-5	45-50	642	698	21
<b>Iain Bell</b> Deputy National statistician for Population and Public Policy	2.5-5 + lump sum of 0-2.5	45-50 + lump sum of 95-100	705	765	22
<b>Simon Sandford-Taylor</b> Director of Digital Services, Technology and Methodology	0-2.5	20-25	297	336	20

Senior Directors	Real increase in pension and related lump sum at pension age	Accrued pension at pension age as at 31 March 2020 and related lump sum	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2020	Real Increase In Cash Equivalent Transfer Value
	£'000	£'000	£'000	£'000	£'000
<b>Ed Humpherson</b> Director General for Regulation	2.5-5 + lump sum of 0-2.5	65-70 + lump sum of 50-55	1,002	1,090	36
<b>Peter Benton</b> Director of Population and Public Policy Operations	0-2.5 + lump sum of 0-2.5	35-40 + lump sum of 75-80	569	623	23
<b>Francesca Kay</b> Deputy National Statistician for Data Capability	2.5-5	40-45	565	625	25
<b>Tom Smith</b> Director of the Data Science Campus	2.5-5	10-15	75	114	25
<b>Sarah Henry</b> Director Methods, Data and Research	0-2.5	5-10	53	84	21
<b>Emma Rourke</b> Director Public Policy Analysis	0-2.5	5-10	53	66	8
<b>Owen Brace</b> Director Policy, Communications and Digital Publishing	0-2.5	15-20	149	178	15
<b>Nick Bateson</b> Director Finance, Planning and Performance	2.5-5 + lump sum of 0-2.5	30-35 + lump sum of 55-60	386	427	17
<b>Elizabeth McKeown</b> Director of Public Policy Analysis	2.5-5 + lump sum of 2.5-5	25-30 + lump sum of 45-50	304	349	26
<b>Philippa Bonay</b> Director for People and Business Services	0-2.5	10-15	138	171	19
<b>Grant Fitzner</b> Chief Economist	0-2.5	5-10	55	93	28

Senior Directors	Real increase in pension and related lump sum at pension age	Accrued pension at pension age as at 31 March 2020 and related lump sum	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2020	Real Increase in Cash Equivalent Transfer Value
	£'000	£'000	£'000	£'000	£'000
<b>Darren Morgan</b> Director of Economic Statistics Development From 1 May 2019	0-2.5 plus lump sum of 0 -2.5	35-40 plus a lump sum of 80-85	631	578	22
<b>Nicola Tyson-Payne</b> Interim Director of Transformation, Population and Public Policy From 15 July 2019	0-2.5	0-5	15	39	17

**Note:**

The posts held by the non-executive Directors of the UK Statistics Authority are non-pensionable. Nicholas Vaughan left ONS 31 October 2018, prior year pension benefits was disclosed in the Authority's 2018/19 accounts and not in the above note.

## 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 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.

## Board Member and Senior Official Off-payroll engagements

The following table identifies off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020.

	2019/20 Number of engagements
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Total number of individuals off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year.	-

## Other Information

### Compensation for loss of office

No Director received compensation for loss of office during 2019/20.

### Payments to past directors

No payments were made to past directors other than in respect of employment or other contractual service for the company other than as a director.



# Staff Report (audited)

## Staffing structure

### Staff Numbers

	2019/20	Permanently employed FTE	Others FTE	2018/19
	Total FTE			Total FTE
Objective statistical services	4,173	3,901	272	3,887
Census field staff	52	-	52	-
<b>Total</b>	<b>4,225</b>	<b>3,901</b>	<b>324</b>	<b>3,887</b>

**Note:**

The Statistical Services staff numbers are calculated using the average number of staff on the payroll each month rather than at year end. The census staff numbers are based on the average of the census dry run peak period between October 19 and November 19. The number at year end is nil.

### Staff Costs

	2019/20	Permanently employed Staff	Others	2018/19
	Total			Total
	£'000	£'000	£'000	£'000
Statistical services staff costs	141,175	138,151	3,024	132,515
Census field staff costs	1,001	-	1,001	-
Social security costs	13,039	13,039	-	11,719
Census field staff social security costs	80	-	80	-
Other pension costs	34,953	34,953	-	24,482
Census field staff other pension costs	24	-	24	-
Tax and levies	711	711	-	597
Census tax and levies	5	-	5	-
<b>Total</b>	<b>190,988</b>	<b>186,854</b>	<b>4,134</b>	<b>169,313</b>
Less recoveries in respect of outward secondments	(350)	(350)	-	(266)
<b>Total net costs</b>	<b>190,638</b>	<b>186,504</b>	<b>4,134</b>	<b>169,047</b>

**Note:**

Statistical Services and staff costs include £2,179,000 of research and development costs which are analysed as capital expenditure in the Statement of Parliamentary Supply, SOPS1 and SOPS2.

## Staff Numbers as at 31 March 2020

Contract Type	2019/20 Headcount	FTE	2018/19 Headcount	FTE
Permanent employment contract	4,667	4,044	4,387	3,777
Fixed term employment contract	169	164	176	174
Paid secondment or loan in	8	8	2	2
<b>Total</b>	<b>4,844</b>	<b>4,216</b>	<b>4,565</b>	<b>3,953</b>

## Staff loaned as at 31 March 2020

Grade	2019/20			2018/19		
	<12 months	>12 months	Total	<12 months	>12 months	Total
Grade 6	-	1	1	-	1	1
Grade 7	5	-	5	2	3	5
SEO	2	-	2	4	2	6
HEO				3	1	4
<b>Total</b>	<b>7</b>	<b>1</b>	<b>8</b>	<b>9</b>	<b>7</b>	<b>16</b>

## Staff hosted as at 31 March 2020

Grade	2019/20			2018/19		
	<12 months	>12 months	Total	<12 months	>12 months	Total
SCS 2	-	-	-	-	1	1
SCS1	-	1	1	-	-	0
Grade 6	-	3	3	-	1	1
Grade 7	2	1	3	-	-	0
HEO	1	-	1	-	-	0
<b>Total</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>-</b>	<b>2</b>	<b>2</b>

Those less than 12 months to projected end date are considered short term assignments. The average duration of staff redeployments is less than 12 months. The cost of staff on short term loan is included in the staff costs above and Chapter 4, note 3. All staff costs are programme costs.

## Contingent Workers as at 31 March 2020

Contingent Worker Type	2019/20 Headcount	2018/19 Headcount
Agency worker	92	78
Contractor	129	69
Consultant	26	55
Service worker	85	160
<b>Total</b>	<b>332</b>	<b>362</b>

## Staff Composition as at 31 March 2020

	Headcount Female	Male	FTE Female	Male
AA/AO	891	700	617	480
EO	434	237	400	236
HEO	579	416	540	401
SEO	411	349	376	343
Grade 7	300	298	281	292
Grade 6	59	92	57	91
SCS Pay Band 1 (Deputy Director)	19	31	17	32
SCS Pay Band 2 (Director)	5	7	5	7
SCS Pay Band 3 (Director General)	1	3	1	3
Permanent Secretary	-	1	-	-
<b>Total</b>	<b>2,699</b>	<b>2,134</b>	<b>2,294</b>	<b>1,885</b>

### Note:

11 members of staff (11 FTE) have not recorded their gender on our system and so are not included in the staff composition table above.

## Number of Senior Civil Service Staff by SCS Pay Band (average for the year)

SCS Pay Band	2019/20 Headcount	FTE	2018/19 Headcount	FTE
SCS Pay Band 1 (Deputy Director)	50	48	46	45
SCS Pay Band 2 (Director)	12	12	12	12
SCS Pay Band 3 (Director General)	4	4	4	4
Permanent Secretary	1	1	1	1
Total	67	65	63	62

## Off Payroll Engagements

The following table identifies all off-payroll engagements as at 31 March 2020 for more than £245 per day for a period longer than six months.

	Number of existing engagements as at 31st March 2020
Number of existing engagements as of 31 March 2020	101
<i>Of which:</i>	
Number that have existed for less than one year at the time of reporting	59
Number that have existed between one – two years at the time of reporting	31
Number that have existed between two – three years at the time of reporting	9
Number that have existed between three – four years at the time of reporting	1
Number that have existed for four years or more at the time of reporting	1

The following table details the total number of off-payroll engagements in excess of £245 per day for a period longer than six months (between the 1 April 2019 and 31 March 2020).

	Number 2019/20
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	116
<i>Of which:</i>	
Number assessed as inside the scope of IR35	34
Number assessed as outside the scope of IR35	82
Number engaged directly (via PSC contracted to department) and are on the departmental payroll	-
Number of engagements reassessed for consistency/assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following the consistency review	-

## Capitalised Staff Costs

	2019/20 Cost £'000	FTE	2018/19 Cost £'000	FTE
Survey Data Collection (SDC)	1,316	50	703	27
Data Access Platform (DAP)	101	2	990	30
<b>Total</b>	<b>1,417</b>	<b>52</b>	<b>1,693</b>	<b>57</b>

### Note:

The 2019/20 salary figures reflect a net yearly movement of £913,000 accrued holiday and flexi pay, and PRP of £1,395,000.

In addition to the £190,988,000 reported total net costs £1,417,000 (2018/19 £1,693,000) of salary costs are categorised as capital expenditure and are not included in the Operating Cost Statement.

## Sickness Absence

Average working days lost during 2019/20 is 7.7 (2018/19 was 7.0).

## Reporting Compensations for Employee Departures

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	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
< £10,000	-	-	24	10	150	74
£10,000 – £25,000	-	-	17	36	218	580
£25,000 – £50,000	-	-	2	50	62	1,776
£50,000 – £100,000	-	-	2	43	122	2,829
<b>Total number of exit packages by type (total cost)</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>139</b>	<b>552</b>	<b>5,229</b>

As part of early avoidance measures, the Authority ran a voluntary exit scheme in January 2019. Further to this, a voluntary redundancy scheme was approved on 30 January 2020, covering a 12 month period to the end of January 2021, and will be applied to employees who have been through our organisational change framework and have been unsuccessful in obtaining redeployment. The voluntary exit scheme was processed in two phases, resulting in tranche one being accrued for in 2018/19 and tranche two being provided for and utilised in 2019/20. A provision has been recorded for the voluntary redundancy scheme in note 12 under early departure costs.

Redundancy and other departure costs have been paid in accordance with the provision 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 the Civil Service pension scheme.

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

## Employee Matters

### Employment, Training and Support for People with Disabilities

The Authority is committed to being an equal opportunities employer. As part of this commitment, the Authority gives full and fair consideration to the employment, training, support and progression of colleagues with a disability.

The Authority applies the Recruitment Principles of the Civil Service Commission, appointing candidates on merit through fair and open competition.

Recruitment and selection training, including in unconscious bias, is provided to all interviewers. The Authority has Level 3 Disability Confident Leader status and offers an interview to all those who declare a disability and meet the minimum selection criteria.

The Authority's policies require that managers must consider and make workplace adjustments to enable an employee with a disability to attend work and carry out their role effectively.

Such adjustments are recorded on a Disability Passport and are kept under regular review. There is an active Disability Network, supported by senior champions, focused on removing any barriers within the workplace, and celebrating key disability awareness days throughout the year across the organisation.

The Authority promotes a number of cross-government talent schemes that seek to attract staff with disabilities, as well as those from other underrepresented groups. These include Positive Action Pathways, the Future Leaders and Senior Leaders Schemes and the bespoke Disability Empowers Leadership Talent scheme available to anyone with a disability or long-term health condition who gains a place on the cross-government Future Leaders Scheme, and its META and DELTA parallel programmes.

### Monitoring spending on consultancy and temporary staff

Professional services external resources can generally be split into two broad categories. Temporary staff includes temporary workers and specialist contractors who are used to cover business-as-usual or service delivery activities within the Authority. Consultancy includes staff who provide objective advice relating to strategy, structure, management or operations of the Authority and may include the identification of options with recommendations.

Expenditure on consultancy decreased from £12.0m in 2018-19 to £11.2m in 2019-20 and expenditure on temporary staff increased from £6.5m in 2018-19 to £13.0m in 2019-20.

Spend on consultancy and the need for temporary staff is largely dependent on the nature of projects being undertake and the expertise required. During 2019-20 the census dry run rehearsal took place which has contributed to an increase in these costs. Further information can be found in Note 4 to the accounts.

## Workplace Health, Safety and Welfare

The Health and Safety framework of governance, risk management and control for the Authority was subject to an internal audit during this period. The audit concluded with substantial assurance given that appropriate arrangements are in place. Workplace Health and Safety performance is reviewed on an annual basis by the Departmental Health and Safety Committee. The Authority has an up to date Health and Safety Policy, which has been amended to ensure that it remains aligned to legislation and takes account of organisational changes. All necessary risk assessments, inspections, maintenance, cleaning and testing regimes were in place.

The Authority is especially aware that it needs to ensure it protects our Field Force against the Health and Safety risks they encounter outside the office environment and often working alone. Work to develop suitable and sufficient Health and Safety management arrangements for the 2021 census continued and were tested during the 2019 census rehearsal.

In terms of staff wellbeing, 69% of staff gave a positive response to the question “How satisfied are you with your life nowadays?”. This is the same as the 2018 results and is 2% higher than the overall response rate for the Civil Service as a whole.

## Equality, Diversity and Inclusion Overview

The Authority measures some of the most important issues that affect the public. To do this effectively it remains essential to embed inclusion in our business, making the most of our diverse talents to represent the communities we serve, and of which we are a part.

As we launch our new ONS Strategic Plan, we are refreshing our Inclusion and Diversity Plan to align with our strategic ambition: To create an inclusive and innovative organisation that works naturally in partnership, actively seeking out people with different backgrounds and life experiences, and valuing the distinctive perspectives and contributions they make to our work providing insight on important issues for the UK.

We have identified our priorities as:

- developing an inclusive organisation – where difference of thought and outlook are expected, respected and valued
- recognising diversity as a key enabler to innovation
- thinking creatively about the way we work, building positive and respectful relationships across the organisation and valuing the broad talents of all our colleagues



- developing the skills and capabilities we need for the future, as well as creating and sustaining an environment in which we are consistently inspired to deliver our best work

## Equality, Diversity and Inclusion Infrastructure

### Governance

The Governance for Inclusion and Diversity is through our Inclusion and Diversity Steering Group, the Strategic People Committee and the National Statistician's Executive Group.

The National Statistician is Chair of the Inclusion and Diversity Steering Group and our Senior Civil Servant diversity champions provide guidance and sponsorship to their specific areas of focus. Business areas drive the activity and have accountability for achieving Inclusion and Diversity goals.

### Networks

The Authority recognises the great value that employee support networks bring to improving our workplace and policies. There are recognised employee network groups in place, each with a senior leadership sponsor. Our champions, sponsors and network groups are active across the organisation and undertake initiatives such as celebratory events, learning workshops, sharing blogs, developing and publishing guidance and toolkits, identifying best practice, and linking with other government departments.

### Benchmarking and Collaborating

We participate in benchmarking exercises with Stonewall, the Business Disability Forum, the Disability Confident scheme, Working Families and MIND. We are committed to maintaining and improving our position in these benchmarks, and we work closely with other Government Departments and Cabinet Office to identify areas for collaboration and shared initiatives.

### Measuring Progress

Progress is measured through regular monitoring of diversity data at both organisational level and within individual business areas via an interactive dashboard. Declaration rates are regularly monitored, and colleagues are actively encouraged to provide this information. In addition, we use the benchmarking data outlined above, insights from our staff networks and from the annual Civil Service People Survey to track progress on inclusion. We have also commenced the process of benchmarking the inclusivity of our policies and processes against Civil Service Diversity and Inclusion Practice Expectations. Further key

performance indicators are being developed and will be regularly monitored as part of the new People Plan, enabling us to track progress on our key priority areas.

## Workforce diversity data and progress against targets as at 31 March 2020

Whilst all employees in UK Statistics Authority are strongly encouraged to make a positive declaration within each of these diversity measures there is no obligation to do so. The percentage of employees who have declared is 74.9%. The following data is collated from those who have made a declaration.

<b>UK Statistics Authority (all grades)</b>	<b>Dec-18</b>	<b>Mar-19</b>	<b>Mar-20</b>	<b>Internal target March 2020</b>
Female	55.5%	55.7%	55.8%	n/a
Ethnic groups	6.4%	6.1%	6.0%	5.5%
Employees with disability	11.9%	13.4%	15.4%	10.5%
LBGO	4.2%	4.5%	4.9%	3.8%

<b>Senior Civil Service Measures (SCS)</b>	<b>Dec-18</b>	<b>Mar-19</b>	<b>Mar-20</b>	<b>Internal target March 2020</b>
Females in SCS Pay Band 2	35.3%	35.3%	35.3%	27.5%
All SCS				
Female	33.9%	34.4%	38.0%	34.0%
Ethnic groups	2.0%	1.9%	6.7%	2.0%
Employees with disability	3.6%	8.6%	13.2%	10.0%

Feeder grade measures	Dec-18	Mar-19	Mar-20	Internal target March 2020
<b>Grade 6</b>				
Female	37.1%	37.0%	39.1%	41.0%
Ethnic groups	0.8%	0.8%	0.8%	1.5%
Employees with disability	7.9%	7.9%	6.5%	5.5%
<b>Grade 7</b>				
Female	48.6%	50.0%	50.1%	50.0%
Ethnic groups	6.4%	5.2%	5.7%	5.5%
Employees with disability	6.0%	7.7%	9.9%	6.5%

The Authority is currently reviewing inclusion targets for future years, alongside the travel to work information for its core office locations, to ensure these remain ambitious and reflective of the long-term ambition for the organisation to be representative of the society we serve.

## Trade union facility time

Organisations are required to publish trade union facility time data. Trade union facility time is a legal entitlement and is allocated by the Authority. Total time spent on union activities should equate to no more than 0.1% of the total pay bill and no-one should spend more than 50% of their time on such activities.

The total number of employees who were trade union representatives during the year was 40. The time spent on trade union facility activity is analysed in the table below.

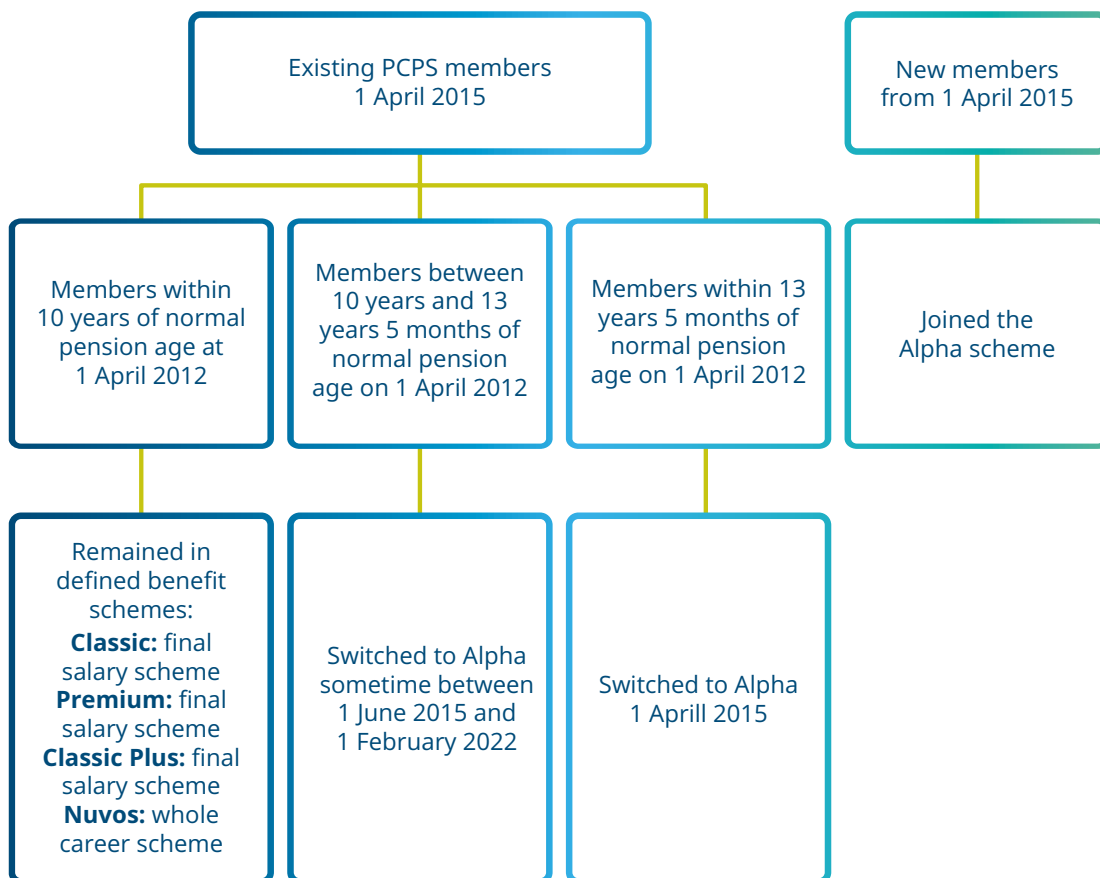
Percentage of time	2019/20 Number of employees	2018/19 Number of employees
0%	10	10
1-50%	30	30
51%-99%	0	0
100%	0	0

The cost to the Authority of trade union facility time represents 0.04% of the pay bill of £190,988,000 (2018/19 0.04% of the pay bill £169,313,000). 8.5% (2018/19 8.5%) of the facility time was spent on paid trade union activities.

# Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements.

From 1 April 2015 a new pension scheme for civil servants was introduced, replacing Principal Civil Service Pension Scheme (PCSPS). The Civil Servants and Other Pension Scheme (CSOPS) known as alpha provides benefits on a career average basis. From this date members moved on the basis shown in the diagram below. PCSPS benefits are preserved for those with earlier benefits in final salary schemes.



Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

## Defined Benefit Schemes

These statutory arrangements are unfunded multi-employer defined benefit schemes with the cost of benefits paid for by funding that is voted by Parliament each year. The UK Statistics Authority is unable to identify its share of the underlying assets and liabilities.

The Scheme Actuary usually reviews contributions every four years following a full scheme valuation. The scheme was last valued as at 31 March 2012, a valuation is still in progress based on March 2016 data.

**i** You can find details in the resource accounts of the Cabinet Office: Civil Superannuation. Full information about the Civil Service pension arrangements can be found at [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with pensions increase legislation. Details of each pension scheme and the differences between them are shown in the table below.

Additionally, members of nuvos and alpha have their accrued pension 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.

For 2019/20, employers' contributions of £34.8 million were payable to the PCSPS and CSOPS (2018/19 £24.4 million) at one of four rates on the range of 26.6% to 30.3% per cent (2018/19 20 to 24.5 per cent) of pensionable pay, based on salary bands.

**i** More detail about the Remuneration Report, providing detail on the pension benefits for the members of the Executive Committee can be found on pages 87 to 89.

Pension Scheme	Pension Age	Employee contributions (% of pensionable earnings)	Benefits accrual rate (for each year of service)	Lump sum (payable on retirement)
Classic	60	4.6 - 8.05	1/80th pensionable earnings	3 years initial pension
Classic+	60	4.6 - 8.05	To 30 September 2002. 1/80th final pensionable earnings. Thereafter 1/60th	To 30 September 2002. 3/80th final pensionable earnings. Thereafter optional
Premium	60	4.6 - 8.05	2.3% of pensionable earnings each scheme year	Optional
Nuvos	65	4.6 - 8.05	2.32% of pensionable earnings each scheme year	Optional
Alpha	The higher of 65 or state pension age	4.6 - 8.05	2.32% of pensionable earnings each scheme year	Optional
Now Alpha (previously classic)	The higher of 65 or state pension age	4.6 - 8.05	2.32% of pensionable earnings each scheme year	Optional

## Partnership Pension

The partnership pension account is a defined contribution, stakeholder pension arrangement. The employer makes a basic contribution of between eight per cent and 14.75 per cent (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will also match these up to a limit of three per cent of pensionable salary. Employers also contribute a further 0.5 per cent of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Employers' contributions of £337,000 (2018/19 £342,000) were paid to one or more of a panel of three approved stakeholder pension providers.

Contributions due to the partnership pension providers at the balance sheet date were £29,000 (2018/19 £32,000). Contributions prepaid for both 2019/20 and 2018/19 were nil.

Employers' contributions of £12,000 representing 0.5 per cent of pensionable pay (2018/19 £12,000 and 0.5 per cent) was payable to the PCSPS over the course of the year to cover the cost of centrally-provided risk benefit cover for employees.

Seven members of staff (2018/19 four members of staff) retired early on ill-health grounds.

# Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Authority to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes.

The SoPS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the House of Commons.

The SoPS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated fund), that Parliament gives statutory authority for entities to utilise. The Estimate details supply and is voted on by Parliament at the start of the financial year.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SoPS mirrors the Supply Estimates, published on gov.uk, to enable comparability between what Parliament approves and the final outturn.

The SoPS contain a summary table, detailing performance against the control limits that Parliament have voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly tie to cash spent) and administration.

The supporting notes detail the following: Outturn by Estimate line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net operating expenditure in the SOCNE, to tie the SoPS to the financial statements (note 2); a reconciliation of outturn to net cash requirement (note 3); and, an analysis of income payable to the Consolidated Fund (note 4).

## Summary Tables (audited)

Summary table 2019-20, all figures presented in £000's

Type of Spend	SoPS Note	Outturn			Estimate			Outturn vs Estimate, saving/(excess)		Prior Year Outturn Total 2018-19
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	1.1	307,999	-	307,999	327,091	-	327,091	19,092	19,092	280,124
Capital	1.2	6,835	-	6,835	7,601	-	7,601	766	766	17,556
<b>Total</b>		<b>314,834</b>	<b>-</b>	<b>314,834</b>	<b>334,692</b>	<b>-</b>	<b>334,692</b>	<b>19,858</b>	<b>19,858</b>	<b>297,680</b>
Annually Managed Expenditure										
Resource	1.1	(1,865)	-	(1,865)	(800)	-	(800)	1,065	1,065	2,450
Capital	1.2	-	-	-	-	-	-	-	-	-
<b>Total</b>		<b>(1,865)</b>	<b>-</b>	<b>(1,865)</b>	<b>(800)</b>	<b>-</b>	<b>(800)</b>	<b>1,065</b>	<b>1,065</b>	<b>2,450</b>
Total budget										
Total Resource	1.1	306,134	-	306,134	326,291	-	326,291	20,157	20,157	282,574
Total Capital	1.2	6,835	-	6,835	7,601	-	7,601	766	766	17,556
<b>Total Budget Expenditure</b>		<b>312,969</b>	<b>-</b>	<b>312,969</b>	<b>333,892</b>	<b>-</b>	<b>333,892</b>	<b>20,923</b>	<b>20,923</b>	<b>300,130</b>
<b>Non-Budget Expenditure</b>	<b>1.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Budget and Non Budget</b>		<b>312,969</b>	<b>-</b>	<b>312,969</b>	<b>333,892</b>	<b>-</b>	<b>333,892</b>	<b>20,923</b>	<b>20,923</b>	<b>300,130</b>

### Note:

Figures in the areas outlined in thick line cover the voted control limits voted by Parliament. Refer to the Supply Estimates guidance manual, available on gov.uk, for detail on the control limits voted by Parliament.



## Net Cash Requirement 2019/20 (audited)

All figures presented in £000's

Item	SoPS Note	Outturn	Estimate	Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total 2018-19
Net Cash requirement	3	302,387	316,392	14,005	265,453

**Note:**

Although not a separate voted limit, any breach of the administration budget will also result in an excess vote. The Authority's net expenditure is classed as programme costs. There are no administration costs. Explanations of variances between estimates and outturn are given in the Management Commentary on pages 73 to 75.

The notes on pages 108 to 111 form part of these accounts.

## Notes to the Parliamentary Supply, 2019/20 (£000's) (audited)

### SOPS 1 – Outturn detail by Estimate Line

For the year ending 31 March 2020

#### SOPS 1.1 Analysis of resource outturn by Estimate line

Type of Spend (Resource)	Outturn Programme				Estimate			Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2018-19
	Gross	Income	Net	Total	Total	Virements	Total inc Virements		
Spending in Department Expenditure Limit (DEL)									
Voted expenditure									
A. Programme Expenditure	338,310	(30,311)	307,999	307,999	327,091	-	327,091	19,092	280,124
Total voted DEL	338,310	(30,311)	307,999	307,999	327,091	-	327,091	19,092	280,124
<b>Total spending in DEL</b>	<b>338,310</b>	<b>(30,311)</b>	<b>307,999</b>	<b>307,999</b>	<b>327,091</b>	<b>-</b>	<b>327,091</b>	<b>19,092</b>	<b>280,124</b>
Spending in Annually Managed Expenditure (AME)									
Voted expenditure	-	-	-	-	-	-	-	-	-
B. Utilised Provisions	(1,865)	-	(1,865)	(1,865)	(800)	-	(800)	1,065	2,450
<b>Total voted AME</b>	<b>(1,865)</b>	<b>-</b>	<b>(1,865)</b>	<b>(1,865)</b>	<b>(800)</b>	<b>-</b>	<b>(800)</b>	<b>1,065</b>	<b>2,450</b>
<b>Total spending in AME</b>	<b>(1,865)</b>	<b>-</b>	<b>(1,865)</b>	<b>(1,865)</b>	<b>(800)</b>	<b>-</b>	<b>(800)</b>	<b>1,065</b>	<b>2,450</b>
<b>Total resource</b>	<b>336,445</b>	<b>(30,311)</b>	<b>306,134</b>	<b>306,134</b>	<b>326,291</b>	<b>-</b>	<b>326,291</b>	<b>20,157</b>	<b>282,574</b>

**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 capital outturn by Estimate line

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate, saving/ (excess)	Prior Year Outturn Total, 2018-19
	Gross	Income	Net Total	Total	Virements	Total inc Virements		
Spending in Departmental Expenditure Limits (DEL)								
Voted expenditure								
A. Programme Expenditure	6,835	-	6,835	7,601	-	7,601	766	17,556
Total voted DEL	6,835	-	6,835	7,601	-	7,601	766	17,556
Total spending in DEL	6,835	-	6,835	7,601	-	7,601	766	17,556
Spending in Annually Managed Expenditure (AME)								
Voted expenditure	-	-	-	-	-	-	-	-
Total voted AME	-	-	-	-	-	-	-	-
Total spending in AME	-	-	-	-	-	-	-	-
Total capital	6,835	-	6,835	7,601	-	7,601	766	17,556

**Note:** The total Estimate columns include virements. Virements are the reallocation of provision in the Estimates that do not require parliamentary authority (because Parliament does not vote to that level of detail and delegates to HM Treasury). Further information on virements are provided in the Supply Estimates Manual, available on gov.uk. The outturn vs estimate column is based on the total including virements. The estimate total before virements have been made is included so that users can tie the estimate back to the Estimates laid before Parliament.

## SOPS 2 – Reconciliation of outturn to net operating expenditure

Item	Reference	Outturn Total	Prior Year Outturn Total 2018/19
Total resource outturn	SOPS 1.1	306,134	282,574
Add			
Expenditure which meets the European Statement of Accounts 2015 definition of research and development			
Staff Costs (permanent)		2,179	2,002
Total		2,179	2,002
<b>Net operating expenditure in Consolidated Statement of Comprehensive Net Expenditure</b>	<b>SOCNE</b>	<b>308,313</b>	<b>284,576</b>

**Note to SOPS 2 on page 109:**

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, which is similar to, but different from, IFRS. Therefore, this reconciliation bridges the resource outturn to net operating expenditure, linking the SoPS to the financial statements.

## SOPS 3 – Reconciliation of Net Resource Outturn to Net Cash Requirement

For the year ending 31 March 2020

Item	Reference	Outturn Total	Estimate	Outturn vs Estimate, saving/ (excess)
Total Resource outturn	SOPS 1.1	306,134	326,291	20,157
Total Capital outturn	SOPS 1.2	6,835	7,601	766
<b>Adjustments to remove non-cash items:</b>				
Depreciation and amortisation	4	(13,849)	(18,300)	(4,451)
Impairment	4	–	–	–
New provisions and adjustments to previous provisions	4	787	–	(787)
Other non-cash items	4	725	–	(725)
<b>Adjustments to reflect movements in working balances:</b>				
Increase/(decrease) in receivables	9	(5,104)	–	5,104
Increase/(decrease) in trade and other payables	11	(2,204)	–	2,204
Other movements in working capital not reflected in operating costs		7,985	–	(7,985)
Use of provisions	12	1,078	800	(278)
<b>Total</b>		(10,582)	(17,500)	(6,918)
<b>Net cash requirement</b>		302,387	316,392	14,005

**Note:**

As noted in the introduction to the SoPS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. Therefore, this reconciliation bridges the resource and capital outturn to the net cash requirement.

## SoPS 4 Amounts of income to the Consolidated Fund

### SoPS 4.1 Analysis of income payable to the Consolidated Fund

There is no income payable to the consolidated fund.

### SoPS 4.2 Consolidated Fund Income

The authority does not collect income as an agent of the consolidated fund.

## Parliamentary Accountability Disclosure (audited)

### Special Payment and Losses

For the period ending 31 March 2020

	Number	2019/20 £'000	Number	2018/19 £'000
Ex-gratia claims	47	7	19	3

There are no individual cases of special payments or losses over £300,000 (2018/19: No cases) which need separate disclosure as required by Managing Public Money.

### Fees and Charges

The Authority is not subject to statutory fees and charges.

### Remote Contingent Liabilities

None identified.

### Disclosure of Information to the Auditors

The responsibilities of an Accounting Officer include confirming that as far as he is aware there is no relevant audit information of which the auditors are unaware and that he has taken steps he ought to have taken to make himself aware of any relevant audit information, and to establish that the auditors are aware of that information.



**Professor Sir Ian Diamond**

Accounting Officer

7 July 2020

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

## Opinion on financial statements

I certify that I have audited the financial statements of the UK Statistics Authority for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise: Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. 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 Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2020 and of the Department's net operating expenditure for the year then ended
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued there under

## Opinion on 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 2020 and shows that those totals have not been exceeded
- the income and expenditure 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

## **Basis of opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the UK Statistics Authority in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Conclusions relating to going concern**

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

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

## **Responsibilities of the Accounting Officer for the financial statements**

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.

## **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit.

I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the UK Statistics Authority's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- conclude on the appropriateness of the UK Statistics Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the UK Statistics Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause the UK Statistics Authority to cease to continue as a going concern



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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.

## **Other information**

The Accounting Officer is responsible for the other information. The other information comprises information included in the Annual Report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Opinion on other matters**

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report

- the information given in the Performance and Accountability Reports 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
- the financial statements and the parts of the Accountability Report to be audited are not in agreement with the accounting records and returns
- I have not received all of the information and explanations I require for my audit
- the Governance Statement does not reflect compliance with HM Treasury's guidance

### **Report**

I have no observations to make on these financial statements.

### **Gareth Davies**

Comptroller and Auditor General  
10 July 2020

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



# Statement of Comprehensive Net Expenditure

For the year ending 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
Revenue from contracts with customers	5	(21,098)	(18,061)
Other operating income	5	(9,213)	(7,432)
<b>Total operating income</b>		<b>(30,311)</b>	<b>(25,493)</b>
Staff costs	3	190,988	169,313
Purchase of goods and services	4	135,299	115,705
Depreciation and impairment charges	4	13,849	21,714
Provision expense	4	(787)	3,215
Other operating expenditure		(725)	122
<b>Total operating expenditure</b>		<b>338,624</b>	<b>310,069</b>
<b>Net operating expenditure</b>		<b>308,313</b>	<b>284,576</b>
<b>Net expenditure for the year</b>		<b>308,313</b>	<b>284,576</b>
Other comprehensive net expenditure			
Net (gain)/loss on revaluation of property, plant and equipment		53	(907)
Net (gain)/loss on revaluation of intangible assets		(231)	(252)
<b>Comprehensive net expenditure for the year</b>		<b>308,135</b>	<b>283,417</b>

**Note:**

The notes on pages 122 to 156 form part of these accounts.

# Statement of Financial Position

as at 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
<b>Non-current assets</b>			
Property, plant and equipment	6	47,190	52,811
Intangible assets	7	11,538	14,936
Financial assets	9	50	16
<b>Total non-current assets</b>		<b>58,778</b>	<b>67,763</b>
<b>Current assets</b>			
Trade and other receivables	9	5,398	8,410
Other current assets	9	11,045	13,171
Cash and cash equivalents	10	8,280	297
<b>Total current assets</b>		<b>24,723</b>	<b>21,878</b>
<b>Total assets</b>		<b>83,501</b>	<b>89,641</b>
<b>Current liabilities</b>			
Trade and other payables	11	(45,373)	(43,169)
Provisions	12	(839)	(1,112)
<b>Total current liabilities</b>		<b>(46,212)</b>	<b>(44,281)</b>
<b>Total assets less current liabilities</b>		<b>37,289</b>	<b>45,360</b>
<b>Non-current liabilities:</b>			
Provisions	12	(2,556)	(4,148)
<b>Total non-current liabilities</b>		<b>(2,556)</b>	<b>(4,148)</b>
<b>Assets less liabilities</b>		<b>34,733</b>	<b>41,212</b>
<b>Taxpayers' equity and other reserves:</b>			
General Fund		21,137	27,428
Revaluation Reserve		13,596	13,784
<b>Total equity</b>		<b>34,733</b>	<b>41,212</b>

**Note:** The notes on pages 122 to 156 form part of these accounts.



**Professor Sir Ian Diamond**

Accounting Officer

UK Statistics Authority

7 July 2020

# Statement of Cash Flows

For the year ending 31 March 2020

	Note	2019/20 £'000	2018/19 £'000
<b>Cash flows from operating activities</b>			
Net operating expenditure		(308,313)	(284,576)
Adjustment for non-cash transactions	4	13,155	25,051
Decrease/(Increase) in trade and other receivables	9	5,104	(518)
<b>Less movements in receivables relating to items not passing through the SOCNE</b>			
Amounts relating to bad debt write-off	4	-	(11)
Increase in trade payables	11	2,204	10,785
<b>Less movements in payables relating to items not passing through the SOCNE</b>			
Amounts due to the Consolidated Fund for Supply		(7,983)	143
Increase/(Decrease) in capital accruals relating to investing activities	6, 7	(944)	942
Change in working capital			
Use of provisions	12	(1,078)	(765)
Other movements		(197)	(7)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(298,052)</b>	<b>(248,956)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(5,011)	(10,835)
Purchase of intangible assets	7	(2,644)	(4,719)
Proceeds from asset held for disposal	6	3,200	-
Increase/(Decrease) in capital accruals relating to investing activities	6, 7	944	(942)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(3,511)</b>	<b>(16,496)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		309,546	265,309
<b>Net Financing</b>		<b>309,546</b>	<b>265,309</b>
Net increase/(decrease) in cash and cash equivalents in the period before adjustments from payments to the Consolidated Fund		7,983	(143)
Payments of amounts due to the Consolidated Fund		-	-
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>7,983</b>	<b>(143)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>297</b>	<b>440</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>8,280</b>	<b>297</b>

**Note:** The notes on pages 122 to 156 form part of these accounts

# Statement of Changes in Taxpayers' Equity

For the year ending 31 March 2020

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
<b>Balance at 1 April 2018</b>		<b>45,732</b>	<b>13,357</b>	<b>59,089</b>
Net Parliamentary Funding		265,309	-	265,309
Comprehensive net expenditure for the year	SoCNE	(284,576)	-	(284,576)
Auditor's Remuneration	4	89	-	89
Transfers between reserves		731	(731)	-
Net gain on revaluation of property, plant and equipment	6	-	907	907
Net gain on revaluation of intangible assets	7	-	251	251
Amounts issued from the Consolidated Fund for supply but not spent at year end		(297)	-	(297)
Deemed supply	10	440	-	440
<b>Balance at 31 March 2019</b>		<b>27,428</b>	<b>13,784</b>	<b>41,212</b>
Net Parliamentary Funding		309,546		309,546
Advances from the Contingencies Fund		33,000	-	33,000
Repayments to the Contingencies Fund		(33,000)	-	(33,000)
Comprehensive net expenditure for the year		(308,313)	-	(308,313)
Auditor's Remuneration	4	93	-	93
Transfers between reserves		366	(366)	-
Net (loss) on revaluation of property, plant and equipment	6	-	(53)	(53)
Net gain on revaluation of intangible assets	7	-	231	231
Amounts issued from the Consolidated Fund for supply but not spent at month end	10	(8,280)	-	(8,280)
Deemed supply	10	297	-	297
<b>Balance at 31 March 2020</b>		<b>21,137</b>	<b>13,596</b>	<b>34,733</b>

**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 122 to 156 form part of these accounts.

# Notes to the Accounts

## 1. Statement of Accounting Policies and Accounting Convention

The 2019/20 financial statements are prepared in accordance with the 2019/20 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.

### Going concern

The Authority anticipates continued funding to promote and safeguard the production of official statistics that serve the public good, as evidenced by inclusion of financial provision for that service in the Core Table pages 75 to 77 and the 2020/21 UK Statistics Authority Main Estimate, a statutory instrument laid before Parliament. This is sufficient evidence that the Authority remains a going concern.



## 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.

The properties occupied at Titchfield, Christchurch and Newport were professionally valued as at 31 December 2019 by a commercial company qualified to undertake these valuations. The valuations were prepared in accordance with the appropriate sections of the Practice Statements (PS) and the United Kingdom Practice Statements (UKPS) contained within the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards. As a result of the impact of COVID-19 the building valuation was adjusted by management at 31 March 2020, see Note 18.

Expenditure on the short-term property lease, at Drummond Gate, is stated at current cost by using indices taken from the Authority's publication "Price Index Numbers for Current Cost Accounting". 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 £5,000 (including VAT) and have a life greater than one year.

## Intangible assets

Intangible assets consist of software licences and in-house developed software. Software licences 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.

Software Licences must exceed a capitalisation threshold of £5,000 (including VAT) and have a life greater than one year.

## 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.

## 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 methodology
Civil Estate Land	Not depreciated
Leasehold property	Over the term of the lease
Freehold property	As indicated by the District Valuation Officers annual report
Computer assets	Between 3 and 7 years
Office machinery	Between 4 and 7 years
Furniture and fittings	Between 4 and 10 years
In-house developed software	Between 2 and 6 years
Software licences	Between 2 and 6 years

**Note:**

\*In-house developed software is assigned an useful economic life (UEL) of between two and six years at the time of capitalisation. Technical circumstances can change for an asset during its life, resulting in the UEL being extended, which is reflected in the Fixed Asset Register where 3-17 years UEL has been recorded against certain assets.

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

Perpetual software licences are amortised on a straight line basis over a life of four years. Where software licences are over a specific period they are depreciated over this useful life.

Each group of assets is reviewed annually for impairment.

## 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.

## 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.

As required under European System of Accounts (ESA) 10 Research and Development costs are charged to Capital within the Statement of Parliamentary Supply. The reconciliation between the Statement of Comprehensive Net Expenditure and the Statement of Parliamentary Supply is shown at SOPS Note 1.

## Assets held for sale

Assets held for sale compromise properties, plant and equipment that are no longer in operational use and are available for immediate sale in their present condition and are being actively marketed. The assets are classified from non-current to current assets at sales prices less costs to sell. Assets held for sale are not depreciated.

## Revenue from contracts with customers

Under IFRS 15, key judgements in determining the recognition and timing of revenue recognition are identified at the point when:

- control of goods and services is transferred under contractual arrangements and services to the customer
- performance obligations are satisfied, whether at a point in time or over time

Most of the Authority's performance obligations relate to services satisfied over time.

The Authority applies the five-stage model for the recognition of revenue from contracts with customers:

**Step 1** – Identify the contract(s) with a customer

**Step 2** – Identify the performance obligations in the contract

**Step 3** – Determine the transaction price

**Step 4** – Allocate the transaction price to the performance obligations in the contract

**Step 5** – Recognise revenue when the Authority satisfies a performance obligation

The application of the model depended on the facts and circumstances presented in a contract with a customer and requires the exercise of judgement. Revenue related to performance obligations recognised over time as the service is rendered is measured by reference to either input (resources consumed in satisfying a performance obligation) or output (measurements of value to the customer of services transferred) methods.

The Authority recognises revenue using an input method based on overheads incurred. Revenue is calculated by reference to reliable estimates and total expected costs. Revenue and associated margin are therefore recognised progressively as costs are incurred. The Authority has determined this method faithfully depicts the Authority's performance in transferring control of the services to the customer.

If the overtime criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, when the Authority has right to payment on delivery.

Prices are calculated in accordance with Managing Public Money.

## 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.

## 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.

In March 2020 the UK Statistics Authority extended an agreement to lease Drummond Gate. The lease is for a period of five years with a break clause after three years. We do not consider the lease term to represent a major part of the remaining economic life of the building. In addition, the lease agreement does not include any terms which transfer substantially all the risks and rewards of ownership to the UK Statistics Authority. We have therefore classified the lease as an operating lease.

## Financial instruments

The Authority does not hold any complex financial instruments.

The only financial instruments included in the accounts are receivables and payables. Trade receivables are recognised at their amortised cost less expected credit losses in accordance with IFRS 9.

### Provisions and early departure costs

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 using the discount rates published by HM Treasury. These provisions are reviewed each year in accordance with IAS 37.

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.

The Authority recognises a liability for early departure costs where an obligation to pay employees exists.

The Authority recognises the obligation as a provision in the financial statements when:

- the scheme has been announced
- it has created a valid expectation that it will fulfil the obligations of the scheme

The Authority recognises the obligation as an accrued liability in the financial statements when:

- a formal signed agreement with the member of staff is in place
- the member of staff has agreed a specified leaving date

In the circumstances where we have not met the criteria listed above the exit costs will be recognised in the following financial years.

### Trade receivables

Trade receivables are recognised at their amortised cost less expected credit losses in accordance with IFRS 9. Expected credit losses are based on the Authority's expectation of recovery at the year end.

### Staff costs

Under IAS 19 Employee Benefits, all staff costs must be recorded as an expense as soon as the organisation is obliged to pay them. This includes the cost of any untaken leave at the year end.

## 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.

## 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.

## Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between programme, 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.

## 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.

## 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.

## Accounting Estimates and Judgements

The Estimates and Judgements the Authority has within its accounts provided the foundation for meeting its potential reporting requirements under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Uncertainties are inherent in business activities, and as such, some elements of financial statements cannot be measured precisely and therefore can only be estimated. Estimation involves judgements based on the latest available, reliable information.

### Definitions

#### Estimate

A tentative evaluation and rough calculation, of value, quantity or size. These would include:

- Depreciation
- Revaluations
- Provisions
- Accruals

#### Judgement

The capacity to assess situations or circumstances shrewdly and to draw sound conclusions. These would include:

- Revenue from contracts with customers
- Useful Economic Life and Impairment of In-house Software

### Revenue from contracts with customers

Judgements are applied to measurement and timing of revenue recognition and related balances for contract assets, trade receivables and accrued and deferred income in the context of satisfaction of performance obligations over time or at a point in time.

## Depreciation

Class of Asset	Estimated Life of Asset (Depreciation)
Civil Estate Land	Not depreciated
Freehold property	
Newport	Average component life of 17 years
Titchfield	Average component life of 14 years
Christchurch	Buildings 1 and 3, 3 years and building 4, 16 years
Refurbishment of leasehold property at Drummond Gate	Over the remaining term of the lease
Office machinery	Between 4 and 7 years
Computer hardware	Between 3 and 7 years
Furniture and fittings	Between 4 and 10 years
In-house developed software (intangible asset)	Between 2 and 6 years
Software licences (intangible asset)	Between 2 and 6 years
Assets under construction	Not depreciated

### Note:

\*In-house developed software is assigned an useful economic life (UEL) of between two and six years at the time of capitalisation. Technical circumstances can change for an asset during its life, resulting in the UEL being extended, which is reflected in the Fixed Asset Register where 3-17 years UEL has been recorded against certain assets

Land and buildings are re-valued on an annual basis by an independent organisation, being qualified to undertake these valuations. Given that assets have estimated useful lives, there will be occasions where some assets may require a change in depreciation rate to reflect a change in their useful economic life. The estimated life of land and buildings are based on the valuation assessment date 31 December 2019, the next assessment date is 31 December 2020.

## 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.

### **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 judgements 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
- 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 IAS 38, 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
- the estimated remaining useful economic life of the asset

The remaining economic lives for intangible assets are estimated at between two and six 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.

## Provisions

IAS 37 defines and specifies the accounting for and disclosure of provisions, contingent liabilities, and contingent assets.

A provision is a liability of uncertain timing or amount. The liability may be a legal obligation or a constructive obligation. A constructive obligation arises from the Authority's actions, through which it has indicated to others that it will accept certain responsibilities, and as a result has created an expectation that it will discharge those responsibilities.

The Authority recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability.

A provision is measured at the amount that the Authority would rationally pay to settle the obligation at the end of the reporting period. Risks and uncertainties are considered in measuring a provision which is discounted to its present value.

## Provisions related to voluntary exits

Provisions for voluntary exits and related accruals, are recognised in line with the accounting policies.

## Provision for Bad Debts

This is based on judgement of the expected credit losses. 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. The judgement of expected credit losses is based on historical general recovery rates and any known information regarding specific debts. The recognition of expected credit losses will result in a bad debt being charged against the provision.

This will increase the amount of expenditure to the Statement of Comprehensive Net Expenditure in year (an increased charge to provision for bad debt) and correspondingly reduce the level of Trade Receivables held within the Current Assets (within the Statement of Financial Position).

## 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.

## Estates Dilapidations

The terms of any lease that the Authority has entered into states that the building should be returned in 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 provision 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.

## Discounting of long term provisions

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

	General Provisions Nominal Rates	Inflation	Post-Employment Benefits Real Rate
Year 1	0.51%	1.9%	(0.5)%
Year 2	0.51%	2.0%	(0.5)%
Year 3	0.51%	2.0%	(0.5)%
Year 4	0.51%	2.0%	(0.5)%
Year 5	0.51%	2.0%	(0.5)%

**Note:**

These rates are published by HM Treasury.

## 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.

## Standards Not Yet Adopted

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

The standard is due to be adopted by the FReM in 2020/21, however HM Treasury have agreed with the Financial Reporting Advisory Board (FRAB) to defer the implementation of IFRS 16 Leases until 1 April 2021. This is because of the circumstances caused by COVID-19.

The Authority anticipates the deferral and future implementation of the standard will have limited impact on its financial statements. Future commitments under leases are disclosed in Note 14. The Authority anticipate that the implementation of IFRS 16 will result in a lease liability and a lease asset being recognised on the Statement of Financial Position. Both asset and liability will be of a similar value to the value of the commitment disclosed in Note 14.

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 the 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.

For the year ending 31 March 2020

	<b>Gross Expenditure £'000</b>	<b>Customer Contracts income £'000</b>	<b>Other income £'000</b>	<b>Total Income £'000</b>	<b>2019/20 Net Expenditure £'000</b>
<b>Reportable segments</b>					
Data Capability	409	-	-	-	409
Data Science Campus	5,436	-	(587)	(587)	4,849
Digital Services and Technology	62,961	-	(20)	(20)	62,941
Economic Statistics	19,784	(175)	(115)	(290)	19,494
Macroeconomic Statistics and Analysis	22,486	-	(323)	(323)	22,163
Corporate Support	41,474	-	(4,630)	(4,630)	36,844
Methods Data and Research	22,481	(5,107)	(45)	(5,152)	17,329
UK Statistics Authority	2,351	-	(2)	(2)	2,349
Public Policy Analysis	24,014	(1,956)	(860)	(2,816)	21,198
Population and Public Policy	123,761	(13,858)	(2,633)	(16,491)	107,270
<b>Total</b>	<b>325,157</b>	<b>(21,096)</b>	<b>(9,215)</b>	<b>(30,311)</b>	<b>294,846</b>

For the year ending 31 March 2019

	<b>Gross Expenditure £'000</b>	<b>Customer Contracts income £'000</b>	<b>Other income £'000</b>	<b>Total Income £'000</b>	<b>2018/19 Net Expenditure £'000</b>
<b>Reportable segments</b>					
Data Capability	231	-	-	-	231
Data Science Campus	3,210	-	-	-	3,210
Digital Services and Technology	57,579	-	(19)	(19)	57,560
Economic Statistics	21,136	(220)	(111)	(331)	20,805
Macroeconomic Statistics and Analysis	19,391	-	(230)	(230)	19,161
Corporate Support	40,686	-	(2,889)	(2,889)	37,797
Methods Data and Research	19,724	(2,526)	(528)	(3,054)	16,670
UK Statistics Authority	1,909	-	(18)	(18)	1,891
Public Policy Analysis	21,227	(1,843)	(803)	(2,646)	18,581
Population and Public Policy	97,046	(13,478)	(2,828)	(16,306)	80,740
<b>Total</b>	<b>282,139</b>	<b>(18,067)</b>	<b>(7,426)</b>	<b>(25,493)</b>	<b>256,646</b>

## Census related expenditure and income reported in the Segmental Information Table

For the year ending 31 March 2020

	Gross Expenditure £'000	Customer Contracts income £'000	Other income £'000	Total Income £'000	2019/20 Net Expenditure £'000
<b>Reportable segments</b>					
Data Capability	3	-	-	-	3
Digital Services and Technology	9,349	-	-	-	9,349
Economic Statistics	-	-	-	-	-
Macroeconomic Statistics and Analysis	-	-	-	-	-
Corporate Support	8,020	-	(54)	(54)	8,966
Methods Data and Research	4,947	-	-	-	4,947
Public Policy Analysis	1,683	-	-	-	1,683
Population and Public Policy	65,426	-	(1,035)	(1,035)	64,391
<b>Total</b>	<b>89,428</b>	<b>-</b>	<b>(1,089)</b>	<b>(1,089)</b>	<b>88,339</b>

For the year ending 31 March 2019

	Gross Expenditure £'000	Customer Contracts income £'000	Other income £'000	Total Income £'000	2018/19 Net Expenditure £'000
<b>Reportable segments</b>					
Data Capability	-	-	-	-	-
Digital Services and Technology	2,079	-	-	-	2,079
Economic Statistics	3	-	-	-	3
Macroeconomic Statistics and Analysis	2	-	-	-	2
Corporate Support	5,906	-	-	-	5,906
Methods Data and Research	4,224	-	(1)	(1)	4,223
Public Policy Analysis	880	-	-	-	880
Population and Public Policy	40,442	-	(971)	(971)	39,471
<b>Total</b>	<b>53,536</b>	<b>-</b>	<b>(972)</b>	<b>(972)</b>	<b>52,564</b>



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

		2019/20 Gross Expenditure £'000	2019/20 Income £'000	2019/20 Net Expenditure £'000	2018/19 Gross Expenditure £'000	2018/19 Income £'000	2018/19 Net Expenditure £'000
	Note						
<b>Total reported by segment</b>		<b>325,157</b>	<b>(30,311)</b>	<b>294,846</b>	<b>282,139</b>	<b>(25,493)</b>	<b>256,646</b>
<b>Reconciling items</b>							
Depreciation	4	13,849	-	13,849	19,144	-	19,144
Provisions created in year	12	2,316	-	2,316	3,360	-	3,360
Provisions not required in year	12	(3,135)	-	(3,135)	-	-	-
Bad debt write off	4	-	-	-	-	-	-
Unwinding discount on provisions	4	32	-	32	(145)	-	(145)
Downward revaluations of fixed assets	4	-	-	-	2,570	-	2,570
Performance related pay year end accrual	3	310	-	310	1,420	-	1,420
Loss on disposal of equipment	4	4	-	4	22	-	22
Movement in holiday pay	9,11	913	-	913	1,559	-	1,559
Prior year adjustment*		(822)	-	(822)	-	-	-
<b>Statement of comprehensive net expenditure</b>		<b>338,624</b>	<b>(30,311)</b>	<b>308,313</b>	<b>310,069</b>	<b>(25,493)</b>	<b>284,576</b>

### Note:

Net assets are not reported separately to the CODM.

\*Prior year adjustment relates to a change in accounting treatment of a transaction previously treated as an accrual but reclassified to a provision

### 3. Staff Numbers and related Costs

For the year ending 31 March 2020

#### Staff Costs

	Permanently Employed Staff £'000	Others £'000	2019/20 Total £'000	2018/19 Total £'000
Statistical services staff costs	138,151	3,024	141,175	132,515
Census field staff costs	-	1,001	1,001	-
Social security costs	13,039	-	13,039	11,719
Census field staff social security costs	-	80	80	-
Other pension costs	34,953	-	34,953	24,482
Census field staff other pension costs	-	24	24	-
Tax and Levies	711	-	711	597
Census tax and levies	-	5	5	-
<b>Total</b>	<b>186,854</b>	<b>4,134</b>	<b>190,988</b>	<b>169,313</b>
Less recoveries in respect of outward secondments	(350)	-	(350)	(266)
<b>Total net costs</b>	<b>186,504</b>	<b>4,134</b>	<b>190,638</b>	<b>169,047</b>

**Note:** Statistical Services and Staff Costs includes £2,178,917 of research and development costs which are analysed as capital expenditure in the Statement of Parliamentary Supply, SOPS 1 and SOP2.

#### Staff Numbers

	Permanently Employed Staff FTE	Others FTE	2019/20 Total FTE	2018/19 Total FTE
Objective statistical services	3,901	272	4,173	3,887
Census	-	52	52	-
<b>Total</b>	<b>3,901</b>	<b>324</b>	<b>4,225</b>	<b>3,887</b>

**Note:** The Statistical Services staff numbers are calculated using the average number of staff on the payroll each month rather than at year end.

#### Capitalised staff costs

	Cost £'000	2019/20 FTEs	Cost £'000	2018/19 FTEs
Survey Data Collection	1,316	50	703	27
Data Access Platform	101	2	990	30
<b>Total</b>	<b>1,417</b>	<b>52</b>	<b>1,693</b>	<b>57</b>

**Note:** Capitalised staff costs are included in Chapter 3, page 95.

## 4. Programme Costs

For the year ending 31 March 2020

	2019/20 Census £'000	2019/20 Other £'000	2019/20 Total £'000	2018/19 Census £'000	2018/19 Other £'000	2018/19 Total £'000
<b>Rentals under operating leases</b>						
Other operating leases	-	995	995	-	952	952
Hire of plant and machinery	-	208	208	-	236	236
	-	1,203	1,203	-	1,188	1,188
<b>Non-cash items</b>						
Depreciation	151	13,698	13,849	255	18,889	19,144
Impairment of fixed assets	-	-	-	-	2,570	2,570
Unwinding and rewinding of discount on provisions	-	32	32	-	(145)	(145)
Write off aged debtor and credit notes	-	-	-	-	11	11
External audit fee	-	93	93	-	89	89
Prior year adjustment*	-	(822)	(822)	-	-	-
Loss on disposal of equipment	-	4	4	12	10	22
Net new provisions changed in year/(net release of provisions)	-	(819)	(819)	-	3,360	3,360
	151	12,186	12,337	267	24,784	25,051
<b>Information technology</b>	6,701	29,374	36,075	3,163	34,321	37,484
<b>Other expenditure</b>	27,408	4,166	31,574	11,106	4,663	15,769
<b>Payments for carrying out surveys</b>	160	12,900	13,060	330	12,360	12,690
<b>Consultancy</b>	9,594	1,613	11,207	10,737	1,291	12,028
<b>Accommodation</b>	151	9,025	9,176	176	10,086	10,262
<b>Travel and subsistence</b>	841	7,145	7,986	528	6,617	7,145
<b>Contractors</b>	6,781	6,191	12,972	2,703	3,780	6,483
<b>Miscellaneous fees</b>	2,895	1,320	4,215	2,157	3,075	5,232
<b>External training</b>	391	3,189	3,580	308	2,892	3,200
<b>Telecommunications</b>	30	2,589	2,619	2	2,291	2,293
<b>Postage</b>	7	1,036	1,043	5	1,492	1,497
<b>Stationery</b>	52	236	288	19	250	269
<b>Hospitality</b>	40	283	323	15	130	145
<b>Exchange rate (gains)/losses</b>	-	(29)	(29)	-	17	17
<b>Ex-gratia payments</b>	-	7	7	-	3	3
<b>Total</b>	<b>55,202</b>	<b>92,434</b>	<b>147,636</b>	<b>31,516</b>	<b>109,240</b>	<b>140,756</b>

**Note to programme costs page 141:**

There were non-audit fees incurred in 2019/20 of £5,000 included in other expenditure. (2018/19 none). Other programme costs relate to normal business activities. \*Prior year adjustment relates to a change in accounting treatment of a transaction previously treated as an accrual which has now been reclassified to a provision.

## 5. Income

For the year ending 31 March 2020

	2019/20 £'000	2018/19 £'000
Customer Contracts	21,098	18,061
Other	8,724	6,747
EU Income	489	685
<b>Total</b>	<b>30,311</b>	<b>25,493</b>

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

	External £'000	Public Sector £'000	2019/20 Total £'000	External £'000	Public Sector £'000	2018/19 Total £'000
Customer Contracts	4,935	16,163	21,098	2,303	15,758	18,061
Other	4,829	3,895	8,724	2,296	4,451	6,747
EU income	489	-	489	685	-	685
<b>Total</b>	<b>10,253</b>	<b>20,058</b>	<b>30,311</b>	<b>5,284</b>	<b>20,209</b>	<b>25,493</b>

## 6. Property, plant and equipment

For the year ending 31 March 2020

	Land £'000	Building £'000	Computers £'000	Office Machinery £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
<b>Cost or Valuation</b>							
At April 2018	10,155	25,431	21,682	2,134	5,203	3,399	68,004
Additions	-	-	6,578	631	845	2,781	10,835
Transfers	-	5,039	-	-	-	(5,039)	-
Disposals	-	-	(5,741)	(1,230)	(744)	-	(7,715)
Impairment	-	(2,570)	-	-	-	-	(2,570)
Revaluations	2	(962)	116	(55)	46	-	853
<b>At 31 March 2019</b>	<b>10,157</b>	<b>26,938</b>	<b>22,635</b>	<b>1,480</b>	<b>5,350</b>	<b>1,141</b>	<b>67,701</b>
<b>Depreciation</b>							
At April 2018	-	423	11,832	1,890	2,294	-	16,439
Charged in year	-	2,000	5,070	334	506	-	7,910
Disposals	-	-	(5,729)	(1,230)	(744)	-	(7,703)
Revaluations	-	(1,783)	43	(32)	16	-	(1,756)
<b>At 31 March 2019</b>	<b>-</b>	<b>640</b>	<b>11,216</b>	<b>962</b>	<b>2,072</b>	<b>-</b>	<b>14,890</b>
<b>Cost or Valuation</b>							
At April 2019	10,157	26,938	22,635	1,480	5,350	1,141	67,701
Additions	-	-	1,892	6	371	2,742	5,011
Transfers	-	2,020	-	-	-	(2,020)	-
Disposals	(2,808)	(268)	(2,051)	(720)	(656)	-	(6,503)
Revaluations	1,340	(3,687)	133	1	4	-	(2,209)
<b>At 31 March 2020</b>	<b>8,689</b>	<b>25,003</b>	<b>22,609</b>	<b>767</b>	<b>5,069</b>	<b>1,863</b>	<b>64,000</b>
<b>Depreciation</b>							
At April 2019	-	640	11,216	962	2,072	-	14,890
Charged in year	-	1,698	5,201	192	485	-	7,576
Disposals	-	(76)	(2,052)	(716)	(656)	-	(3,500)
Revaluations	-	(2,230)	74	(2)	2	-	(2,156)
<b>At 31 March 2020</b>	<b>-</b>	<b>32</b>	<b>14,439</b>	<b>436</b>	<b>1,903</b>	<b>-</b>	<b>16,810</b>
<b>Net Book Value</b>							
At 31 March 2019	10,157	26,298	11,419	518	3,278	1,141	52,811
At 31 March 2020	8,689	24,971	8,170	331	3,166	1,863	47,190
<b>Asset Financing</b>							
Owned	8,689	24,971	8,170	331	3,166	1,863	47,190
<b>Net book value at 31 March 2020</b>	<b>8,689</b>	<b>24,971</b>	<b>8,170</b>	<b>331</b>	<b>3,166</b>	<b>1,863</b>	<b>47,190</b>

**Note:**

Included in the £5,011,000 of additions are £522,000 of capital creditors. The total amount of capital creditors brought forwards from 2018/19 was £1,220,000.

The properties at Titchfield, Christchurch and Newport were professionally valued as at 31 December 2019 by the District Valuer Service (DVS), the commercial arm of the Valuation Office Agency (VOA) who are qualified to undertake these valuations. The valuation was prepared by a qualified Chartered Surveyor and 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 buildings are subject to an annual review and under normal circumstances the valuation as at 31 December is typically reflective of market conditions as at the following 31 March, however the 31 March 2020 year end has been impacted by COVID-19 and uncertainty in the current economic environment. The VOA guidance currently places the impact of COVID-19 within the tolerable threshold which is set at 5%. The ONS has concluded that the impact of COVID-19 on the PPE valuation in the 19/20 accounts would be appropriate at £1.8m with the reduction reflecting the risk of 5% variance in the land and building valuation across the three sites.

A portion of the Christchurch building was sold in January 2020 for £3,200,000. The carrying value of the asset was £3,000,000. The profit on disposal of £196,005 is recorded in operating segment, corporate support in Note 2.

## 7. Intangible Fixed Assets

For the year ending 31 March 2020

	In house software £'000	Software Licences £'000	Assets under construction £'000	Total £'000
<b>Valuation</b>				
At April 2018	51,148	8,257	2,020	61,425
Additions	-	1,380	3,339	4,719
Transfers from assets under construction	2,056	-	(2,056)	-
Disposals	-	(3,354)	-	(3,354)
Revaluations	1,086	-	-	1,086
<b>At 31 March 2019</b>	<b>54,290</b>	<b>6,283</b>	<b>3,303</b>	<b>63,876</b>
<b>Amortisation</b>				
At April 2018	34,766	5,460	-	40,226
Charged in year	9,596	1,638	-	11,234
Disposals	-	(3,354)	-	(3,354)
Revaluations	834	-	-	834
<b>At 31 March 2019</b>	<b>45,196</b>	<b>3,744</b>	<b>-</b>	<b>48,940</b>
<b>Valuation</b>				
<b>At April 2019</b>	<b>54,290</b>	<b>6,283</b>	<b>3,303</b>	<b>63,876</b>
Additions	-	1,227	1,417	2,644
Transfers from assets under construction	705	-	(705)	-
Disposals	(10,335)	(189)	-	(10,524)
Revaluations	1,445	-	-	1,445
<b>At 31 March 2020</b>	<b>46,105</b>	<b>7,321</b>	<b>4,015</b>	<b>57,441</b>
<b>Amortisation</b>				
At April 2018	45,196	3,744	-	48,940
Charged in year	4,399	1,874	-	6,273
Disposals	(10,335)	(189)	-	(10,524)
Revaluations	1,214	-	-	1,214
<b>At 31 March 2020</b>	<b>40,474</b>	<b>5,429</b>	<b>-</b>	<b>45,903</b>
<b>Net book value 31 March 2019</b>	<b>9,094</b>	<b>2,539</b>	<b>3,303</b>	<b>14,936</b>
<b>Net book value 31 March 2020</b>	<b>5,631</b>	<b>1,892</b>	<b>4,015</b>	<b>11,538</b>

**Note:**

The net book value of in-house developed software would be £5,316,621 if historic cost accounting had been applied.

The Authority calculates indicies to value in-house developed software assets on a quarterly basis.

The Authority does not revalue software licences. There are no capital creditors included in the £2,644,000 of capital additions and the amount brought forward from 2018/19 is £244,000.

## Intangible Fixed Assets – In-house developed software applications

For the year ending 31 March 2020

	CORD £'000	CASPA £'000	CPI/RPI £'000	CORA £'000	Electronic Data Collection £'000	Virtual Micro Laboratory £'000	Improving Dissemination £'000	Longitudinal Study £'000	Business Prices £'000	Life Events £'000	Data Access Platform £'000	DCTP Business Registers £'000	Total In house software £'000
<b>Valuation</b>													
At April 2018	8,701	16,845	8,514	3,499	5,774	258	1,314	678	130	5,435	-	-	51,148
Transfers from AUC	-	-	-	-	1,315	-	-	-	-	-	741	-	2,056
Revaluations	189	367	185	76	95	6	29	15	3	118	3	-	1,086
<b>At 31 March 2019</b>	<b>8,890</b>	<b>17,212</b>	<b>8,699</b>	<b>3,575</b>	<b>7,184</b>	<b>264</b>	<b>1,343</b>	<b>693</b>	<b>133</b>	<b>5,553</b>	<b>744</b>	<b>-</b>	<b>54,290</b>
<b>Amortisation</b>													
At April 2018	6,879	14,326	5,554	2,131	3,938	161	687	354	57	679	-	-	34,766
Charged in year	468	1,276	2,989	699	1,030	49	316	163	33	2,400	173	-	9,596
Revaluations	155	327	156	55	62	4	19	10	2	44	-	-	834
<b>At 31 March 2019</b>	<b>7,502</b>	<b>15,929</b>	<b>8,699</b>	<b>2,885</b>	<b>5,030</b>	<b>214</b>	<b>1,022</b>	<b>527</b>	<b>92</b>	<b>3,123</b>	<b>173</b>	<b>-</b>	<b>45,196</b>
<b>Valuation</b>													
At April 2019	8,890	17,212	8,699	3,575	7,184	264	1,343	693	133	5,553	744	-	54,290
Disposals	-	-	(8,699)	-	(1,635)	-	-	-	-	-	-	-	(10,334)
Transfers from AUC	-	-	-	-	-	-	-	-	-	-	-	705	705
Revaluations	290	562	-	116	182	8	43	22	4	181	24	13	1,445
<b>At 31 March 2020</b>	<b>9,180</b>	<b>17,774</b>	<b>-</b>	<b>3,691</b>	<b>5,731</b>	<b>272</b>	<b>1,386</b>	<b>715</b>	<b>137</b>	<b>5,734</b>	<b>768</b>	<b>718</b>	<b>46,106</b>
<b>Amortisation</b>													
At April 2019	7,502	15,929	8,699	2,885	5,030	214	1,022	527	92	3,123	173	-	45,196
Charged in year	489	325	-	701	1,339	50	325	168	34	617	190	161	4,399
Disposals	-	-	(8,699)	-	(1,635)	-	-	-	-	-	-	-	(10,334)
Revaluations	254	525	-	105	136	8	39	20	4	113	9	1	1,214
<b>At 31 March 2020</b>	<b>8,245</b>	<b>16,779</b>	<b>-</b>	<b>3,691</b>	<b>4,870</b>	<b>272</b>	<b>1,386</b>	<b>715</b>	<b>130</b>	<b>3,853</b>	<b>372</b>	<b>162</b>	<b>40,475</b>
<b>Net book value 31 March 2019</b>	<b>1,388</b>	<b>1,283</b>	<b>-</b>	<b>690</b>	<b>2,154</b>	<b>50</b>	<b>321</b>	<b>166</b>	<b>41</b>	<b>2,430</b>	<b>571</b>		<b>9,094</b>
<b>Net book value 31 March 2020</b>	<b>935</b>	<b>995</b>	<b>-</b>	<b>-</b>	<b>861</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>	<b>1,881</b>	<b>396</b>	<b>556</b>	<b>5,631</b>
<b>Remaining useful economic life</b>	<b>5</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>-</b>



## Notes

Central ONS Repository for Data (CORD) 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 Common Architecture for Statistical Processing and Analysis platform (CASPA).

The CPI/RPI Re-engineering Project and Business Prices delivers a new generation of price index systems to produce CPI and RPI statistical outputs. Under the transformation programme the ONS plans to move the Price Index software to the standardised office data collection platform starting in April 2019. Therefore, the CPI/RPI will only yield one year of benefits and the useful economic life was therefore reduced and a higher depreciation cost recognised in 2017/18.

Common Open Road Architecture (CORA) 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 software is part of an ongoing Data Collection Transformation Programme to 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.

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.

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 Business Prices programme provides additional functionality to include more respondents in line with Prices Surveys.

The Life Events software replaces the legacy system for processing and quality assuring life events registrations. The data held relates to registrations of Births, Deaths, Abortions, and Birth Notifications.

The software itself is an interim step towards the inclusion of Life Events on a corporate platforms in two years time. Due to the short time period until the transfer onto Corporate Platforms, the value of software has been impaired.

DCTP Business Registers is a result of a Project Review in 2017-18, where three separate components, the Address Index, the Business Index and the Statistical Business register were reviewed and combined within one project. The development provides a new capability for ONS, increases efficiency, joins up across ONS and government, and puts ONS at the forefront of data management in government. This project will create high quality statistics, where discontinuities between the current and future system can be explained to an appropriate level of granularity. It will enable the ONS milestone of making short-term surveys integrated and online.

### Data Access Platform (DAP)

The ONS Strategy is to utilise new data sources and processing techniques to enable us deliver “Better Statistics, Better Decisions” this means utilising Big Data, bringing in data from other departments and companies, being able to explore that data and link it together to gain new insights. DAP is an enabler for that strategy, giving the ONS the tools and technology it needs to securely store all our data and the processing power to make use of it.

## Intangible Fixed Assets

For the year ending 31 March 2020

### In-house developed software applications – Assets Under Construction

	DAP £'000	Business Registers £'000	Survey Data Collection £'000	Total Assets Under construction £'000
<b>Valuation</b>				
At April 2018	-	705	1,315	2,020
Additions	1,037	-	2,302	3,339
Transfers from AUC	(741)	-	(1,315)	(2,056)
<b>At 31 March 2019</b>	<b>296</b>	<b>705</b>	<b>2,302</b>	<b>3,303</b>
<b>Valuation</b>				
At April 2019	296	705	2,302	3,303
Additions	101	-	1,316	1,417
Transfers from AUC	-	(705)	-	(705)
Impairment	-	-	-	-
<b>At 31 March 2020</b>	<b>397</b>	<b>-</b>	<b>3,618</b>	<b>4,015</b>

**Note:**

Assets under construction are not revalued or depreciated.

## 8. Financial Instruments

For the year ending 31 March 2020

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

	2019/20 Non-interest bearing financial assets £'000	2019/20 Non-interest bearing financial liabilities £'000	2019/20 Non-interest bearing financial assets £'000	2018/19 Non-interest bearing financial liabilities £'000
Gross financial assets/ liabilities Euro	24	6	0	5

## 9. Trade Receivables and Other Assets

as at 31 March 2020

	2019/20 £'000	2018/19 £'000
Amounts falling due within one year:		
Trade receivables	1,911	5,078
Deposit and advances	-	91
Other receivables	3,487	3,332
Prepayments and accrued income	11,045	13,080
	<b>16,443</b>	<b>21,581</b>
Amounts falling after more than one year:		
Deposits and advances	<b>50</b>	<b>16</b>

## Total Trade Receivables Outstanding

	2019/20 £'000	2018/19 £'000
1-30 days	1,909	5,049
31-60 days	2	29
	<b>1,911</b>	<b>5,078</b>
<b>Statement of Financial Position</b>		
Deposits and advances falling due after more than one year	50	16
Trade and other receivables	1,911	8,410
Other current assets	14,532	13,171
<b>Total</b>	<b>16,493</b>	<b>21,597</b>

### Note:

2019/20 figures reflect a net yearly increase of £573,000 in the value of pre-paid holiday and flexi pay. The Authority calculates the holiday and flexi prepayment at the year end with the figure being reflected in the category of prepayments and accrued income. 2019/20 Trade receivables include £1,368,000 (2018/19 £4,601,000) of receivables relating to contracts with customers. 2019/20 Prepayments and accrued income include £1,112,000 (2018/19 £2,209,000) of receivables relating to contracts with customers.

In accordance with IFRS 9 the Authority has reviewed its activities and concluded as a standalone non-ministerial body it does not hold complex financial instruments.

The only financial instruments included in the accounts are receivables and payables.

Trade receivables are recognised at their amortised cost less credit loss. The Authority primarily transacts with public sector bodies, historically outstanding debts are recovered.

The Authority's payment terms are thirty days. At 31 March 2020 £2,000 debt is outstanding over thirty but less than 60 days, £1,000 of which is allocated to public sector bodies which it does not consider a credit risk.

Because of the Lyons Gershon review, Public Sector Relocation and Regional Disparities in Britain, the Authority relocated staff from its London office. At the 31 March 2020 the Authority recognises an outstanding housing loan debt of £10,000, all of which is due in less than three years which it does not consider a debt risk. The Authority does not extend loans to other parties.

## 10. Cash and Cash Equivalents

For the year ending 31 March 2020

	2019/20 £'000	2018/19 £'000
Balance at 1 April	297	440
Net change in cash and cash equivalent balances	7,983	(143)
<b>Balance at 31 March 2020</b>	<b>8,280</b>	<b>297</b>
The following balances at 31 March were held at:		
Government Banking Service accounts	8,249	268
Commercial banks and cash in hand	5	2
Cash equivalents	26	27
<b>Balance at 31 March 2020</b>	<b>8,280</b>	<b>297</b>

## 11. Trade Payables and Other Current Liabilities

For the year ending 31 March 2020

	2019/20 £'000	2018/19 £'000
<b>Amounts falling due within one year:</b>		
Other taxation and social security	3,493	3,857
Trade payables	3,925	3,513
Accruals and deferred income	29,675	35,502
Amounts issued from Consolidated Fund for supply but not spent at year end	8,280	297
<b>Total</b>	<b>45,373</b>	<b>43,169</b>

### Note:

2019/20 figures reflect a net yearly increase of £1,486,000 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. 2019/20 Accruals and deferred income balance does not contain liabilities arising from contracts with customers (2018/19 £0).

In accordance with IFRS 9 the Authority has reviewed its activities and concluded as a standalone non-ministerial body it does not hold complex financial instruments.

The only financial instruments included in the accounts are receivables and payables.

The Authority's standard contractual payment terms are 30 days, creditors are recognised on receipt of goods or services.

The Authority is not in receipt of loans.

## 12. Provisions for Liabilities and Charges

For the year ending 31 March 2020

	Early Departure Costs £'000	Drummond Gate Dilapidations £'000	Other Provisions £'000	Total £'000
<b>Balance at 1 April 2018</b>	<b>506</b>	<b>1,707</b>	<b>597</b>	<b>2,810</b>
Provided in year	958	-	2,402	3,360
Provisions utilised in the year	(185)	-	(580)	(765)
Unwinding of discount	1	(236)	-	(235)
Rewinding of discount	(1)	91	-	90
<b>Balance at 31 March 2019</b>	<b>1,279</b>	<b>1,562</b>	<b>2,419</b>	<b>5,260</b>
<b>Balance at 1 April 2019</b>	<b>1,279</b>	<b>1,562</b>	<b>2,419</b>	<b>5,260</b>
Provided in year	697	822	797	2,316
Provisions not required written back	(316)	(657)	(2,162)	(3,135)
Provisions utilised in the year	(852)	-	(226)	(1,078)
Unwinding of discount	1	(91)	-	(90)
Rewinding of discount	-	122	-	122
<b>Balance at 31 March 2020</b>	<b>809</b>	<b>1,758</b>	<b>828</b>	<b>3,395</b>

### Analysis of expected timing of discounted flows

	Early Departure Costs £'000	Drummond Gate Dilapidations £'000	Other Provisions £'000	Total £'000
up to 31 March 2021	809	-	31	839
Between 2022 and 2025	-	-	797	797
Between 2025 and 2030	-	1,758	-	1,758
Between 2031 and 2035	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>809</b>	<b>1,758</b>	<b>828</b>	<b>3,395</b>

**Note to Analysis of expected timing of discounted flows table on page 153:****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.

**Drummond Gate Dilapidations**

The Lease for a single floor at the Drummond Gate building was renewed in March 2020.

As part of the lease agreement, the Authority has taken on a repairing obligation for the externals of the building and part of the dilapidation until the end of the new lease. The new lease is due to expire in January 2025 with a break clause in January 2023.

The UK Statistics Authority expects to pay a sum in respect of dilapidations under the Terms of the Lease. The provision has been rewound by H.M. Treasury's cumulative discount and inflation rate of 7.51 per cent.

**Other Provisions**

Ongoing contractual obligations and pending employment tribunals.

## 13. Capital Commitments

For the period ending 31 March 2020

	2019/20 £'000	2018/19 £'000
Contracted capital commitments	732	466
<b>Total commitments as at 31 March 2019 not otherwise included on these financial statements</b>	<b>732</b>	<b>466</b>

## 14. Commitments Under Leases

For the year ending 31 March 2020

### Operating Leases

The total future minimum Lease payments under Operating Leases are detailed in the table below for each of the following periods.

	2019/20 £'000	2018/19 £'000
<b>Buildings:</b>		
Not later than one year	1,217	1,250
Later than one year and not later than five years	3,180	2,591
More than five years	18	-
	<b>4,415</b>	<b>3,841</b>
<b>Other:</b>		
Not later than one year	94	143
Later than one year and not later than five years	143	92
<b>Total</b>	<b>237</b>	<b>235</b>



## 15. Other Financial Commitments

For the year ending 31 March 2020

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.

	Census	Other	2019/20 £'000	Census	Other	2018/19 £'000
Not later than one year	69,221	22,643	91,864	-	460	460
Later than one year and not later than five years	46,328	7,291	53,619	115,671	5,973	121,644
<b>Total</b>	<b>115,549</b>	<b>29,934</b>	<b>145,483</b>	<b>115,671</b>	<b>6,433</b>	<b>122,104</b>

## 16. Contingent Liabilities

For the year ending 31 March 2020

None.

## 17. Related Party Transactions

For the year ending 31 March 2020

The Authority has had various material transactions with other Government Departments and other Central Government bodies.

The table below shows all Government Department and other Central Government bodies with whom we had total transactions in excess of £1m during the year. The figures below are net of VAT.

	Income £'000	Expenditure £'000	Receivable £'000	Payable £'000
Department for International Development	1,665	-	-	-
Department for Work and Pensions	9,670	27	52	-
Welsh Assembly Government	3,231	-	482	-
Economic and Social Research Council	2,549	-	-	-
Intellectual Property Office	1,223	138	-	20
Scottish Government	1,408	57	349	-
Northern Ireland Statistics and Research Agency	1,341	181	35	498

**Note Related Party Transactions table on page 155:**

Board Member and Director remunerations are shown in the remuneration report.

No Board Member, Key Manager, or other related parties have undertaken any further material transactions with the Authority during the financial year 2019/20

The Authority has not identified any further related parties.

## **18. Events Arising after the Reporting Date**

### **The Impact of COVID-19**

The World Health Organisation declared COVID-19 as a pandemic on 11 March 2020. As such, impacts on these accounts from COVID-19 represent a current period event.

### **Property, Plant and Equipment Non-Current Assets**

The COVID-19 pandemic is considered by the Department to be an indication that Property, Plant and Equipment (PPE) Non-Current Assets may be impaired in accordance with IAS 36 – Impairment of assets.

As such, the Authority has reviewed the appropriateness of its Property, Plant and Equipment Non-Current Asset valuations as at 31 March 2020 and considers that they are not materially misstated.

For the period after 31 March 2020, it is considered that PPE valuations have reduced, and any expected fluctuation is expected to be within tolerable range (5%) of the VOA valuation report.

ONS has concluded that the impact of COVID-19 on the PPE valuation in the 19/20 accounts would be appropriate at £1.8m with the reduction reflecting the risk of 5% variance in the land and building valuation across the three sites.

## **19. Date of Authorisation of the Accounts**

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



# Annex: Office for Statistics Regulation 2019/20

## Director General for Regulation's Report

I look back at 2019/20 with a mixture of pride and an unfulfilled ambition to do more. The pride comes from the achievements of the team at Office for Statistics Regulation (OSR).

This report outlines delivery of a huge range of activities – the highlights summary on page 162 conveys the range of outputs that the team has delivered: assessment of statistics that inform fundamental public debates like migration; high profile comments on the use of statistics by politicians on health, education, crime and the economy, including during a General Election campaign; and the voluntary adoption of the Code of Practice by a range of organisations.

We've not just delivered assessments of individual statistics. We've looked systemically too – at whole areas of policy like social care, and at underpinning concepts like the National Statistics designation. And these activities have impact: throughout this report, you will read about OSR driving improvements in the coherence of statistics; in their quality; and in the publication of new statistics and data to inform public debate (for example, health funding, education funding, police numbers). This drive to ensure the public has the fullest picture of what's going on has also been at the heart of our work during the COVID-19 pandemic.

And to understand the real source of my pride, as you read this report keep the following figure in mind: all this work is done by a team that numbers no more than 40 people. It's an extraordinary achievement.

There are of course areas for improvement. The report by the Public Administration and Constitutional Affairs Committee highlighted the need to enhance our visibility and separation. This report outlines how we have addressed the Committee's recommendations through a clearer public voice, better engagement with Parliament and a clearer relationship with the rest of the UK Statistics Authority. Beyond these governance changes, we know that there is always more to do to ensure the public have access to the best possible data and statistics. Moving forwards, we will seek to pick up momentum in those areas where we did not fully deliver our plans in 2019/20, in particular, progressing our research programme to understand the public good of statistics and whether statistics reflect people's lived experience.

Standing up for the public's right to good statistics and data has of course meant we have been incredibly busy during the COVID-19 pandemic. Public access to trustworthy data has been one of the stories of the pandemic. My team has adapted brilliantly to this challenge. They have continued to deliver regulation while working from home. Their work has secured both improvements in the way data are explained and used, and the publication by Government of new datasets – and demonstrates an independent, dynamic regulator in action.

I hope that as you read this report, you can see that our work really matters. I hope you will see why I'm proud of the team's achievements and our growing confidence. And I hope you will sense our continued, unrequited appetite to support the best possible statistics that serve the public good.



**Ed Humpherson**

Director General for Regulation

June 2020

# Our Purpose and Vision

The Office for Statistics Regulation (OSR) is the Authority's independent regulatory function, established by the Statistics and Registration Service Act (2007).

With offices in England, Scotland and Wales, we provide independent regulation of all official statistics produced in the UK, and aim to enhance public confidence in the trustworthiness, quality and value of statistics produced by government.

We do this by setting the standards official statistics must meet in the [Code of Practice for Statistics](#). We ensure that producers of official statistics uphold these standards by conducting assessments against the Code. Those which meet the standards are given National Statistics status, indicating that they meet the highest standards of trustworthiness, quality and value. We also report publicly on system-wide issues and on the way statistics are being used, celebrating when the standards are upheld and challenging publicly when they are not.

## Our Governance

The legislation which established the UK Statistics Authority 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.

Our work is overseen by the Authority's Regulation Committee. The Committee's members are the Director General for Regulation, and non-executive directors of the UK Statistics Authority Board. No producers of statistics, including ONS executives, are members of the Committee.

The Regulation Committee reviews and approves our strategy, annual business plan, and budget, and approves all key regulatory decisions on assessment against the Code of Practice for Statistics.

## Our Vision

Our vision is simple. Statistics should serve the public good

## Our Mission

To help us deliver our vision, we have set out a 3-part mission:



Our vision and mission set the context for what we aimed to achieve in 2019/20.

For more information about our organisation: what we do and why; how we work and the tools we use; and our broad ambitions for future development, please refer to our published Vision Statement:

[www.statisticsauthority.gov.uk/publication/osr-vision/](http://www.statisticsauthority.gov.uk/publication/osr-vision/)

# 2019/20 Highlights

We publish a package of outputs and videos about [the Public value of devolved public finance statistics](#) (May 2019)



8 Systemic Reviews completed

We publish a series of reports on [Adult Social Care](#) (from June 2019)



7 new National statistics

Department for Education [commit](#) to, and [deliver](#) on our call for school funding statistics (June 2019, March 2020)

We publish an update on [Joining Up Data for Better Statistics](#) (October 2019)

We publish the [preliminary findings](#) of our assessment of the 2021 census (October 2019)



[OSR Twitter](#) account launched

We publish [our Vision](#) and host our [first OSR Conference](#) (November 2019)

20th Statement of [Voluntary Adoption](#) published (November 2019)

We are active in [protecting the role of statistics in public debate](#) in the lead up to the 2019 General Election



100 casework cases completed



We [call for action](#) to improve official rail passenger satisfaction measure (January 2020)

We [launch joint award](#) with RSS to reward excellence in the voluntary application of the pillars of TQV (January 2020)

We publish an [update on our Housing and Planning Review](#) (February 2020)



8 Assessment Reports published

We write to ONS with the findings of our [Employment and Jobs Assessment](#) (March 2020)



45 Compliance Checks published

We publish our [initial exploratory review](#) of the National Statistics designation, to understand what it means to people (March 2020)

At the invitation of HMRC, we review the principles underpinning the quality of all their official statistics ([report](#) published April 2020)

We issue [a package of guidance for producers](#) and adapt our regulatory tools for COVID-19 pandemic (March 2020)

# Our Performance

## Delivery of commitments in our 2019/20 Business Plan

### Enhance trustworthiness, quality and value of key official statistics

15 assessments of key statistics	PARTIAL DELIVERY: We published 8 assessment reports in 2019/20 including ONS's employment and jobs statistics and Census 2021 preliminary findings. We designated 8 new sets of National Statistics. ONS Migration statistics de-designated – now published as Experimental Statistics
Programme of around 40 Compliance Checks	FULL DELIVERY: We published 45 Compliance Checks in 2019/20. In March we announced a new form of rapid regulatory review for any new outputs published by producers which inform the public about the Covid-19 and its economic and social impacts. The first rapid review of Covid-19 statistics from the Opinions and Lifestyle Survey was published by 7 April 2020.
Initiate 3 – 5 Systemic Reviews	FULL DELIVERY: We published findings in the areas of adult social care, policing, post-16 education and skills and devolved public finance. We also conducted a review of the principles and processes in place to manage quality across all HMRC's official statistics. We published two follow up reports: on our 2017 review of statistics on housing and planning; and our 2018 review of data linkage.
Insight programme: publish first report on Coherence	ONGOING DELIVERY: Following the development phase, during which a report on coherence was published, we relaunched a more ambitious and impactful Insight function. This means a move away from the focus on topic reports and instead focuses on how OSR uses the intelligence gathered in the course of our work to identify key themes that we can learn from and address across the statistical system.

### Advocate trustworthiness, quality and value inside and outside of government

Promote voluntary application of the Code	FULL DELIVERY: We have 20 organisations on our voluntary adoption register that have published compliance statements about how they apply the TQV pillars. We launched, in partnership with the RSS, the Voluntary Application Award rewarding excellence in the voluntary application of the pillars.
Provide advisory service, run workshops and establish community of practice among adopting organisations	FULL DELIVERY: We have provided training and advice to range of organisations and professionals. Our VA Community of Practice is now well established and led a session at our OSR Conference. We contributed to a course 'Statistics matters' released in June for ONS and new GSS staff. We published a blog on Experimental Statistics and have invited guest blogs from experts. We issued rapid Covid-19 guidance on factors that producers should consider when making changes to data collection, statistics production and release.
Respond to findings of evaluation of online Code	FULL DELIVERY: We completed our evaluation of the online Code, published our findings, and implemented improvements in response to user feedback. The remaining enhancements will be delivered in 2020/21 as part of the project to develop the OSR website.

### Identify risks to the use of statistics in public debate and respond through casework

Intervene where identify risk of misleading use or receive complaints	FULL DELIVERY: In 2019/20 we completed 100 casework cases; 32 published, of which 9 self-identified (figures provisional). Our statement on the £1.8 billion NHS Funding Statement received 90k views and 2k Twitter engagements. We made a range of important public interventions during 2019 General Election pre-election period
Start to develop automated monitoring to identify the statistics and data used most in public debate	FULL DELIVERY: This new function is providing us with invaluable tools and insight. We published 'Use of Statistics in Public Discourse: Media Analysis' in October 2019 and provided analysis for our Mental Health Systemic Review. We have rolled out new tools for use by our regulators to aid horizon scanning – for example, Domain dashboards; and Twitter dashboards. Our Head of Data and Automation has started a programme of training for regulators to increase our capability in this field.

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**Develop understanding of the public good in collaboration with allies and develop a framework for judging misleadingness**

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Identify/share research on public impact of statistics	ONGOING DELIVERY: We have established our Research function and convened our new expert Research Advisory Group. We have developed research questions and commissioned work with Cabinet Office's Policy Lab and Open Innovation Team.
Convene organisations with a focus on public good of statistics, data and analysis	ONGOING DELIVERY: This work will progress as our Research Programme gains momentum. Our Vision document, published in November 2019, provided an excellent framework for a very successful first OSR Conference, where we showcased our work and strengthened our relationships with influential organisations and individuals who share our goals.
Develop a framework for judging misleadingness	ONGOING DELIVERY: We published an exploratory Think Piece on Misleadingness in May 2020 and will be engaging further in 2020/21

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**Understand the changing world and impact for statistics production**

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Update our understanding of the role of National Statistics designation	FULL DELIVERY: We published the outcomes of Phase 1: Exploratory Review in March 2020, focusing on understanding the role of NS designation. We published COVID-19 webpages which document our endorsement of new outputs; exemptions to the Code agreed; and National Statistics de-designations.
Talk to influencers and monitor media to understand external changes	ONGOING DELIVERY: We extended our Parliamentary reach in England, Scotland and Wales: Submission to Treasury Select Committee inquiry into Regional Imbalances; letter to House of Commons International Trade Committee about Foreign Direct Investment statistics; Response to Scottish Parliament inquiry into primary care; DGR presentation to Welsh Assembly. We recruited an expert digital communications team and launched our Twitter account in November 2019.
Identify evidence on whether statistics reflect people's lived experience	NOT DELIVERED. We highlighted the issue of lived experience across a wide range of our work, included on the rail passenger survey, rough sleeping, and homelessness. However we did not develop this work into a formal programme, preferring to inject the 'lived experience' emphasis into all of our projects.

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## Analysis of our Performance

Our 2019/20 business plan set out five broad aims for the year, within the context of our vision and mission:

- Enhance trustworthiness, quality and value of key official statistics
- Advocate trustworthiness, quality and value inside and outside of government
- Identify risks to the use of statistics in public debate and respond through casework
- Develop understanding of the public good in collaboration with allies and develop a framework for judging misleadingness
- Understand the changing world and impact for statistics production

## Enhance trustworthiness, quality and value of key official statistics

Our [2019/20 business plan](#) placed an emphasis on statistics that have the greatest public value, and considering the key policy debates and where there may be a lack of coherence or insight in the statistics which support these areas. We committed to:

- focus our assessment programme on key statistics, starting a further 15 assessments
- carry out 40 compliance checks, giving thought to how we group these checks to explore issues of coherence and broadening insight
- initiate 3-5 systemic reviews with a focus on cross-cutting issues which support enhanced trustworthiness, quality and value
- publish our first Insight report focused on coherence, along with related activity to share and reinforce messages from the report. Our new Insight programme will build on broad lessons and examples of best practice drawn from the breadth of our regulatory activity to support statistics that serve the public good
- balance our regulatory tools and other influencing approaches to maximise impact
- advocate for wider use of linked data under appropriate conditions.
- publish guidance on best practice when making important methods changes to support producers of statistics as they look to innovate and improve outputs

Assessments	Compliance Checks	Systemic Reviews
<ul style="list-style-type: none"><li>• Initiated six assessments</li><li>• Published eight Assessment Reports</li><li>• Designated seven new sets of National Statistics</li><li>• De-designated ONS Migration statistics (now experimental)</li></ul>	<ul style="list-style-type: none"><li>• Published 45 compliance checks</li></ul>	<ul style="list-style-type: none"><li>• Initiated seven reviews</li><li>• Published eight reports from reviews</li></ul>

In 2019/20 we have not delivered the exact balance of projects that we envisaged at the start of the year. We did fewer assessments and more compliance checks and systemic reviews. However, we are confident that the flexibility we have employed in delivering our regulatory work programme has supported the outcomes we wanted.

A big step forward for us in 2019/20 has been the way we have used our compliance check programme. These short, focused reviews of the extent to which statistics meet the standards of the Code are now well

embedded. They take less time than Assessments (which examine every principle of the Code) but still provide challenge and highlight issues for producers to address. They allow us to cover the ground but also support a triage approach.

For example, a compliance check of ONS's Business Demography statistics provided a high-level investigation of the extent to which the statistics met TQV pillars. We quickly identified potential key improvements were needed and were able to provide helpful input to the ONS as they seek to make their own developments. We have then commissioned a fuller investigation of these important statistics through our programme of assessments to report in 2020/21.

Furthering our ability to adapt our approach, on 20 March 2020, we announced a new form of rapid regulatory review, to potentially including National Statistics status, for any new outputs published by producers which inform the public about the COVID-19 and its economic and social impacts. This has allowed us to provide users with assurances, or appropriate notes of caution, in a way that helps producers get information to the people who need it as quickly as possible. The first rapid review of COVID-19 statistics from the Opinions and Lifestyle Survey was published by 7 April 2020. We expect this type of rapid review will be a key aspect of our regulatory approach in 2020/21.

We also made an early move to review and adapt our planned work programme for 2020/21 within the context of our risk profile and the COVID-19 pandemic, and we have adjusted priorities and timetables to reflect the implications for ourselves and for producers of statistics – for example, delaying more routine projects in key departments like Department for Work and Pensions to allow it to focus on the most pressing priorities.

COVID-19 has caused us to reflect on whether our philosophy is still sound in a changing situation, is it robust? Based on early evidence, we feel that it has proved to be. We have been able to demonstrate leadership and support for the statistics system, who have been responding quickly and with agility to new demands. Rather than regulation being seen as a burden to producers at this time, adding to worries, we hope we have been able to take some of the worry away. We will carry out a formal review of our response to COVID-19 in 2020/21 and establish lessons for the future, and build on the renewed appetite for, and recognition of the importance of, statistics and data that deliver on trustworthiness, quality and value.

## Key outcomes from our work in 2019/20

### Employment and Jobs

In March 2020, we published a [set of documents](#) covering the trustworthiness, quality and value of the employment and jobs statistics produced by the ONS (Assessment Report) and statisticians in the Welsh Government, the Scottish Government and the Northern Ireland Statistics and Research Agency (Compliance Checks), to examine their value for all users across the UK. We supported this with [blogs](#) from our Director General for Regulation and our Economy Lead, to offer broader insight, drawing out recurring themes that can apply to other statistics, such as the potential of administrative data to generate insight and fill data gaps, and coherence of data and statistics. Our work will continue into 2020/21 as the producers set about implementing our requirements to improve these hugely valuable statistics.

### 2021 censuses in the UK – Preliminary Findings

The census is one of the most important sources of official statistics, informing decisions about almost every aspect of life within the UK. In October 2019 we published the preliminary findings of our assessment of the 2021 censuses, produced by the ONS, National Records of Scotland and the Northern Ireland Statistics & Research Agency. We expect census offices to act on these findings as part of enhancing the public value, quality and trustworthiness of the data and statistics from 2021 censuses in the UK and have encouraged census offices to work collaboratively. The real value of the censuses will be realised on the release of census outputs. Future phases of our assessment will report our findings.

### International migration

The availability of high quality international migration estimates to support decision making is crucial. In August 2019, following correspondence from the Deputy National Statistician [we concluded](#) that the Migration Statistics Quarterly Report (MSQR) should no longer be designated National Statistics. We supported the ONS's proposal to publish the MSQR as experimental statistics and urged the ONS and other government departments to prioritise development of the estimates, through data sharing, collaborative research work, or other sharing of expertise and resource.

The ONS engaged with us openly and professionally about the quality of migration statistics, and the shift to experimental status was handled effectively, with users appearing to understand the nature of the change. This represents an example of the maturing relationship between

statistics producers and OSR as the regulator, that they are increasingly coming to us to discuss potential concerns about their statistics.

Since the COVID-19 pandemic, and the suspension of the International Passenger Survey, the way forward for these statistics has changed. The ONS has [communicated to users](#) that the August 2020 MSQR will be the last set of migration statistics based on International Passenger Survey data, and the ONS and government departments continue to work together to explore administrative data source options – for example, DWP Registration and Population Interaction Database (RAPID) data, and adapt methods to deliver for a November 2020 release.

## Post-16 Education & Skills

This year we published [our review](#) into Post-16 Education and Skills in England focussing on further education and apprenticeships, higher education and skills and lifelong learning. Good quality and accessible information in this area is important to support the most fair, efficient and effective provision of education and training to meet the needs of both individuals and employers. Our review identified areas of good practice in producer bodies such as the Department for Education who are improving accessibility to their published statistics by developing their new data dissemination platform Explore Education Statistics. We continue to follow up on areas where we have recommended improvements – accessibility, coherence and availability of data – and we will be extending our review across Wales, Scotland and Northern Ireland.

## HM Revenue and Customs (HMRC) Quality Review

This is another example of a statistics producer engaging maturely with the regulator. In April 2020 we published the outcomes of a review we began earlier in the year. HMRC invited us to carry out this review after identifying a significant error in its Corporation Tax receipt statistics. This is the first time we have looked across all of a producer's outputs at once at the invitation of a producer. By inviting this review, HMRC has taken a proactive approach to strengthening the quality of its official statistics and we will continue to engage with them as they make improvements.

## National Rail Passenger Survey assessment

In January 2020, we published [our assessment](#) of the National Rail Passenger Survey (NRPS) statistics produced by Transport Focus. We concluded that the NRPS statistics, while including some areas of best practice, need development and investment to fully serve the



public good. This is to ensure that the NRPS statistics can be designated as a National Statistic. The NRPS statistics really matter as they are used as a key performance indicator for train operating companies, to hold the rail industry to account and to assess the quality of train services provided to passengers. This was illustrated by the wide reporting by the national and transport industry media of our findings. Our work has helps users of the statistics to understand their shortcomings, and, while recognising the innovations they have made, provided Transport Focus with recommendations on where they need to make improvements to ensure the statistics reflect the rail user experience.

## Adult Social Care Reviews

Statistics that support our understanding of people who need or provide care, the impact it has on their lives, how the adult social care sector is currently delivered and how this might need to change in the future are an essential element in an ideal model of care. Without adequate statistics it is also impossible to assess the extent to which social care provision is equitable. In 2019/20 we have published a series of reports on Social Care statistics in [England](#), [Scotland](#) and [Wales](#), supplemented by Compliance Checks, and informing our [submission to the Scottish Parliament's Health and Sport Committee's Social Care Inquiry](#). The COVID-19 pandemic has since brought into sharp focus that statistics and data about social care fall well behind what is available about health, reinforcing the recommendations we have made for improvements. Supporting improved data and statistics in this area will remain a priority in 2020/21.

## Public finances

In May 2020, we published the outcomes of regulatory work looking at the public value of devolved public finance statistics. This work also looked at the extent to which devolved investment statistics are seen as a priority for development in the UK's devolved countries. We captured our thoughts about the public value of these statistics in different ways – for example through [two presentations](#) we prepared about the two phases of our work, through [a YouTube interview](#) and in a [regulatory report](#) into our assessment of some of the key source statistics on public spending in the countries and regions of the UK from HM Treasury. We went on to submit written and oral evidence for the Treasury Committee's inquiry considering regional imbalances in the UK economy.

## Updates on [Housing Review](#) and [Data Linkage](#)

Our work doesn't end with the publication of a review report. This year we published two follow up reports: on our 2017 review of statistics on housing and planning; and on our 2018 review of data linkage.



These reports highlight progress, while drawing attention to areas where improvements are still needed.

Following our housing review, housing statisticians from the UK's four countries met to discuss a joint approach to the review's findings, forming a cross-government housing and planning statistics steering group, and associated Housing and Planning and Homelessness statistics working groups.

On data linkage, the update provides an assessment of current progress towards meeting the six outcomes necessary to build a safe and effective data linkage system outlined in our September 2018 report [Joining Up Data for Better Statistics](#). We welcomed and share the new National Statistician Sir Ian Diamond's stated ambitions to improve people's lives by delivering better insights from statistics and research via data sharing and linkage and committed to work with him to identify areas where we can add our support to his efforts. We will also continue to identify opportunities to champion the value of data sharing and linkage.

## Insight

In July 2019, we set out proposed plans to produce a series of OSR Insight reports to share lessons from our regulatory work with a wider audience in an accessible way. This was part of the development phase of the Insight Function. We published a [report focused on coherence](#) and since then have formally established our Insight Function. The focus has moved away from individual reports to how OSR uses the intelligence we gather from our work to identify key themes that we can learn from and address across the statistical system.

## Advocate trustworthiness, quality and value inside and outside of government

Wider adoption of the Code of Practice is a core part of realising our vision of statistics that serve the public good. Voluntary adoption of the pillars of the Code of Practice for Statistics has potential to offer significant benefits. It can raise standards of analysis and dissemination among organisations that use it and demonstrate transparency to users of these statistics and data used as evidence. In 2019/20, we committed to build on the 2018 launch of voluntary application of the Code for Statistics by promoting its benefits and encouraging wider adoption.

Voluntary adoption has proved to be very successful. We have seen a variety of organisations including public, private and third sector partners get involved and commit to Voluntary Application, with no obligation to do so. In an era of abundant data and misinformation

we have found that there is an important desire for organisations across different sectors to undertake simple and doable voluntary actions, to reassure their data users of trustworthiness, quality and value.

To mark one year since the official launch of Voluntary Application of the Code, we hosted an event in London for all the interested early adopters to meet and discuss how they could get involved in this new and exciting concept. We established a Community of Practice for adopters, and we have been inspired to see the leadership organisations have displayed in sharing experiences and learning, including hearing from them at our inaugural OSR Conference in November 2019.

In the same month, our 20th adopter published their statement of compliance with the pillars of Trustworthiness, Quality and Value, and through our engagement we know that there are a range of organisations that are applying the Code, several of which are working to produce their own published statements of compliance, including ONS's Data Science Campus.

We have published a [list of organisations](#) that voluntarily apply the Code and four case study examples of voluntary application in action. For example, [Department for Work and Pensions](#) has sought and gained buy-in across the department in areas that do not produce official statistics, so that they now have management information, forecasts and social research all making and publishing commitments to TQV. These initiatives are raising awareness of TQV with senior executive endorsement.

Another example, outside the world of official statistics is [UCAS](#), who support young people making post-16 choices, as well as those applying for undergraduate and postgraduate courses. UCAS has made a lot of progress in revamping their data presentation to make it clearer to students in supporting their choice of university. The pillars were central to their decision making on how to make improvements.

In January 2020, we launched the Voluntary Application Award. The award given jointly by OSR and the Royal Statistical Society rewards excellence in the voluntary application of the pillars of the Trustworthiness, Quality and Value (TQV) of the Code. The results have not yet been released but we have been excited by the number and quality of applications.

During the COVID-19 pandemic we have seen the range of important management information and data that has been called upon to supplement official statistics to inform awareness and decision making, and how important it is that we can have trust in that information.

For official statistics, in August 2019, we published [a guide](#) setting out our expectations regarding the production and handling of experimental statistics, a subset of official statistics going through development and evaluation, in line with the Code of Practice for Statistics.

## **Identify risks to the use of statistics in public debate and respond through casework**

Protecting the role of Government statistics and data in public debate is a crucial part of our role. We want to make sure that, in political debate, the underlying statistics are not being misrepresented – and if we think they are, we want to clarify how they should be interpreted.

In 2019/20 we committed to proactively identify risks around the use of statistics in public debate and broaden our understanding of how debate is informed by statistics. We also sought to deliver lessons and share insight, including through an Insight report.

As is our usual practice, the Authority will publish a full review of our casework interventions in 2019/20, later this year, but provisionally, we can say that in 2019/20 we closed 100 pieces of casework. We published the outcomes of 32 cases, we responded privately to 39 cases and we noted the outcomes of the others but determined no further formal action was required. 9 of our published pieces of casework were self-generated based on our horizon scanning, with the remainder being brought to us by the general public and expert users of statistics. Where a response remains private, we record it on our published [Issues log](#), which summarises anonymously all the issues brought to our attention.

Threats to the good use of statistics may be particularly visible in times of electoral campaigning, and so the Authority, led by OSR, continues our public work throughout election periods. We were very proactive during the 2019 General Election campaign period – monitoring manifestos, debates, interviews, statements and social media – and we have continued to build on this model as we moved into 2020.

We began the 2019 General Election campaigning period with a letter from Sir David Norgrove, the Authority's Chair, to the [leaders of the UK's political parties](#) reminding them of their duty to use statistics accurately and fairly in the forthcoming election campaign. And we published [a blog](#) on how best to think about the various claims about public expenditure that political parties typically make during election campaigns, to help voters interpret funding statements. We published interventions on topics including [homelessness](#), [violent crime](#), [school funding](#) and [youth unemployment](#).

In January 2020, we published [a blog](#) summarising our role in the General Election, including the approach we employed and the judgements we made.

Our interventions in 2019/20 had significant impact:

### NHS Funding Statement

In August 2019, the government announced the provision of £1.8 billion funding for the NHS. We wrote to the Head of Profession for Statistics at Department of Health and Social Care to encourage them to release a statement as soon as possible in order to enhance transparency and support public understanding of the funding structures underpinning this announcement. The level of engagement with our website and social media indicated the importance to the public of transparency on this issue, and the Head of Profession responded to us in October 2019 setting out the detail.

### School Funding

In June 2019, as part of a continuing dialogue with Department for Education, we wrote to the Permanent Secretary, noting that the Department did not produce a comprehensive set of official statistics on the funding of schools, formally recommending it do so. When a wide range of data sources are used to inform debate, it can mean that statements using data are hard to verify and replicate, creating a risk of undermining the perceived trustworthiness of those making the statements. In March 2020, we wrote welcoming the publication of experimental statistics by the Department for Education, sharing the findings of our review of these new statistics.

### Police Officers

In January 2020, the Acting Home Office Chief Statistician wrote to us, within the context of our continued focus on policing and the need for official statistics to inform understanding and debate, to share plans to publish a new output that will allow the public to track the government's progress in recurring an additional 20,000 police officers in England and Wales by March 2023.

### Rough sleeping

We have sought ongoing assurances about the transparency and comparability of the rough sleeping statistics produced by Ministry for Housing Communities and Local Government (MHCLG). We have continued to publicly voice our concerns that official statistics about rough sleeping should offer a richer and better integrated picture

of rough sleeping. We have been encouraged that MHCLG made improvements to the content and presentation of their February release, and that the statistics producers across all four UK countries are now working together to a joint work plan to enhance the available range of comparable UK homelessness and rough sleeping statistics. We will continue to pursue this issue across all countries of the UK. In June 2020, we wrote to the Permanent Secretary of MHCLG about repeated reference to unpublished figures relating to rough sleepers and homeless people within the context of the COVID-19. This led MHCLG to publish this information and commit to publish any figures that are used in future public statements.

### Accident and Emergency (A&E) statistics

Director General for Regulation discussed the [proposed changes in recording A&E performance](#) from NHS England, and highlighted the considerations in establishing public confidence in A&E statistics.

### Developments in our approach

Since establishing our Automation and Technology function in 2019 we have taken steps forward in developing tools to help our domains with horizon scanning to identify risks around the use of statistics in public debate and to broaden our understanding of how debate is informed by statistics. An app provides the team with daily updates on changes to the statistical release calendar, domain dashboards that gather intelligence relevant to each of the domains are being piloted, and to help us during the COVID-19 pandemic the team quickly developed a daily Twitter dashboard.

We have committed to a review this year of all we have learned during the pandemic that will inform how we continue to adapt and operate as a regulator.

### Develop understanding of the public good in collaboration with allies and develop a framework for judging misleadingness

Leading a better understanding of the public good is the foundation of our vision.

Our focus for 2019/20 was to define public good and to identify existing research and interested partner organisations, and to develop our thinking around misleadingness.

In respect of our work to define the public good, we established our new research function in 2019/20. The early part of the work has centred

around literature reviews and engaging with a range of stakeholders to gain their perspective and share expertise. Highlights include a Research Lab on public value of statistics, facilitated for us by the Cabinet Office's Policy Lab, and a session at our inaugural OSR Conference. We have also established an expert advisory group for our research programme and plan to publish our first think pieces around public good in early 2020/21

The risk of statistics being used in a misleading way recurs in our work. Yet "misleadingness" is a slippery and complicated concept. To explore questions around this, we worked in 2019/20 with a philosopher, Jenny Saul from the University of Sheffield, who has written about misleadingness, and tried out various approaches and ways of thinking. We also engaged with organisations for whom misleadingness is relevant to their field – for example, the Advertising Standards Agency. We published an [exploratory think piece](#) in May 2020 that aims to set out our thought process – both to understand better what we do, but also help others to consider for themselves how to identify, address and mitigate the risks of misleading uses of statistics. We are exploring this thinking further to inform our future work on this topic.

We expect that our automation and technology programme will play an important part in supporting our work on the public good and misleadingness moving forwards. We are already using tools developed to help us scan social media, and we are working to extend this to other areas such as blogs and press reports.

## **Understand the changing world and impact for statistics production**

Statistics can only provide value when they reflect the world we live in and the experience of those in it. This includes ensuring the way statistics are developed, disseminated and designated adapt to the external environment. In 2019/20 we committed to: update our understanding of the role of National Statistics designation; talk to key influencers and monitor key media to understand external changes (e.g. society, economy, international context, use of data); and identify evidence on whether statistics reflect people's lived experience.

In 2019, we initiated a joint review with the Government Statistical Service of the National Statistics designation. We want to find out how the designation is understood, particularly outside the official statistics system. 'National Statistics' are the most important official statistics that have been demonstrated to meet the very highest standards of trustworthiness, quality and value, set out in the Code



of Practice for Statistics. Only they carry the unique logo of the National Statistics tick mark, having been designated by OSR, as the regulatory arm of the Authority.

We commissioned focus groups with members of the public and we spoke to 25 stakeholders from a wide range of backgrounds, including journalists, academics, think tanks, policy and communications officials, at a round table event. We obtained the views of statistics producers through a series of meetings, including with the Chief Statisticians of two devolved administrations, the GSS Statistical Policy and Standards Committee, GSS Policy and Dissemination Committee, and through workshops with ONS staff.

In March 2020 we published our [initial exploratory](#) review and we are now seeking to engage a wide range of stakeholders, including through further round table events and general public focus groups. We will make any recommendations from this work to the Authority Board on late 2020/21.

## Our engagement

2019/20 has been a breakthrough year for us as a regulator. We have developed our confidence as a regulator and we are more in the consciousness of those produce and use statistics. This has in part been driven by our work and our judgements, but also by the way we have sought to engage with key influencers and with the world around us. As a result, people come to us now – we are building a strong dialogue.

Our inaugural [OSR conference](#) in November 2019 was the flagship event of the year. As well as sharing our vision and showcasing our work, we were able to invite in a range of expert speakers to discuss topics important to our vision, such as the public good of statistics. The audience of around a hundred was made up of a variety of our stakeholders, from inside and outside government, including statistics users, producers, analysts, fact checkers, and journalists. [A Civil Service World podcast](#) reported on the event and we received a number of very positive [testimonials](#) for the speaker line-up and the thought-provoking discussion generated.

We also held events in all four countries of the UK to share our vision, building positive engagement with a wider range of stakeholders.

2019/20 also saw us starting to build up our Parliamentary engagement, and the dialogue we started has laid an important foundation for the important role we have been able to play during the COVID-19 pandemic. Examples include:

- OSR has contributed to parliamentary scrutiny through engagement with UK Select Committees extensively in 2019/20. We submitted written evidence for formal inquiries such as the Treasury Committee's inquiry considering regional imbalances in the UK economy (June 2019) and the Digital Culture Media and Sport sub-committee looking at online harms and disinformation (April 2019).
- our Director General for Regulation, Ed Humpherson, has also been invited to give further evidence in person. The Public Administration and Constitutional Affairs Committee in April 2019 was considering Governance of Statistics, and most recently in May 2020 they looked specifically at COVID-19 statistics. He also gave evidence in October 2019 following the written submission to the Treasury Committee for their inquiry on regional imbalances in the UK economy, and to the Lords Democracy and Digital Technologies Committee in January 2020
- we engaged with the Scottish Parliament, namely the Health and Sport Committee, for their separate inquiries on primary care in July 2019 and social care in February 2020. Our Director General for Regulation also visited the Scottish Parliament to explain to MSP's the role OSR plays and how we can help inform their constituencies
- the Authority at the National Assembly of Wales – Sir David Norgrove, Ed Humpherson and Iain Bell spoke on a panel in September 2019, to Assembly Members and statistics-based stakeholders, about how the Authority can support them
- beyond formal inquiries, OSR have worked closely with the Authority Parliamentary Unit to ensure Committees are kept up to date on interventions related to the relevant subject matter of the Committee, in line with the recommendation made by PACAC in their Governance of Statistics report (published July 2019). This has been extremely broad, including the Work and Pensions Committee regarding DWP use of unpublished management information in April 2020; the Health and Social Care Committee regarding NHS access and adult social care reviews, both in January 2020; the Transport Committee regarding the National Rail Passenger Survey assessment, also in January 2020; a variety of relevant Committees including PACAC regarding the preliminary census assessment in October 2019; and sustained engagement with the Housing Communities and Local Government Committee regarding rough sleeping statistics over June and July 2019, including a meeting with the Chair

Our work in 2019 to develop our Public Affairs and Digital Communications function, independent from the Authority, has enabled us to strengthen and broaden the range of channels through which we engage with our stakeholders and the public. The team provides the



Director General and our regulators with expert communications support and advice and leads on our website, publishing and social media strategy.

Our new independent Twitter account, launched in November 2019, is approaching 1,000 followers. By end April 2020 we'd achieved around 260 thousand impressions.

We have been making developments in how we communicate online – focused on visual engaging contact to improve our reach and visibility. We now frequently publish blogs on our work and topics of interest, not only from our own team – for example, linked to our engagement through Twitter detailed above, we invited a guest blog in February 2020 by Dr Elizabeth Lemmon (University of Edinburgh) and Dr David Henderson (Edinburgh Napier University) on social care in Scotland.

We have not been able to progress our work to identify evidence on whether statistics reflect people's lived experience in 2019/20.

## **Our reflections on the state of official statistics**

Our work as a regulator of all official statistics puts us in a unique position to reflect on the UK government statistical system as a whole. In July 2020, we published a report that sets out our view on the current state of government statistics, based on our work in 2019 and 2020 so far. [osr.statisticsauthority.gov.uk/publication/the-state-of-the-uks-statistical-system/](https://osr.statisticsauthority.gov.uk/publication/the-state-of-the-uks-statistical-system/)

In the report, we emphasise that there are good examples of statistics produced by government that effectively support decision-making in many areas of everyday life, but that the statistical system does not consistently perform at this level across all of its work. We highlight examples of statistical producers doing things well, and the improvements we would still like to see to ensure government statistics better serve society's needs. We address eight key areas, under the three headings of Trustworthiness, Quality and Value, the three essential pillars that provide the framework for the Code.

The immediate target audience for the report is anyone using official statistics, whether that is to inform their own life decisions, to design, implement or review government policy, or to hold the government to account. But the review is also for everyone who produces official statistics – we want to champion the work statistical producers do, celebrate the things they do well, and encourage them to continue to improve the statistics they produce

## Our Capability

### Our People and Functions

We planned an expansion of our organisation from 31 to 42 people (Full-Time Equivalent) during 2019/20. The aim was to strengthen our domain teams and allow us to bring in additional expertise, particularly around research and data. By the end of the year we had 37 people in post (35 FTE) with committed start dates for two further people in July 2020. We have one remaining of the new posts to recruit, to support our work around the 2021 census. Any other vacancies are due to natural turnover. In 2019/20 we have:

- reshaped our domain structure, reducing the number of domains from 12 to 10, allowing us to operate with larger teams providing for greater sharing of expertise and stronger business continuity. We have increased the number of regulator posts in the domains from 21 to 25, five of which are vacant (two agreed terms, two recruitment underway and one out on loan to Welsh Government). In response to the COVID-19 pandemic our domains have operated more flexibly – for example, with our population and health experts joining forces – we expect this flexibility to become a mainstay of how we operate
- established our new Research and Automation and Technology functions. There has been staff turnover in our Research function – we are now recruiting a new Head of Research – but we have been able to bring in further dedicated expertise through a new Research Specialist role. As the research programme works to build momentum, we have committed to a smaller research budget for 2020/21 but the work to understand the public good is proceeding, supported by our expert external advisory group
- strengthened our Public Affairs and Digital Communications function, bringing in two communications experts. This team oversees OSR's communications strategy and provides the Director General and his team with expert communications support and advice. The team also lead our website, publishing and social media strategy. To further bolster our strategic engagement, and to manage our growing Casework Programme, we have also increased our Private Office from one to two persons

We achieved an engagement score of 70 per cent in the Autumn 2019 Civil Service People Survey exercise – a decrease of 6 per cent on the 2018 results. Our people were very positive about our team, our work, and our organisational objectives and purpose. Areas highlighted for improvement were the line management relationship (around feedback and managing performance), delivering learning and development,

career opportunities, and managing wellbeing. Our Wellbeing and Development Committee, in consultation with our Senior Leadership Team and all staff, developed an action plan in response to the survey, and the results of our regular Pulse surveys of the team. We began to implement the plan in 2019/20 but we will continue our efforts into 2020/21. Action taken to date includes:

- ran our first Annual Learning Survey to understand the learning and development needs of the team and used this information to inform a prioritised Learning Action Plan – priorities for 2019/20 into 2020/21 are project management, report writing and engagement skills and learning sessions have been delivered in all these areas
- formalised our Induction Programme for new staff, with immediate learning supplemented by a series of modules that we run each month – for example, on the Code of Practice, working in Domains, and project and risk management
- continued our programme of shared learning, including case study learning, with fortnightly Wednesday afternoon learning sessions. Topics included: agile project management in the data science arena; writing for the web and social media; effective briefing; stakeholder management; fact-checking; identifying and scoring risk; line manager forums; and assertiveness
- encouraged staff to take charge of their personal and career development. We provide budgets for learning, conference attendance, and subscriptions to journals and professional organisations. We have also explored and shared opportunities for building relationships with mentors
- encouraged our team to undertake Mental Health First Aid training and have established a network of ambassadors across the site led by our Mental Health Champion. We also appointed a Diversity Champion
- hosted a two-day event for the team on Navigating a Changing World. The event aimed to understand some of the key innovations in the world that are having implications for our working lives and our personal wellbeing. Sessions included: being an ambassador for OSR; updates on technology and data science and how this affects our working environment and culture; equipping staff with hints and tips to support their mental health; and promoting joint understanding of equality, diversity and inclusion as our team grows and we have a diversity of experience and understanding

## Managing Risk

OSR's work is subject to internal audit review. Following a review of our risk management arrangements in 2018/19, this year we have developed and trained all staff in a new risk management policy; we have made project and risk management a core part of our induction training programme, and we have strengthened our challenge and reporting of our mitigation strategies for our key corporate risks. Our corporate risks are focused in four areas to help us as a regulator to best serve the public good:

- Maintaining our relevance
- Maintaining our voice
- Building our capability
- Maintaining our independence

Throughout this report we have demonstrated how we have sought to manage any threats and exploit our opportunities in these respects.

As part of our recent Corporate Governance Assurance Statement (CGAS) for 2019/20 we have recognised that we still have further to go to embed risk management in how we work and we are committed in 2020/21 to consolidate our approach and reporting at all levels of the organisation. Other areas for improvement we highlighted in our CGAS, where we have committed to take action are around aspects of:

- programme management: specifically around prioritising and scoping our work to optimise and not overcommit resources
- project management: focused on tight scoping, and streamlined assurance and sign off procedures
- succession planning: As a small organisation we have a lot of expertise vested in small teams and specific individuals – we need an effective strategy to maintain our skills, knowledge and corporate memory
- records and metadata management: building policies, processes and tools to enable us to optimise our use of the intelligence we hold, while maintaining appropriate security
- Extending our reach: through continuing to strengthen all forms of engagement and communication and using our work around the public good of statistics to build alliances and listen to those who we can give a voice.

In respect of our independence as a regulator, there were two important inputs in 2019 which have informed our development:

In July 2019, the Public Administration and Constitutional Affairs Committee (PACAC) published its report on the Authority's governance arrangements. Overall, the Committee recognised the importance of OSR's role, and endorsed a strong, more distinct identity for OSR as the Authority's regulatory arm. We have responded as follows:

- purpose: we published a new document that sets out the vision, mission and purpose of OSR, and launched it at our inaugural OSR Conference in November 2019
- strategy: we will publish our first 5-year strategy later in 2020, in support of but distinct from the Authority Strategy to be published at the same time
- communications: we launched our own Twitter channel @StatsRegulation in November 2019 and we are developing a OSR website that is distinct from the rest of the Authority for launch in 2020
- location: to more fully reflect our status as an independent decision-making unit under the Authority Board, while there is no strong case for change in Edinburgh or Newport, the OSR space in London could be more distinct. We have initiated the project to locate our staff separately within the Authority's space in London and this work will resume when restrictions relating to the COVID-19 pandemic are lifted.

In 2019/20, there has been one main engagement with Internal Audit: a review of the independence of OSR from ONS. The findings from this review, which gave a Moderate (amber) level of assurance, were coherent with those of the PACAC review. The internal audit reviewed: the extent to which OSR integrates with ONS shared services (HR, Finance, IT, etc.); and the governance operating over OSR to ensure that it supports independence from ONS.

The audit concluded that there is no evidence of any compromise to OSR's independence but identified steps to clarify lines of accountability and reporting and to ensure greater distinction on shared services.

In response:

- the terms of the Regulation Committee have been revised to reflect a formal role in overseeing OSR's budget and delivery
- the Director General for Regulation has been appointed as Additional Accounting Officer for the OSR budget from 1 June 2020
- a Memorandum of Understanding has been agreed to cover the delivery of shared services by ONS to OSR
- development work is underway to provide OSR with a website that is distinct from the rest of the Authority in 2020.

## Looking Ahead

We have published our business plan and associated work programme to share our focus for 2020/21. It does not aim to be a comprehensive document covering all we will do during the year – in the current circumstances that would be unrealistic. We plan to retain flexibility so we can respond to the changing environment of the coronavirus pandemic and its impact on society and the economy.

What we aim to achieve in 2020/21:

### **We uphold trustworthiness quality and value of statistics and data used as evidence**

- Challenge official statistics producers to answer society's questions, focusing on appropriate timeliness, granularity and data linkage.
- Challenge official statistics producers to offer insight, clarity of communication and coherence.
- Increase voluntary application of the Code beyond official statistics, particularly for government analytical outputs.

### **We protect the role of statistics in public debate**

- Focus on addressing data gaps and stepping in when statistics are being misrepresented.
- Increase the profile of OSR to support impact of our interventions.

### **We develop a better understanding of the public good of statistics**

- Clarify our role in regulation of data and AI.
- Build our evidence base on understanding of the public good.

Our work programme will be updated approximately every 4-6 weeks, linked to our internal Programme Review Board timetable. Any changes to National Statistics designations as a result of our work will be reflected on the List of National Statistics.

Later in 2020, we will publish the OSR Strategy 2020-25 which will set out how OSR will support the Authority's mission for the next five years.



