UK Statistics Authority

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RESOURCE ACCOUNTS 2009/10

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(for the year ending 31 March 2010)

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Foreword

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

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

Contents

Introduction

The UK Statistics Authority (the Authority) was established under the Statistics and *Registration Service Act 2007*. The Authority is an independent statutory body, operating at arm's length from government as a non-ministerial department. It reports directly to the UK Parliament and the devolved legislatures.

The Authority has two principal statutory functions:

- governance of the Office for National Statistics (ONS) – its Executive Office; and
- independent scrutiny of all official statistics produced in the UK, through monitoring and assessment against the *Code of Practice for Official Statistics*.

The Authority is required to promote and safeguard the quality and comprehensiveness of official statistics, and to ensure good practice in relation to official statistics. It is responsible for producing and maintaining the Code of Practice and for taking action when there are infringements of the Code.

The Authority has developed a set of high-level aims and objectives to reflect the legislation and to guide its actions. The UK Statistics Authority aims to ensure that:

- the right range of statistics are produced;
- high and consistent professional standards are maintained; and

- official statistics are well explained, including strengths and weaknesses – leading to better decision-making in the public interest.

By so doing, the Authority aims to enhance trust in the statistical system, in terms of quality, political independence and impartiality.

The Authority's Executive Office, ONS, is the largest producer of official statistics in the UK. It is also the National Statistical Institute for the UK. ONS produces a wide array of statistics, providing a window on the state of society and the economy across the UK. Among the key statistics ONS is responsible for are: the National Accounts; labour market statistics; population and demography data including emigration and migration; economic and social surveys; and regional and neighbourhood statistics. ONS is also responsible for conducting the 10 yearly Census for England and Wales.

During 2009/10 ONS began a change journey, developing a new mission statement: *'Trusted statistics – understanding the UK'*. ONS's accompanying vision statement is *'ONS – where people come first for trusted statistics'*.

The strategic aims of ONS are to make improvements in the following key areas:

- its leadership and skills;
- its record of delivery;
- understanding of the quality of the statistics it produces;
- its strength in innovation; and
- the value for money that it gives.

Financial Summary and Management Information

Summary of Financial Performance – Key Points

Reconciliation of Resource Expenditure between Estimates, Accounts and Budgets

	2009/10	2008/09
	£000	£000
Net Resource Outturn (Estimates)	212,876	217,065
Net Resource Outturn (Accounts)	206,475	209,328
Resource Budget Outturn (Budget)		
of which:		
Departmental Expenditure Limits (DEL)	206,475	209,328
Annually Managed Expenditure (AME)	0	0

The Statement of Parliamentary Supply: Summary of Resources 2009-2010 contained in the Resource Accounts shows that the net resource outturn for the year was £206.475 million against an estimate of £212.876 million.

The underspend of £6.401 million was due to the need to keep within the HM Treasury (HMT) budget for near cash. This budgetary limit is not part of the Resource Accounts.

The Net Cash Requirement of £208.112 million exceeded the estimate by £0.251 million. The reasons for the breach are explained in the Comptroller and Auditor General's Report on pages 32 to 33.

Net Operating Costs as shown in the Operating Cost Statement at £205.736 million, are less than shown in 2008/09 due to efficiencies agreed as part of the 2007 spending settlement.

Income, shown in Note 9 at £32.261 million, is £4.762 million higher than 2008/09 due to increasing income for social surveys funded by other government departments.

Note 16 shows that further provisions have had to be made for increasing the costs for early staff departures, and for onerous property contracts.

Note 7 shows the number of full-time equivalent staff (FTEs), 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.

For the year ending 31 March 2010, pension contributions were paid to the Paymaster General at rates of 16.7 per cent to 24.3 per cent (according to salary band) of salaries determined by the Government Actuary as advised by HMT.

All executive and non-executive directors and deputy directors were requested to sign related party declarations, the outcome of which is at Note 23.

In common with other government departments, this is the first year that the UK Statistics Authority has reported under International Financial Reporting Standards (IFRS), and the comparative data for 2008/09 has been restated from UK Financial Reporting Standards to IFRS accordingly.

The Comptroller and Auditor General examines the UK Statistics Authority's Resource Accounts under the *Government Resources and Accounts Act 2000* and reports his findings to the House of Commons.

The cost of the annual audit of the Resource Accounts by the Comptroller and Auditor General and an additional charge to cover preparatory work for the implementation of IFRS can be found at Note 8.

Prompt Payment Target

The UK Statistics Authority has a service level target to pay all valid bills within 30 days of receipt. In this year, 99 per cent were paid within 30 days. In common with other government departments, we strive to pay all valid bills within 10 days to ease business cash flows. From March 2010 the Government has agreed that we will try to pay all valid bills within 5 days. The proportion that is the aggregate amount owed to trade creditors at the year end compared with the aggregate amount invoiced by suppliers during the year, expressed as a number of days is 28.1 compared to 32.2 in 2008/09.

Financial Reporting to Parliament

This report forms part of the annual reporting process by all departments to Parliament. To allow Parliamentary scrutiny, the Authority also prepares Estimates of its expenditure, with the Main Estimate in the early part of the financial year, and Supplementary Estimates normally published in November and February, although for 2009/10 the Authority did not need to publish an Estimate in November. As part of the Government's Alignment (Clear Line of Sight) Project, changes to reporting are currently being reviewed. Estimates and details of proposed changes to reporting can be found at:
www.hm-treasury.gov.uk/psr_estimates_mainindex.htm

Information Risk

The UK Statistics Authority and more specifically the Office for National Statistics (ONS) is an information business. ONS's objective is to produce statistics that inform the public about social and economic matters and that assist in public policy making. Our sources are individuals and businesses, and the information we collect from them is often personal and confidential. We take information risk management very seriously and monitor information risk at the highest levels of the organisation.

ONS has appointed a deputy director for Information Security, recruited from the private sector. He is an information security professional and is the ONS Departmental Security Officer. He has direct day-to-day responsibility for all aspects of information security, working closely with experts in information law, information assurance, records management, and personnel.

ONS has six information asset owners who meet as a committee at director level six times a year with a dedicated information risk agenda. ONS information asset owners oversee all the work necessary to comply with the Government Security Policy Framework, which incorporates the mandatory requirements of the Data Handling Review.

Information risk is reduced when only the minimum necessary information is collected. By 2015 ONS will have reduced its data collection burden on businesses by 25 per cent, from the baselines set in 2005/06.

ONS has this year benefited from the first use of regulations made under the *Statistics and Registration Service Act 2007* to open legal gateways to reuse data held by other departments. This has in particular enabled ONS to enhance its migration and population estimates without increasing its survey samples. Reusing data better exploits information. It also means that less survey-taking is needed over time, reducing the risk of losing data in the field.

ONS has carried out a whole-staff communication campaign on information risk. The *'Use it, don't lose it'* campaign contributed to a 91 per cent positive score from staff for information security awareness in the *2009 People Survey.* The campaign won the 2009 Gold Award from the Chartered Institute of Public Relations. All ONS staff have completed and passed an e-Learning training package on information security. As required by the *Code of Practice for Official Statistics,* all ONS staff sign a confidentiality declaration, ensuring they are aware of their obligations under the Code and the potential penalties for the wrongful disclosure of personal information.

ONS has suffered the loss of six laptops in this period. All were lost or stolen in the course of normal off-site staff duties. The encryption with which all ONS laptops are built, along with strict rules on the use of passwords, has ensured that no personal information was made vulnerable.

The newly appointed Departmental Security Officer has initiated an independent review of ONS information security by CESG (the national technical authority for information assurance). This is part of a general strategy to drive up ONS information assurance maturity. In the next period ONS will initiate a rolling programme of information systems accreditation, focusing in particular on the 2011 Census. Independent opinion on Census information security arrangements is being provided by the former Auditor General of Northern Ireland.

Summary of Protected Personal Data Related Incidents Formally Reported to the Information Commissioner's Office in 2009/10

Date of incident	Nature of Incident	Nature of Data Involved	Number of people potentially affected	Notification Steps
None	–	–	–	–

Note

Incidents deemed by the Data Controller not to fall within the criteria for report to the Information Commissioner's Office but recorded centrally within the Authority are set out in the table below. Small, localised incidents are not recorded centrally and are not cited in these figures.

Summary of Other Protected Personal Data Related Incidents in 2009/10

Category	Nature of Incident	Total
i	–	None
ii	–	None
iii	–	None
iv	–	None
v	–	None

Staff

Achievements in 2009/10:

- Average sickness levels reduced from 9 to 7.1 days per employee, a 21 per cent reduction in one year.
- Recruited 102 staff in Newport and Titchfield to continue the successful relocation of posts from London.
- Recruited 77 additional staff in Titchfield to manage the Census programme.
- Ensured the successful relocation, redeployment and release of over 100 employees as part of the relocation of posts out of London.
- Established a Talent and Skills Programme to provide the skills the business needs both now and in the future.

At 31 March 2010, we employed a total workforce of 4,163, equating to 3,383 FTEs – the increase in staff numbers compared to last year is due to the business need to plan and run the Census in 2011. At the same time, the number of staff in London has been reducing as part of plans to relocate jobs to the Newport and Titchfield sites. This has been achieved by providing tailored redeployment and relocation services to staff along with well managed release schemes.

We have continued to deliver the Enabling Managers Programme, the objective of which is to provide our managers with the relevant knowledge, skills and tools to manage staff effectively. As part of the Managing Attendance Programme, an employee health and wellbeing framework has been developed and this has provided for an integrated approach to sickness absence management; we succeeded in continuing to reduce sickness absence levels, support staff and deliver increased productivity. The creation of a Health and Wellbeing Group, chaired by a director and comprising a diverse group of staff, provides a focus for health initiatives; a number of health improvement programmes have already been undertaken in liaison with the local health authority.

We have continued to work closely with our trade unions on a wide range of issues, with trade union representation on the Health and Wellbeing Group and Talent and Skills Programme Board. Consultation and negotiation on a wide range of issues takes place through a variety of other fora.

The Talent and Skills Programme initiated a number of important work-streams during the year including undertaking a Skills Audit for all staff at Grade 7 and above to obtain a clear picture of the skills base of our senior leadership team, and develop a succession planning policy. The succession planning policy will identify and develop those who have the potential and capacity to fill senior leadership positions, both internally and in other government departments. This programme also forms an important part of the Civil Service-wide plans to improve capability and flexibility in the public sector. We have also performed well in delivering the Government Skills Agenda, investing in a major expansion of the apprenticeships we offer, starting a programme of engagement with the higher/further education sector, and jointly commissioning training provision with other government departments.

Diversity

This has been a rewarding year for equality and diversity and one in which we have built the foundations that will carry us forward. We value the fact that we have a diverse workforce and, as with many other organisations, we are in a process of continuous improvement in this important area.

Diversity Governance Structure

Our progress is built on solid foundations. We have a comprehensive governance structure that drives and monitors our strategic approach to equality and diversity and ensures that we are meeting our legal obligations. Our diversity governance structure features:

- an ONS Board level champion;
- site diversity champions;
- an Equality and Diversity Steering Group to oversee/monitor progress, which reports to the Executive Committee;
- a diversity advisor;
- an HR diversity champion; and
- 13 diversity employee network groups each with a senior champion.

In 2009/10 we:

- continued to monitor our employees in relation to staff in post, employment, training, promotion, appraisal, grievance, leavers, and disciplinary procedures, with action plans to address any inequality;
- wrote a Diversity Delivery Plan in response to the Civil Service strategy: *Promoting Equality, Valuing Diversity*;
- ran a successful pilot mentoring scheme for our ethnic minority employees which was expanded to include all diversity strands in early 2010;
- put in place mandatory organisational and individual objectives on diversity;
- set targets for Senior Civil Service and Grade 6 and 7 staff (see opposite);

ONS Senior Civil Service (SCS) and Senior Management Grade Diversity Targets

as at 31st March 2010

	% Target	% Actual
SCS Measure		
Females in Top Management (Grade 2 and above)	30%	9%
Females in SCS	37%	29%
Ethnic Minorities in SCS	2%	2%
Disabled in SCS	2%	0%
Grade 6		
Females in Grade 6	45%	36%
Ethnic Minorities in Grade 6	5%	3%
Disabled in Grade 6	5%	3%
Grade 7		
Females in Grade 7	44%	41%
Ethnic Minorities in Grade 7	4%	2%
Disabled in Grade 7	3%	5%

- developed a process and a programme of implementation for equality impact assessments;
- implemented mandatory diversity awareness and managing diversity training;
- developed a comprehensive equality and diversity intranet site to better communicate with our staff and raise awareness;
- carried out the first annual review of our Single Equality Scheme; and
- were nominated for a Recruitment Advertising Award (RAD) for our diversity approach to our recruitment adverts.

Benchmarking

We continue to benchmark ourselves against other organisations to learn and share best practice approaches. Our People Survey scored us highly in relation to 95 other government organisations on our:

- work-life balance;
- levels of acceptable workload;
- fair treatment; and
- respecting individual differences.

We also increased by 10 per cent the number of our staff who felt that we are committed to and promote policies and strategies for diversity in the workplace.

Engaging Our Staff in Diversity

This year we ran a Diversity Forum which was open to all employees and designed to obtain feedback from staff in order to shape the ongoing diversity agenda. The diversity network groups at our sites in Newport and Titchfield have also held 'diversity days' designed to celebrate diversity and offer information and support to all members of staff.

Sustainable Development

We have assessed our most significant environmental impacts as: use of water, gas and electricity; emissions of carbon dioxide from use of energy and transport; creation of waste; use of paper, office equipment and supplies; use of chemicals and solvents; and unsustainable procurement. We have a policy designed to reduce our environmental and social impacts, preserve natural resources, work towards carbon neutrality and meet Sustainable Operations on the Government Estate (SOGE) targets by taking the actions outlined in our environmental strategy document, available on the ONS website.

It is our policy to conduct operations in a manner that complies with environmental laws and regulations, and reflects a commitment to the protection of the environment, embedding the principles and priorities of the Government's sustainable development strategy, *Securing the Future*. This policy applies to all sites and states that we will:

- maintain our Environment Management System to ISO 14001 standard;
- achieve continual improvement in environmental performance;
- consider the environmental impact of our operations and prevent pollution and reduce carbon emissions; and
- aim to meet the targets set out in the Government's Framework for SOGE.

We fulfill this policy by achieving the following outcomes, which appear in the 2008/09 SOGE report:

- having 100 per cent coverage by environmental management systems. The quality of environmental data is assured through rigorous audits by the British Standards Institute and we have been awarded ISO 14001 environmental accreditation at all of our sites since 2006;
- reducing energy consumption per square metre by 22.1 per cent since 1999/2000. This significant improvement in energy efficiency has taken the progress rating to 'Excellent' and the Authority has surpassed the 2010 15 per cent improvement target. We have cut our carbon emissions from offices by 14.8 per cent since 1999/2000. We are now well on track to meet the 15 per cent target in 2010/11. This was achieved by reaping the benefits of the main relocation programme, moving out of inefficient buildings and consolidating our estate;
- increasing the amount of electricity we acquire from renewable sources to 32.9 per cent, beating the 10 per cent target. We buy 100 per cent green electricity at our Titchfield site;
- reducing water consumption by 3.9 per cent since 2004/05. We recognise that we are a long way from the 25 per cent reduction we need to make by 2020 and are investing in water saving schemes including a rainwater harvesting project at our headquarters site in Newport;
- reducing waste arising by 43.2 per cent since 2004/5. This goes well beyond the 2010 target of a 5 per cent reduction;
- achieving a waste recycling rate of 61.9 per cent, well above the 2010 40 per cent target; and
- incorporating environmental issues into our purchasing and contract management strategies.

Unlike the significantly improved carbon emissions from our offices, we are struggling to reduce carbon emissions from road travel. The latest SOGE report shows our emissions up 6 per cent since 2005/06. However, this and previous returns have always included the operational mileage covered by our social survey field force, a core business activity for ONS. On the other hand, our purely administrative travel has dropped by 5 per cent compared with the previous year with greater use being made of audio and video conference facilities, greener hire cars and shared taxis.

Social Responsibility

Consistent with its mission statement and values, ONS is committed to making a positive impact on the communities within which it operates. We do so by establishing effective partnerships and programmes that make best use of the energies and skills of our employees. At the same time, these activities help to raise our profile in the community and also help staff achieve a wider perspective, as part of overall learning and development.

ONS is a member of Business in the Community. Our membership helps us identify opportunities for individual or group involvement, as well as to network with other organisations with a similar agenda of social and community investment. An ONS director sits on the Newport Leadership Group – a federation of large employers in Newport that helps channel collective social engagement in the area.

A Community Investment Policy is being drawn up to provide a broad framework and guidance within which our community engagement takes place. This is not intended to be over-engineered or prescriptive but to provide staff that are keen to volunteer, with practical guidance as to what they can and cannot expect to be able to do within office time, and what opportunities and support they can expect. In this way, we facilitate the impressive energy and willingness of staff to be involved in positive social and community activities. The Policy draws on and is consistent with the Civil Service Code of Conduct.

In the same vein, a Corporate Social Responsibility Steering Group is being formed to oversee and drive forward this agenda. An ONS director is champion for Corporate Social Responsibility, at Executive Committee level.

In practice, a wide range of activities take place. They have ranged from tree-planting, to activities with local schools and actions to refurbish local community centres. In Newport, a close relationship has been built up with Duffryn High School. ONS supports their Finance Academy for students at A-level and takes interns on work experience programmes over the summer.

Contractual Arrangements

To deliver its business the Authority works with a number of key suppliers. These were selected in accordance with government procurement guidelines. The Authority manages these suppliers using a defined contract management process and in some cases works with these suppliers as part of an integrated project team. Some suppliers such as Lockheed Martin UK and Capita Business Services are working as part of the 2011 Census, while others provide long term support to the Authority. These include; Fujitsu Services who provide IT services; Steria who provide key IT contractors; Mitie Facilities Services who provide Facilities Management; BT for Communications; and TNS Research International who we work with on retail price surveys.

Funding

The Authority is funded by means of a settlement agreed with government, with the last settlement giving funding from April 2007 to March 2012. The recent announcement of a new spending review has resulted in this settlement ending in March 2011, and the Authority, along with other government departments, is now preparing submissions to government for proposed spending from April 2011 to March 2015. The government has announced that it will make decisions on levels of spending in October 2010.

Stakeholders

A number of organisations have a strategic interest in the work of the Authority and its role in statistics and with ONS as users of the statistics that it produces. These key stakeholders include Parliament and the devolved administrations, the Bank of England, HM Treasury and a wide range of other government departments and agencies, local authorities, business, academia and the general public.

Disclosure of Information to the Auditors

So far as the Principal Accounting Officer is aware:

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

Statement of Accounting Officer's Responsibilities

Under the *Government Resources and Accounts Act 2000*, HM Treasury (HMT) has directed the UK Statistics 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 department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department and of its net cash requirement, net resource outturn, net operating costs, net operating costs applied to departmental strategic objectives, changes in tax payers' equity 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 HMT, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- prepare the accounts on a going concern basis.

HMT has appointed the Permanent Head of the Department as Principal Accounting Officer of the department. In addition, HMT has appointed a Secondary Accounting Officer, the Office for National Statistics (ONS) Director General, to be accountable for that part of the department's accounts relating to ONS for resources and the associated assets, liabilities and cash flows. This appointment does not detract from the Head of Department's overall responsibility as Accounting Officer for the department's accounts.

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

Statement on Internal Control

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the UK Statistics Authority's policies, aims and objectives, while safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

I discuss risk regularly with the Chair of the Authority in addition to the formal boards and committees, and my senior finance team members meet regularly with our HM Treasury (HMT) Spending Team. I became Accounting Officer for the Authority on appointment as National Statistician on 1 September 2010, in succession to Dame Karen Dunnell DCB.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the UK Statistics Authority for the year ended 31 March 2010 and up to the date of approval of the Resource Accounts, and accords with HMT guidance.

Capacity to Handle Risk

The Authority has established sub-committees to support its work, including the ONS Board with responsibility for the Office for National Statistics (ONS), a Committee for Official Statistics with responsibility for official statistics, and Audit and Remuneration Committees. Risk is considered formally at these boards and committees when appropriate.

The Audit Committee of the Authority met six times in 2009/10 and considers and approves the Authority's Audit Strategy and Plan. It ensures that there are levels of assurance in place across the range of the Authority's remit, and ensures that the internal audit needs of the Authority are being met and that provision meets the requirements of Government Internal Audit Standards (April 2009).

The Chair and Members of the Audit Committee are non-executive members of the Authority appointed by the Authority or such other non-executive persons as are appointed by the Authority. Their appointment to this Committee will usually be until the end of their current appointments as members of the

Authority or for such other period as the Board determines. I attend in my role as Accounting Officer, as do the Director General of ONS, external and internal audit and other senior managers as required.

The Audit Committee advises the Authority Board and the Accounting Officers for the Authority and ONS on:

- the strategic processes for risk, control and governance and the Statement on Internal Control;
- the accounting policies, and the Accounts of ONS and the UK Statistics Authority, including the process for review of these Accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors, the Comptroller and Auditor General;
- the results of both internal and external audit;
- the adequacy of management response to issues identified by audit activity, including external audit's reports to those charged with governance;
- assurances relating to the corporate governance requirements for the organisation; and
- anti-fraud and corruption policies, whistle-blowing processes and arrangements for special investigations.

The Audit Committee periodically reviews its own effectiveness and reports the results of those reviews to the Authority.

Following the appointment of Stephen Penneck as Director General for ONS it was agreed that he should be appointed as Secondary Accounting Officer to reflect his position in managing ONS on a day to day basis, whilst not having a separate Vote from Parliament for ONS.

An updated risk and issues management policy was introduced in 2009 by the ONS Risk Management Unit and full guidance was made available to all staff via the intranet. Whilst formal risk training is not provided as a matter of course by the Risk Management Unit, they do provide bespoke courses to business areas on request and risk awareness as part of the new employee induction training.

It was decided by the Audit Committee that the arrangements for internal audit should change when the shared services contract with Companies House expired on 30 June 2010. An exercise was carried out during the year to evaluate the internal audit organisation needed in the future in order to reflect the complexity of arrangements following the creation of the Authority. As a result of this exercise a new Head of Internal Audit has been appointed.

The Risk and Control Framework

Risk tolerance is an essential element of risk governance and internal controls. It allows the business to operate in terms of what is and is not acceptable. Risk tolerance indicates the Authority's attitude towards risk taking and, as a result, the Authority's willingness to tolerate a particular level of exposure to specific risks or risk groups. Risk exposure is measured by the likelihood of the risk materialising multiplied by the impact that would have on the Authority. I have therefore determined an overall approach to risks that impact on the quality of outputs and reputation and supported this with clear tolerance levels, expressed in terms of risk exposure, and escalation processes up through the management chain for all risks. This is designed to ensure that risks are managed at the right level. It also encourages conversations to tease out the true risk exposure, thereby enabling business areas and programmes and projects to build up specific and appropriate experience.

Business areas and key projects and programmes maintain risks and issues on the ONS Risk and Issue database in accordance with the risk management process. The ONS Strategic Reporting and Delivery Unit monitors risk management on behalf of senior management and reports monthly to the ONS Board. This process provides the ability to identify whether overall exposure is acceptable.

We have a low tolerance of risk that would impact on the quality of ONS's outputs. This does not rule out taking risk as the decision to act is also dependent on the cost and benefit of doing so.

In addition to risks identified at working level, the Authority also assesses corporate risks which pose significant threat to the successful achievement of key objectives and/or impact on reputation. These are identified and formally reviewed annually by the ONS Executive Committee and the ONS Board throughout the year.

At present these corporate risks are:

- Delivery of Key Outputs - National Accounts;
- Delivery of Key Outputs - 2011 Census;
- Business Continuity Planning including Disaster Recovery;
- Information Handling; and
- Impact on performance and statistical quality as a result of a reduction in ONS Budgets.

As the Authority's Executive Office, ONS is responsible for producing statistics. In order to minimise preventable errors in these statistics, ONS has an errors and corrections policy to ensure that staff are aware of the principles, and their role and responsibilities in preventing and dealing with errors. The policy recognises that the possibility of errors can never be completely eliminated; the aim is not to apportion blame but to learn from mistakes and minimise the risk of reoccurrence. This policy is underpinned with general guidance and good practice to ensure that people are supported in meeting the policy standards.

Special arrangements are in place to manage the risk around information security. Glen Watson acts as Senior Information Risk Owner and a new deputy director for Information Security and Legal Services was appointed in 2009. Information Asset Owners have been appointed to oversee work necessary to comply with the Government Security Policy Framework, which incorporates the mandatory requirements of the Data Handling Review following the loss of HM Revenue and Customs (HMRC) benefit data in 2007.

Other areas of risk kept under review during the year included the future provision of Information and Communication Technology Services under the Project Flex contract, and sub-letting of the former London office at Drummond Gate.

I formally send delegation letters to those who report to me for budgets delegated to them, and they in turn send similar letters to directors and deputy directors. Our financial software system, Atlas, ensures that procurements are appropriately authorised, and on the rare occasions where projects and procurements exceed my delegation limits, these are referred to the HMT Spending Team for approval.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Authority, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Sources of Assurance

The Audit Committee is constituted in accordance with HMT guidance. Internal Audit, currently provided by Companies House, presented a risk based audit strategy for their work that was agreed by the Committee and kept under review during the year. In addition to Internal Audit I gain assurance from a number of different sources. During the year the Audit Committee commissioned an Analysis of Sources and Flows of Assurance of how it might gain assurance across the Authority's responsibilities and activities. These sources include Office of Government Commerce (OGC) Gateway reviews. During 2009/10 three programme reviews were conducted on the 2011 Census, Web Development, and Beyond 2011.

I also gain assurance from the Government Statistical Service Methodology Advisory Committee (GSS MAC). GSS MAC has two main aims: to provide a forum to allow government statisticians to obtain advice on methodological issues from a group of interested and experienced professional statisticians from outside government; and to provide an opportunity to build and strengthen links between the Government Statistical Service and the rest of the statistical profession. The Committee has broadened its remit to explicitly include official as well as *National Statistics*. During 2009/10 the Committee reviewed the methodology of the 2011 Census.

At meetings of the Audit Committee the National Audit Office (NAO) present written and oral reports on the audit work they have carried out on the Authority's preparation of the annual accounts and the move to International Financial Reporting Standards.

An annual fraud return was made to HMT and the Audit Committee received a report on fraud and whistle blowing at its March meeting. This indicated that the level and value of fraud and losses was low. Anti-fraud policies and procedures were well-embedded in the culture of the organisation and the current assessment of the risk to the organisation from fraud was low. The whistle blowing procedures had also been demonstrated to work effectively. The Committee considered the possible risk of undetected fraud and emphasised that fraud might be occurring in areas other than finance. After discussion, however, it was concluded that the probability of undetected fraud was small given the range of checks in place, the low level of cash handling in ONS and other factors. The Committee also noted that the levels of reported fraud had remained consistently low over several years and that assurance could be taken from this.

During the year the Committee reviewed the ONS Information Technology Strategy. The five-year Red to Green Infrastructure Programme progress is being measured by a Key Performance Indicator, and during 2009/10 there was a significant reduction in business systems reporting a 'red' status as a result of the implementation of the IT Strategy. Corporate risks were consequently being reduced. There would continue to be risks arising from legacy systems that had not yet been tackled and the five-year programme was dependent upon continuing investment. The scope and affordability of the Project Flex contract is currently being reviewed.

The Drummond Gate office, vacated as part of the London relocation, has been actively marketed during 2009-10 to reduce the financial burden from this onerous contract and so far over half the building has been let to other public sector bodies.

The monitoring and assessment scrutiny function of the UK Statistics Authority is independent of ONS and Government and its remit covers the production and publication of all UK official statistics, including those of ONS. Assessment and Monitoring Reports are considered by committees of the Board before being submitted for approval to the Authority Board, and are published.

The Results and Actions Taken

The Authority is in a position where the Net Cash Outturn exceeded the Estimate for the year by £251,000, leading to the Comptroller and Auditor General qualifying his audit opinion on the Resource Accounts. At no time was the Authority's bank account overdrawn. The error occurred because those responsible failed to ensure that key individuals understood how the Net Cash Requirement controls operated and management review processes failed to prevent the cash excess. An Internal Audit Report was commissioned to identify the causes of the excess and the improvements to be made. The senior finance team are ensuring that those involved in administering the control checks fully understand their roles and responsibilities. In addition, control process and process documentation are being strengthened and I intend to seek assurance that issues raised in respect of the qualification have been fully and satisfactorily addressed.

In his annual report to the Audit Committee the Head of Internal Audit gave an opinion that the Accounting Officer could take an increased assurance in respect of the adequacy and effectiveness of the system of internal control as compared with 2008/09, but that further progress needed to be made before an overall satisfactory opinion could be given. Where formal opinions were made by internal audit, the following areas were found to be *"well controlled"*:

- National Accounts.

In the following areas the opinions provided were *"satisfactory"*:

- Access Controls to Administrative Microdata;
- ONS Stakeholder Engagement;
- i-Dissemination Programme;
- Internal Communications;
- ONS Quality Management;
- Corporate Planning and Budgeting; and
- Monitoring and Assessment.

In the following areas the Internal Audit opinion provided was *"Improvement* *required"*, defined as *"there are weaknesses in control that either individually or taken together could have an adverse impact on achievement of objectives"*:

- ONS Risk Management;
- Migration Statistics Improvement Programme;
- Data Handling and Security; and
- ONS Change Management.

The audit of Performance Management Systems had a split opinion between *"Satisfactory"* and *"Improvement Required"*.

Where concerns were raised, the director of the area under review agreed with the audit recommendations and set out in the management response who will be responsible for addressing these concerns with agreed deadlines. In addition the Audit Committee ensures that recommendations made as result of Internal Audit reviews are followed up and completed.

In response to the Internal Audit report on ONS Risk Management the Audit Committee requested that the Head of Internal Audit provide an update at their next meeting. The Head of Internal Audit subsequently reported that a new risk management system had been introduced, all agreed recommendations had been implemented and that he considered that there was now a sound risk management framework in place. The Audit Committee was pleased to note satisfactory progress.

An Internal Audit Report in 2008/09 concluded that Business Continuity Planning (BCP) was unsatisfactory. A Business Continuity Coordinator was appointed during the year and she is taking forward the recommendations in that report, and work on compliance with British Standard BS25999 is in progress.

The Audit Committee have been informed of significant progress being made to address the recommendations, and plan to take a report at their first 2010/11 meeting. BCP is now embedded as part of the ONS Corporate Strategy.

Following receipt of the report on Data Handling and Security, the Committee received an update on progress made that identified a number of initiatives and changes and set out the priorities for 2010/11.

This year OGC carried out 3 Gateway reviews for major projects and programmes. Lessons learnt from these reviews are actioned by the relevant Senior Responsible Owner.

In addition an OGC reviewer conducted a governance and lessons learned review on the Flex project. This review made a number of recommendations on programme governance, project resourcing and contractual issues that were accepted by the ONS Board.

The reports issued by NAO, as well as drawing the Audit Committee's attention to the issue that led to the qualification, also raised issues regarding the valuation of assets along with some reviews and reconciliation processes. Management have responded to their reports and have addressed the points raised.

In 2009/10 the UK Statistics Authority assessed several sets of ONS statistics. In all cases their designation as *National Statistics* was confirmed, conditional on the implementation of requirements for change in each case. These changes are being implemented. The sets of statistics were:

- Migration Statistics;
- Wealth in Great Britain;
- Average Weekly Earnings;

- Producer Price Indices;
- Services Producer Price Indices;
- Labour Market Statistics;
- Balance of Payments; and
- Overseas Travel and Tourism.

The Authority also published a Monitoring Report on Migration Statistics in July 2009, and a Special Assessment of 2011 Censuses in the UK in March 2010.

The Audit Committee has reviewed the effectiveness of assurances from all the areas described above. The Chair of the Audit Committee, in accordance with The *Audit Committee Handbook* presented his Annual Report for 2009/10 to the UK Statistics Authority Board. In it he summarised the Committee's findings and his advice to me as Accounting Officer was that, based on the evidence of some sound and satisfactory work in progress, I can take greater assurance, as compared with a year ago, that the control environment is adequate and functioning effectively, but that further work in some key risk areas is required before an overall satisfactory opinion could be given.

I have reviewed this evidence of the effectiveness of the system of internal control and am satisfied that the risks as set out here have been correctly identified and that actions are in place to address these risks and audit findings.

Jil Matheson

Jil Matheson
Principal Accounting Officer,
UK Statistics Authority
22 July 2010

Remuneration Report

Service Contracts

The Chair of the UK Statistics Authority, Sir Michael Scholar KCB was appointed by Her Majesty the Queen following an open competition. The appointment was subject to a pre-confirmation hearing by the House of Commons Treasury Select Committee and a formal debate on the floor of the House.

The eight other non-executive members of the Authority were appointed through open competition, some after consultation with the devolved administrations.

Civil service appointments are made in accordance with the *Civil Service Commissioners' Recruitment Code*, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

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

All non-executive members of the UK Statistics Authority are on fixed term contracts, the dates of which are given below. Contracts state that where a member's appointment ends early (i.e. terminates otherwise than on the expiry of the term of office), and it appears to the Minister for the Cabinet Office that there are circumstances which make it right for him/her to receive compensation, the Board may pay compensation of an amount approved by the Minister for the Cabinet Office. There is no automatic right to compensation.

Unless otherwise stated, all others 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.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interest of the senior directors and non-executive members of the UK Statistics Authority. These disclosures have been subject to audit.

Remuneration of Executive Directors of the UK Statistics Authority and Office for National Statistics, 2008/09 and 2009/10

Name and title	2009/10 Salary £000	2008/09 Salary £000
Jil Matheson National Statistician Appointed 1 September 2009 Director General for Statistics Delivery (ONS) Until 31 August 2009	150-155	135-140
Dame Karen Dunnell DCB National Statistician Retired 31 August 2009	60-65 (full year equivalent 150-155)	150-155
Mr Stephen Penneck Director General (ONS) Appointed 9 November 2009 Director of Methodology (ONS) Until 8 November 2009	125-130	N/A
Rolande Anderson Director General for Transformation (ONS) Resigned 31 December 2009	100-105 (full year equivalent 135-140)	135-140
Mr Richard Alldritt Head of Assessment (UK Statistics Authority)	125-130	110-115
Steve Newman Chief Financial Officer (ONS)	120-125	120-125
Paul Woobey Chief Information Officer (ONS)	150-155	150-155

Note:

Although Jil Matheson and Stephen Penneck only held their current position for part of the year, the salary shown reflects their total payment for the year.

Remuneration of Non-executive Directors of the UK Statistics Authority, 2008/09 and 2009/10

Name and title	2009/10 Salary £000	2008/09 Salary £000
Sir Michael Scholar Chair Fixed contract 01/09/07 to 31/08/11	150-155	150-155
Professor Sir Roger Jowell Deputy Chair (official statistics) Appointed 11 November 2008 Fixed contract 11/11/08 to 31/01/11	35-40	10-15 (full year equivalent 35-40)
Lord David Rowe-Beddoe Deputy Chair (ONS) Prior contract 01/02/08 to 31/01/10 New fixed contract 01/02/10 to 31/01/12	35-40	35-40
Mr Partha Dasgupta Non-executive director Fixed contract 01/02/08 to 31/01/11	20-25	20-25
Ms Moira Gibb Non-executive director Fixed contract 01/02/08 to 31/01/11	20-25 (see note below)	20 – 25
Professor David Rhind Non-executive director Prior contract 01/02/08 to 31/01/10 New fixed contract 01/02/10 to 31/01/12	20-25	20-25
Professor Steve Nickell Non-executive director Fixed contract 01/02/08 to 31/01/11	20-25	20-25
Sir Alan Langlands Non-executive director Fixed contract 01/02/08 to 31/01/10 Resigned 12 April 2009	1-5 (full year equivalent 20-25)	20-25
Dr Colette Bowe Non-executive director Fixed contract 01/02/10 to 31/01/13	1-5 (full year equivalent 20-25)	N/A
Sir Jon Shortridge KCB Non-executive director Fixed contract 01/02/10 to 31/01/13	1-5 (full year equivalent 20-25)	N/A

Note

The salary costs for Ms Moira Gibb were invoiced by and paid to the London Borough of Camden.

Salary

Non-executive directors are paid a fee plus expenses and have no pension entitlement.

'Salary' includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowance to the extent that it is subject to UK taxation.

The Remuneration Committee concluded the pay arrangements, with the support of Human Resources, for the UK Statistics Authority executive directors. The Committee consists of:

- Chair – Lord David Rowe-Beddoe;
- Professor Sir Roger Jowell;
- Jil Matheson; and
- Sir Michael Scholar.

The UK Statistics Authority Senior Civil Service (SCS) Salary arrangements follow the guidance set by Cabinet Office in response to the Senior Salaries Review Body. SCS Pay is made up of two elements – a consolidated increase to base pay and a non-consolidated bonus payment. Both elements are performance related – whether they are payable and the value of them is determined by an individual's performance in the previous appraisal year. Executive directors are subject to standard Civil Service terms and conditions with regards to termination.

This report is based on payments made by the Department during the year and thus recorded in these accounts.

Benefits in Kind

None of the above received benefits in kind.

Pension Benefits

Pension Benefits for Executive Directors of the UK Statistics Authority and Office for National Statistics

Name and title	Real increase in pension and related lump sum at age 60 £000	Accrued pension at age 60 as at 31/03/10 and related lump sum £000	Cash equivalent transfer value at 31/03/09 £000	Cash equivalent transfer value at 31/03/10 £000	Real increase in cash equivalent transfer value £000
Jil Matheson National Statistician Appointed 1 September 2009 Director General for Statistics Delivery (ONS) Until 31 August 2009	7.5 – 10.0 Plus 22.5 – 25.0 lump sum	55 – 60 Plus 170 – 175 lump sum	1,009	1,243	179
Dame Karen Dunnell DCB National Statistician Retired 31 August 2009	0 – 2.5 Plus 2.5 – 5.0 lump sum	65 – 70 Plus 200 – 205 lump sum	1,445	1,485	29
Mr Stephen Penneck Director General (ONS) Appointed 9 November 2009 Director of Methodology (ONS) Until 8 November 2009	5.0 – 7.5 Plus 20.0 – 22.5 lump sum	50 – 55 Plus 160 – 165 lump sum	1,027	1,236	139
Rolande Anderson Director General for Transformation (ONS) Resigned 31 December 2009	0 – 2.5 Plus 2.5 – 5.0 lump sum	50 – 55 Plus 135 – 140 lump sum	913	1,026	30
Richard Alldritt Head of Assessment (UK Statistics Authority)	2.5 – 5.0 0 lump sum	35 – 40 0 lump sum	519	631	76
Steve Newman Chief Financial Officer (ONS)	0 – 2.5 Premium Pension Scheme	5-10	120	165	34
Paul Woobey Chief Information Officer (ONS)	2.5 – 5.0 Nuvos Pension Scheme	5-10	60	103	35

Note

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

The People, Pay and Pensions Agency (PPPA) update factors used in calculating Cash Equivalent Transfer Values (CETVs). As a result of this the opening CETVs calculations are likely to be different to the closing CETVs.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (Classic, Premium or Classic Plus); or a 'whole career' scheme (Nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5 per cent of pensionable earnings for Classic and 3.5 per cent for Premium, Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 calculated as in Premium. In Nuvos a member builds up a pension based on his or her pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3 per cent of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the *Finance Act 2004*.

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

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

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

Cash Equivalent Transfer Values

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

Real Increase in CETV

This reflects the increase in CETV effectively 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.

Jil Matheson

Jil Matheson
Principal Accounting Officer,
UK Statistics Authority
22 July 2010

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

I certify that I have audited the financial statements of the Statistics Board for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, the Operating Cost Statement and the Statement of Financial Position, the Statement of Cashflows, the Statement of Changes in Taxpayers' Equity, the Statement of Net Operating Costs by Departmental Strategic Objectives and the related Notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accounting Officer and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Qualified Audit Opinion on Regularity arising from cash expenditure in excess of amounts authorised

Parliament authorised a Net Cash Requirement for the Board of £207,861,000. Against this limit, the Board incurred actual cash expenditure of £208,112,000 breaching the authorised limit by £251,000 as shown in the Statement of Parliamentary Supply.

In my opinion, except for this excess, in all other material respects, the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

More details are set out in my Report on pages 32 to 33.

Opinion on Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the Board's affairs as at 31 March 2010 and of its net cash requirement, net resource outturn, net operating cost, net operating costs applied to departmental strategic objectives, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Financial Summary and Management Information 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
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Amyas C E Morse

Comptroller and Auditor General
23 July 2010

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

Report by the Comptroller and Auditor General to the House of Commons

STATISTICS BOARD

EXCESS VOTE

Introduction

1. In 2009/10, the Statistics Board (known as the UK Statistics Authority – the Authority) spent more cash than the authorised Net Cash Requirement limit set by Parliament. This represents an "excess" for which further Parliamentary authority is required. I have qualified my opinion on the Authority's 2009/10 Resource Account in this regard.
2. The purpose of this report is to explain the reasons for this qualification and to provide information on the extent and nature of the breach to inform Parliament's further consideration.

My responsibilities with regard to the breach of regularity

3. Under section 6(1) of the Government Resources and Accounts Act 2000, I am required to satisfy myself that, in all material respects, the expenditure and income shown in the Resource Accounts have been applied to the purposes intended by Parliament and conform to the authorities which govern them. In doing so, I have had regard, in particular, to Parliamentary authority and the Supply limits Parliament has set on expenditure.

Breach of Net Cash Requirement

4. The Statement of Parliamentary Supply shows that the Net Cash Requirement outturn was £208.112 million which is £0.251 million in excess of the amount authorised. The Authority proposes to ask Parliament to authorise an additional grant of Supply from the Consolidated Fund of £0.251 million by way of an Excess Vote.

Background to the Cash Excess

5. As a Supply financed Department, the Authority should draw down funds from the Consolidated Fund and use these to finance its activities. All payments made, whether or not the payments have cleared through the Authority's Bank account during the period, are included in reporting the Authority's Net Cash Requirement for the year.
6. On 31 March 2010, the Authority processed a payment run which left the Authority's financial statements with a net £0.251 million overspend because they failed to adjust the available balance for payments which had been made but had not cleared the bank account. The £0.251 million of payments were therefore irregular.

Reasons for the Cash Excess

7. A number of factors led to the excess. As part of the Parliamentary Supply process, the Authority made a request for additional cash of £6.615 million

in a Spring Supplementary Estimate in February 2010. However, despite this additional Estimate, it still required cash in excess of voted provision by the year end. I consider that although the specific cash breach was caused by a failure of year end financial controls there was also an ongoing risk around the management of Supply limits throughout the period. The cash management processes operating throughout the year meant that there was a real risk of exceeding the approved limits at year end. This risk materialised and management review processes failed to prevent the cash excess.

8. Another contributory factor was changes to payment performance targets. In March 2010, the Government amended the target payment terms to suppliers from ten days to five days. As a result, the Authority worked to pay as many creditors as possible before year end. In my view, this impacted on the effectiveness of the control environment at year end.

Going forward

9. In response to our audit findings, the Authority has undertaken a number of actions to ensure that a similar event does not occur:

   - An Internal Audit Report was commissioned to identify the causes of the excess and identify improvements to be made;
   - Awareness of the implications of a breach in the Net Cash Requirement has been improved within the finance team;
   - Additional supervisory controls have been introduced to ensure the payment run is authorised at an appropriate level and that review of the accounts is consistently performed; and
   - Documentation of processes is to be improved.

10. Management of financial resources will become even more important in 2010/11, particularly as the Authority receives significant additional funding for the 2011 Census.

Summary and Conclusion

11. A sequence of events at year end led to the breach of the Net Cash Requirement. These included weaknesses in the processes for the calculation of cash available, unfamiliarity with the Supply process and lack of timely review by management at the appropriate stage, combined with pressure to meet revised prompt payment terms, led to a payment run being approved which should not have been resulting in a cash breach.

12. Processes have now been revised and subject to these being implemented and the involved staff receiving appropriate training and guidance, I am content that steps are being taken to ensure the situation will not recur.

13. The Authority will seek an additional grant of Supply from the Consolidated Fund of £0.251 million by way of an Excess Vote.

Amyas C E Morse

Comptroller and Auditor General
23 July 2010

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

Primary Statements to the Resource Accounts

Statement of Parliamentary Supply

Summary of Resource Outturn 2009/10

								2009/10 £000	2008/09 £000
				Estimate			Outturn		
Request for Resources	Note	Gross Expenditure	A in A	Net Total	Gross Expenditure	A in A	Net Total	Net Total outturn compared with Estimate: saving	Net Total
Providing Statistical Services	3	247,876	(35,000)	212,876	238,736	(32,261)	206,475	6,401	209,328
Total resources		247,876	(35,000)	212,876	238,736	(32,261)	206,475	6,401	209,328
Non-operating cost A in A			(15)				-		-

Note

The Estimate and Outturn for 2009/10 are presented in line with International Financial Reporting Standards (IFRS).

Comparative outturn figures for 2008/09 have not been restated to reflect IFRS in accordance with the Treasury's Financial Reporting Manual.

Note 4 reconciles the prior year reported outturn against adjustments for changes in accounting policies for the transition to IFRS and for a separate prior year adjustment.

Reasons for variances between Estimate and Outturn are provided in the Financial Summary on page 6.

Net Cash Requirement 2009/10

				2009/10	2008/09
	Note	Estimate £000	Outturn £000	Net total Outturn compared with Estimate: (excess) £000	Outturn £000
Net cash requirement	5	207,861	208,112	(251)	205,193

Explanation: net total outturn exceeded the estimate due to a payment made on the 31 March 2010 that exceeded the amount of funds available.

The notes on pages 40 to 77 form part of these accounts

Summary of Income Payable to the Consolidated Fund

In addition to appropriations in aid, the following income and receipts relate to the Department and is payable to the Consolidation Fund (cash receipts being shown in italics)

		Forecast 2009/10		Outturn 2009/10		Outturn 2008/09	
		Income	Receipts	Income	Receipts	Income	Receipts
	Note	£000	£000	£000	£000	£000	£000
Total	6a	-	-	-	-	339	*339*

Operating Cost Statement

for the year ended 31 March 2010

		Staff Costs	Other Costs	Income	2008/09 (restated)
	Note	£000	£000	£000	£000
Programme Costs					
Staff Costs	7	112,787	-	-	110,180
Programme costs	8	-	125,210	-	128,549
Operating income	9	-	-	(32,261)	(27,499)
		112,787	125,210	(32,261)	211,230
Net Operating Cost		-	-	205,736	211,230

Note

The 2009/10 figures are presented in line with IFRS.

Figures for 2008/09 have been restated in line with IFRS.

The notes on pages 40 to 77 form part of these accounts

Statement of Financial Position

as at 31 March 2010

	Note	2009/10		2008/09 (restated)		First time adoption 1 April 2008	
		£000	£000	£000	£000	£000	£000
Non-current assets:							
Property, plant and equipment	10 &10.1	50,724		64,139		65,794	
Intangible assets	11 &11.1	34,960		36,026		35,578	
Deposits and advances falling due after more than one year	13	313		404		399	
Total Non-current assets			85,997		100,569		101,771
Current assets:							
Trade and other receivables	13	4,352		2,683		2,648	
Other current assets	13	7,496		8,451		6,263	
Financial assets	13	274		268		338	
Cash and cash equivalents	14	-		1,011		2,435	
Total current assets			12,122		12,413		11,684
Total assets			98,119		112,982		113,455
Current liabilities:							
Cash and cash equivalents	14	(251)		-		-	
Trade and other payables	15	(24,375)		(29,721)		(19,594)	
Current early retirement provision	16	(5,912)		(5,824)		(7,148)	
Total current liabilities			(30,538)		(35,545)		(26,742)
Total assets less current liabilities			67,581		77,437		86,713
Non-current liabilities:							
Other provisions	16	(14,501)		(12,846)		(12,689)	
Early retirement provision	16	(10,615)		(13,618)		(12,163)	
Total Non-current liabilities			(25,116)		(26,464)		(24,852)
Assets less liabilities			42,465		50,973		61,861
Taxpayers' equity:							
General fund			28,218		23,597		27,968
Revaluation reserve			14,247		27,376		33,893
			42,465		50,973		61,861

Note

The Authority adopted IFRS in the period to 31 March 2009.

The date of transition to IFRS is 1 April 2008 for the purpose of preparing the opening IFRS prime statements to the Accounts.

For further details refer to Note 2, these changes had no impact on the cash position of the Authority.

Jil Matheson

Jil Matheson
Principal Accounting Officer, UK Statistics Authority
22 July 2010

The notes on pages 40 to 77 form part of these accounts

Statement of Cash Flows

for the year ended 31 March 2010

	Note	2009/10 £000	2008/09 (restated) £000
Cash flows from operating activities			
Net operating cost	4	(205,736)	(211,230)
Adjustment for non-cash transactions	8	32,115	29,989
Increase in trade and other receivables	13	(629)	(2,158)
less movements in receivables relating to items not passing through the OCS		-	293
(Decrease)/increase in trade payables	15	(5,346)	10,127
Movements in payables relating to items not passing through the OCS	10,10.1, 11 &15	(373)	2,074
Use of provisions	16	(15,216)	(13,849)
Net cash outflow from operating activities		(195,185)	(184,754)
Cash flows from investing activities			
Purchase of Property, plant and equipment	10 & 10.1	(7,199)	(11,979)
Purchase of intangible assets	11 & 11.1	(5,728)	(7,449)
Net cash outflow from investing activities		(12,927)	(19,428)
Cash flows from financing activities			
From the consolidated Fund (Supply) - current year		207,189	203,430
Net Financing		207,189	203,430
Net decrease in cash and cash equivalents in the period before adjustment for payments to the consolidated fund		(923)	(752)
Payments due to the consolidated fund		-	(672)
Excess income paid back to the Consolidated Fund in the period		(339)	-
Net decrease in cash and cash equivalents in the period after adjustment for payments to the Consolidated Fund	14	(1,262)	(1,424)
Cash and Cash equivalents at the beginning of the period	14	1,011	2,435
Cash and Cash equivalents at the end of the period	14	(251)	1,011

The notes on pages 40 to 77 form part of these accounts

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2010

	Note	General Fund	Revaluation Reserve	Total Reserves
		£000	£000	£000
Balance as at 31 March 2008		28,943	33,893	62,836
Changes in accounting policy	2	(975)	-	(975)
Restated balance at 1 April 2008		27,968	33,893	61,861
Changes in taxpayers' equity for 2008/09				
Prior year adjustment		(80)	-	(80)
Net loss on revaluation of property, plant and equipment		-	(7,105)	(7,105)
Net gain on revaluation of intangible assets		-	748	748
Non cash charges - cost of capital	8	1,880	-	1,880
Non cash charges - auditor's remuneration	8	75	-	75
Consolidated Fund Standing Services	15	(339)	-	(339)
Supply payable	15	(672)	-	(672)
Transfers between reserves		160	(160)	-
Transfer to IPS & Department of Health		(30)	-	(30)
Net operating cost for the year as previously reported		(210,491)	-	(210,491)
Total recognised income and expense for 2008/09		(181,529)	27,376	(154,153)
Net Parliamentary Funding - draw down		203,430	-	203,430
Net Parliamentary Funding - deemed		2,435	-	2,435
Balance at 31 March 2009		24,336	27,376	51,712
Balance as at 31 March 2009		24,336	27,376	51,712
Changes in accounting policy	2	(739)	-	(739)
Restated balance at 1 April 2009		23,597	27,376	50,973
Changes in taxpayers' equity for 2009/10				
Net loss on revaluation of property, plant and equipment	10	-	(13,252)	(13,252)
Net gain on revaluation of intangible assets	11	-	852	852
Non cash charges - cost of capital	8	1,691	-	1,691
Non cash charges - auditor's remuneration	8	76	-	76
Transfers between reserves		729	(729)	-
Net operating cost for the year	4	(205,736)	-	(205,736)
Total recognised income and expense for 2009/10		(179,643)	14,247	(165,396)
				-
Net Parliamentary Funding - draw down		207,189	-	207,189
Net Parliamentary Funding - deemed		672	-	672
Balance at 31 March 2010		28,218	14,247	42,465

The notes on pages 40 to 77 form part of these accounts

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 the revaluation of assets

Changes in accounting policy amounting to £975,000 included in the restated 1 April 2008 figures above relate to the inclusion of short-term employee benefits in line with International Accounting Standard (IAS) 19.

Changes in accounting policy amounting to £739,000 included in the restated 2008/09 figures above relate to the inclusion of performance pay previously not accrued.

Statement of Net Operating Costs by Departmental Strategic Objectives

for the year ended 31 March 2010

				2009/10			2008/09 (restated)
		Gross £000	Income £000	Net £000	Gross £000	Income £000	Net £000
Aim							
Objective 1	Statistical Services	237,997	(32,261)	205,736	238,729	(27,499)	211,230
Net Operating Costs		237,997	(32,261)	205,736	238,729	(27,499)	211,230

The Department's objective was as follows

To be an authoritative and trusted publisher of statistics about the UK economy and society; drive the development of National Statistics; contribute to the leadership of the statistical system of the European Union; and ensure that engagement in international statistics is effective in the breadth of issues important to the UK.

The notes on pages 40 to 77 form part of these accounts

Notes to the Resource Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2009/10 *Government Financial Reporting Manual (FReM)* issued by HM Treasury (HMT). The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the UK Statistics Authority (the 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. The *Statement of Operating Cost by Departmental Strategic Objectives* and supporting notes analyse the Authority's income and expenditure.

Standards Issued But Not Yet Effective

The following standards have been issued but have not been adopted by the Authority:

IFRS 9 Financial Instruments

The IASB intend that IFRS 9 will replace IAS 39 Financial Instruments, Recognition and Measurement in its entirety. As a first instalment, the chapters on classification and measurement of financial assets have been issued. Later instalments will cover financial liabilities, impairment methodology and hedge accounting.

Under IFRS 9, financial assets should be classified on the basis of the entity's business model for their management, and their contractual cash flow characteristics. They should be measured initially at fair value, and subsequently at either fair value or amortised cost.

IFRS 9 simplifies the classification and measurement of financial assets, removing the numerous categories of financial asset specified in IAS 39, and resulting in one impairment method.

The amendments have an effective date of 1 January 2013. The Authority does not believe the adoption of these amendments will have a significant impact.

IFRS – First Time Adoption

IFRS 1 has been revised and restructured with an effective date of 1 July 2009; there has been no change in the substance of the standard.

The presentation of financial statements aims to assist users in their ability to analyse and compare the information given in the financial statements. Changes include amendments to titles of some of the financial statements and changes to the components of the financial statements.

The International Financial Reporting Standard IFRS 1 First-time Adoption Date 1 April 2008 has been adopted by the UK Statistics Authority.

Additional Exemptions for First-time Adopters

The amendments allow entities not to reassess a lease arrangement if the same assessment as required by IFRIC 4 has been made under previous Generally Accepted Accounting Principles (GAAP), and entities in the oil and gas industry to use the carrying amounts under previous GAAP for oil and gas assets as deemed cost on transition. This amendment has an effective date of 1 January 2010 and does not impact on the Authority.

Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters

The amendment exempts first-time adopters from providing the additional disclosures introduced by Improving Disclosures about Financial Instruments (Amendments to IFRS 7), and clarifies its transitional provisions. The amendment has an effective date of 1 July 2010. The Authority's financial instruments are relatively simple and are unlikely to have a significant impact on these Resource Accounts.

IFRS 2 Group Cash-settled Share-based Payment Transactions

The amendments clarify the scope and accounting for share-based payment transactions among group entities, and incorporate the guidance in IFRIC 8 and IFRIC 11, which have been withdrawn. This amendment has an effective date of 1 January 2010 and does not impact on the Authority.

IFRS 3 Business Combinations

The revision of IFRS 3 addressed the issue of providing improved guidance on the application of the acquisition method, the International Accounting Standards Board (IASB) having previously concluded that virtually all business combinations are acquisitions. The most significant changes relate to the extension of the scope of IFRS 3 to include business combinations involving only mutual entities and those achieved by contract alone; the basis of measurement of goodwill; the measurement of any non-controlling interest; and the recognition of acquisition-related costs and contingent consideration. IFRS 3 does not apply to combinations of entities or businesses under common control, to the formation of a joint venture, or to the acquisition of an asset or group of assets that does not constitute a business. The revision has an effective date of 1 July 2009. The directors will consider the requirements of the revision on any future acquisitions. As the Authority does not have any business combinations these amendments are not predicted to have any impact on the Authority.

IAS 24 Related Party Disclosures

The revision of IAS 24 simplifies and clarifies the definition of a related party, and provides government-related entities with partial exemption from the disclosure requirements relating to related party transactions and outstanding balances including commitments. The revision has an effective date of 1 January 2011. The Authority will consider the requirements of the revision; the revision is not expected to impact on the Authority.

IAS 27 Consolidated and Separate Financial Statements

IAS 27 has been amended as a result of the revision of IFRS 3. The most significant changes are that changes in a parent entity's ownership interest in a subsidiary that do not result in the loss of control should be accounted for as equity transactions; that total comprehensive income (including losses) should be attributed to the non-controlling interests even if this results in the non-controlling interests having a negative balance; and that where an entity loses control of a subsidiary any gains or loss should be recognised in profit or loss. These amendments have an effective date of 1 July 2009 and do not impact on the Authority.

IAS 32 Financial Instruments

Classification of Rights Issues (Amendment to IAS 32). The amendment classifies rights issues which allow the acquisition of a fixed number of shares for a fixed amount of any currency, provided they are offered to all existing owners of the same class of shares, as equity rather than a derivative liability. This amendment has an effective date of 1 February 2010 and does not impact on the Authority.

IAS 39 Eligible Hedged Items

The amendment clarifies the application of the principles for determining whether a hedged risk or portion of cash flows in particular situations is eligible for designation. The amendment has an effective date of 1 July 2009. The Authority does not believe the adoption of this amendment will have a significant impact.

Amendments to IFRSs Resulting from Annual Improvements to IFRSs

IFRS 2 Share-based Payment

The amendment confirms that the contribution of a business upon formation of a joint venture and transactions relating to combinations of businesses or entities under common control are outside the scope of IFRS 2. The amendment has an effective date 1 July 2009 and does not impact on the Authority.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment clarifies that where an entity is committed to a sale plan involving loss of control of a subsidiary, the assets and liabilities of the subsidiary should be classified as held for sale. The amendment has an effective date of 1 July 2009 and does not impact on the Authority.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

The amendment clarifies that IFRS 5, and those IFRSs that specifically refer to non-current assets (or disposal groups) that are classified as held for sale or discontinued operations, specify all the disclosures required for those assets or operations, although additional disclosures may be necessary for held for sale assets or groups to comply with IAS 1. The amendment has an effective date of 1 January 2010. The Authority will consider the requirements of the revision; this amendment is not expected to have significant impact on the Authority.

IFRS 8 Operating Segments

The amendment clarifies that segmental information for total assets is required only if such amounts are regularly reported to the chief operating decision maker. This amendment has an effective date of 1 January 2010. The Authority has only one Request for Resource and therefore reports as a single segment, this amendment has no impact on the Authority.

IAS 1 Presentation of Financial Statements

The amendment clarifies that where an entity has a liability in the form of a convertible instrument, its classification as current or non-current is not affected by an option that would require the entity to settle the liability in shares at any time. This amendment has an effective date of 1 January 2010. The adoption of this amendment does not impact on the Authority.

IAS 7 Statement of Cash Flows

The amendment clarifies that only expenditure that results in the recognition of an asset (rather than simply to generate future income and cash flows) can be classified as a cash flow from investing activities. This amendment has an effective date of 1 January 2010. The adoption of this amendment does not impact on the Authority.

IAS 17 Leases

The amendment clarifies that where a lease includes both land and buildings elements, they are separately assessed in accordance with the general guidance on the classification of leases in IAS 17, taking into account that land normally has an indefinite economic life. Thus the land element may be classified as a finance lease, even if title is not expected to pass to the lessee.

Entities should reassess unexpired leases on adoption of the amendment, and account for any change retrospectively in accordance with IAS 8, unless the information necessary to do this is not available.

This amendment has an effective date of 1 January 2010. The amendment does not impact on the Authority.

IAS 36 Impairment of Assets

The amendment clarifies that the cash-generating unit(s) to which goodwill is allocated for the purposes of impairment testing should be no larger than the operating segment level as defined in IFRS 8, before any aggregation of such segments as permitted by that standard. This amendment has an effective date of 1 January 2010. The amendment does not impact on the Authority.

IAS 38 Intangible Assets

The amendment clarifies that an intangible asset acquired in a business combination that is separable only where linked with a related contract, identifiable asset or liability should be recognised together with the related item as an asset separately from goodwill.

The amendment also clarifies the description of valuation techniques commonly used to measure intangible assets at fair value where no active market exists. This amendment has an effective date of 1 July 2009. The amendment does not impact on the Authority.

IAS 39 Financial Instruments: Recognition and Measurement

The amendments clarify that a loan prepayment option is not separable where the penalties incurred compensate the lender for the loss of interest income; that in respect of contracts for business combinations only forward contracts, and not option contracts, are excluded from the scope of IAS 39; and that gains or losses on a cash flow hedge should be reclassified from other comprehensive income to profit or loss during the period that the hedged forecast cash flows affect profit or loss. This amendment has an effective date of 1 January 2010. This amendment does not impact on the Authority.

IFRIC 9 Reassessment of Embedded Derivatives

The amendment clarifies that embedded derivatives in contracts acquired in a business combination (as defined in IFRS 3), a combination of entities or businesses under common control, or the formation of a joint venture are outside the scope of IFRIC 9. This amendment has an effective date of 1 July 2009. The amendment does not impact on the Authority.

IFRIC 16 Hedges of a Net Investment in a Foreign Operation

The amendment removes the restriction that a hedging instrument in a hedge of a net investment in a foreign operation may not be held by that same foreign operation. This amendment has an effective date of 1 July 2009. The amendment does not impact on the Authority.

New Interpretations

IFRIC 17 Distributions of Non-cash Assets to Owners

The Interpretation provides guidance on accounting for dividends payable, where such dividends are distributions of non-cash assets or distributions that give a choice of non-cash assets or a cash alternative.

The Interpretation extends the scope of IFRS 5 to non-current assets (or disposal groups) that are classified as held for distribution to owners (acting in their capacity as owners). This amendment has an effective date of 1 July 2009. This interpretation does not impact on the Authority.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The Interpretation provides guidance on accounting for 'debt for equity swaps' (where the terms of a financial liability are renegotiated to allow the debtor to extinguish part or all of the liability by issuing its own shares to the creditor). The Interpretation applies only to renegotiated financial liabilities and addresses only the accounting by the debtor. This amendment has an effective date of 1 July 2010. This interpretation does not impact on the Authority.

Amendments to Interpretations

IFRIC 14 Prepayments of a Minimum Funding Requirement

The amendment allows, in certain circumstances, an entity to treat the prepayment of future contributions to a pension scheme where there is a minimum funding requirement as an asset. This amendment has an effective date of 1 January 2011. The amendment does not impact on the Authority.

1.1 Financing

The Authority is primarily resourced by funds approved by the House of Commons through the annual Appropriation Act. Resources are drawn down each month to meet expenditure requirements and are credited to the General Fund.

The functional currency for the UK Statistics Authority is UK Sterling; the Authority keeps a small balance of postal orders, shopping vouchers and stamps.

The Authority also retains a small balance of Euros.

1.2 Accounting Convention

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.

1.3 Fixed Assets

Property, Plant and Equipment (PPE) assets include land and buildings, computers and associated equipment, office machinery and furniture and fittings in keeping with IAS 6.

Individual assets must exceed a capitalisation threshold of £2,000 (including VAT) for inclusion as fixed assets.

PCs and office furniture items falling below the threshold (£2,000 including VAT) are capitalised as pooled assets.

Civil Estate property is occupied in Newport, Titchfield and Christchurch. The land and buildings are restated at current cost using professional valuations every five years and appropriate indices in intervening years.

The properties occupied at Titchfield, Christchurch and Newport were professionally valued as at 1 April 2010 by DVS, the commercial arm of the Valuation Office Agency who are qualified to undertake these valuations. The valuations were prepared in accordance with the appropriate sections of the Practice Statements (PS) and the United Kingdom Practice Statements (UKPS) contained within the Royal Institution of Chartered Surveyors (RICS) appraisal and valuation standards. The Authority has adjusted the closing valuations of these properties at 31 March 2010 in line with the 1 April 2010 valuations.

All PPE assets are re-valued from 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.

Intangible assets consist of proprietary software and in-house developed software and applications in keeping with IAS 38.

Proprietary software is not re-valued and is depreciated using the reducing balance method over a period of four years. In-house developed software is stated at current costs by using indices taken from the Authority's index developed by the Office for National Statistics (ONS) National Accounts Division.

Software assets must exceed a capitalisation threshold of £2,000 (including VAT) for inclusion as fixed assets.

Software items falling below the threshold (£2,000 including VAT) are capitalised as pooled assets.

1.4 Statistical Records

Statistical information has built up over many years and is stored for reference purposes. No attempt is normally 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 has been charged to the Operating Cost Statement as incurred.

1.5 Property, Plant and Equipment Depreciation

Civil Estate Land is not depreciated.

Depreciation is calculated so as to write off the re-valued cost of assets over the estimated useful economic life, as follows:

Computer assets with an acquisition value greater than £50,000 are reviewed and attributed a life of seven years where applicable. The Authority hold assets which would normally be attributed with a seven year life but have been allocated a life of four years in keeping with the context to which the usage is linked. Assets with an acquisition value less than £50,000 are allocated a life of four years.

Office machinery assets with an acquisition value greater than £50,000 are reviewed and attributed a life of 7 years where applicable. Assets with an acquisition value less than £50,000 are allocated a life of 4 years.

Furniture and fittings assets are allocated a life of 10 years.

Building and refurbishment assets are allocated a life based on the remaining life of the lease or, for Civil Estate, remaining balance of professionally allocated useful economic life.

The life of each category of each asset is reviewed annually for impairment, and is stated at depreciated historic cost.

A full year depreciation is charged in the year of acquisition with the exception of building refurbishments which are treated as follows:

Depreciation is charged as a percentage of the yearly charge as the asset is ready for use.

- Qtr1 – 100 per cent of the yearly charge
- Qtr2 – 75 per cent of the yearly charge
- Qtr3 – 50 per cent of the yearly charge
- Qtr4 – 25 per cent of the yearly charge

Intangible Amortisation

In-house developed software and applications is amortised over a life of 9 years and is charged as a percentage of the yearly charge as the asset is ready for use.

- Qtr1 – 100 per cent of the yearly charge
- Qtr2 – 75 per cent of the yearly charge
- Qtr3 – 50 per cent of the yearly charge
- Qtr4 – 25 per cent of the yearly charge

The life of each category of each asset is reviewed annually for impairment, and is stated at amortised historic cost.

Software licenses are amortised on a reducing balance basis over a life of four years.

1.6 Assets in the course of construction

PPE costs are capitalised on completion in keeping with IAS 16 & 38 and depreciated and re-valued in accordance with the policies above.

In-house bespoke software applications, accounted for under intangible assets are capitalised on completion in keeping with IAS 16 & 38 and depreciated and re-valued in accordance with the policies above.

1.7 Research and Development

The Authority undertakes certain research into statistical and survey methodology. Costs are charged to the Operating Cost Statement as they arise.

1.8 Operating Income

Operating Income relates directly to the operating activities of the Authority comprises of invoiced value of services supplied to the private sector, the wider public sector and other government departments. Income represents the value of invoices raised on completion of work and the value of work completed. Prices are calculated in accordance with *Managing Public Money* published by the HMT and aim to recover the full economic cost of their production.

1.9 Trade Receivables

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

1.10 Leases

Leases are reviewed in accordance with IAS 17.

The total cost of operating leases is expensed in equal instalments over the life of the lease.

1.11 Programme Expenditure

The costs of the Authority excluding capital costs are classed as programme expenditure.

1.12 Staff Costs

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

1.13 Capital Charge

The financial structure of the Authority does not include specific interest-bearing debt. A charge, reflecting the cost of capital utilised by the Authority, is included in operating costs. The charge is calculated at the real rate set by HMT (currently 3.5 per cent) on the average carrying amount of all assets less liabilities.

1.14 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 in 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 Statement of Financial Position date.

1.15 Pensions

Past and present employees are covered by the provisions of the Civil Service Pension Schemes that are described in Note 7 and in the Authority 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 PCSPS. In respect of the defined contribution elements of the schemes, the Authority recognises the contribution payable for the year.

1.16 Early Departure Costs

The Authority meets the responsibility of additional costs of employees who take voluntary early severance or who retire early by paying the amounts required over the period between early departure and normal retirement date. The Authority provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments which are discounted by the HMT discounted rate of 1.8 per cent. IAS 37 requires the non-current element of this provision to be recorded as Current Liabilities.

1.17 Value Added Tax (VAT)

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

1.18 Provisions

The Authority provides for legal or constructive obligations which are of uncertain timing or amount at the Statement of Financial Position date on the basis of best estimate of the expenditure required to settle the obligation. Where the effect of time value is significant, longer term provisions are discounted at the rate of 2.2 per cent, except for pension provisions which are discounted at the rate of 1.8 per cent, both rates are published by HMT. These provisions are reviewed each year in accordance with IAS 37.

1.19 Contingent Liabilities

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

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.

The Authority does not have any contingent liabilities.

1.20 Financial Instruments

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

2. First-time Adoption of IFRS

		General Fund	Revaluation Reserve
	£000	£000	£000
Taxpayers' equity at 31 March 2008 under UKGAAP		28,943	33,893
Adjustments for			
IAS 39 adjustment to non-specific provisions for bad debts	54		-
IAS 19 Employee benefits prepayment	1,555		-
IAS 19 Employee benefits accrual	(2,584)		-
Total IFRS adjustments		(975)	-
		27,968	33,893

		£000	£000
Net operating cost for 2008/09 under UK Generally Accepted Accounting Practice			209,004
Adjustments for:			
IFRS	IAS 19: Short-term employee benefits prepayment	1,492	
IFRS	IAS 19: Short-term employee benefits accrual	(5)	1,487
Prior period adjustment			
Employee performance pay not previously accrued		739	739
Net operating cost for 2008/09 under IFRS			211,230

Notes

IFRS adjustments

The date of transition to IFRS is 1 April 2008 for the purpose of preparing the opening IFRS prime statements to the accounts. The changes to taxpayers' equity at that date include:

1. IAS 39 no longer permits the inclusion of a non-specific provisions for bad debts resulting in an adjustment of £54,000.
2. IAS 19 requires the recognition of debts estimated for prepaid holiday and flexi leave; £1,555,000 taken by staff at the 31 March 2008 has been recognised as a result of the IAS 19 review of employee benefits.
3. IAS 19 has resulted in an additional £2,854,000 short term provision being recognised for holiday and flexi pay due at 31 March 2008.
4. A review of employee benefits at the 31 March 2009 resulted a net adjustment of £1,487,000 reported in Notes 13 & 15.

Prior year adjustments

Resulting from a revision of Treasury guidance on the budgetary treatment of accrued employee benefits to be implemented in 2009/10 a prior year adjustment of £739,000 was made in respect of performance related pay.

All of the above changes had no impact to the cash position of the Authority.

3. Analysis of Net Resource by Section

for the year ended 31 March 2010

						2009/10 Outturn		2009/10 Estimate	2008/09
	Admin £000	Other Current £000	Grants £000	Gross Resource Expenditure £000	A in A £000	Net Total £000	Net Total £000	Net Total outturn compared with Estimate £000	Prior-year outturn £000
Request for resources 1:To promote and safeguard the production and publication of official statistics that serve the public good									
Request for resources 1:Providing statistical services									
Central Government Spending									
Section A: Programme (gross control)	-	238,736	-	238,736	(32,261)	206,475	212,876	6,401	209,328
Resource Outturn	-	238,736	-	238,736	(32,261)	206,475	212,876	6,401	209,328

Note

The under spend was due to the need to keep within the HM Treasury budget for near cash. This budgetary limit is not part of the resource accounts.

4. Reconciliation of Outturn to Net Operating Cost Against Programme Budget

for the year ended 31 March 2010

4.1 Reconciliation of Net Resource Outturn to Net Operating Cost

	Note	Outturn	Supply Estimate	2009/10 Outturn compared with Estimate	2008/09 Outturn
		£000	£000	£000	£000
Net Resource Outturn	3	206,475	212,876	6,401	209,328
Non-supply income (CFERS)		-	-	-	(324)
IFRS adjustment - movement in holiday pay accrual and prepayment	2	-	-	-	1,487
Prior period adjustment	2	(739)	-	739	739
Net operating cost		205,736	212,876	7,140	211,230

Note

Figures for 2008/09 have been restated in line with International Financial Reporting Standards.

4.2 Outturn Against Final Programme Budget

	Note	Budget	2009/10 Outturn	2008/09 Outturn
		£000	£000	£000
IFRS adjustment - movement in holiday pay accrual and prepayment	2	-	-	1,487
Prior period adjustment	2	-	-	739
Gross Programme Budget		247,876	237,997	236,503
Income allowable against the Programme Budget		(35,000)	(32,261)	(27,499)
Net outturn against final Programme Budget		212,876	205,736	211,230

Note

Figures for 2008/09 have been restated in line with IFRS.

Budget and Estimate figures have been calculated in line with IFRS.

5. Reconciliation of Net Resources to Net Cash Requirement

for the year ended 31 March 2010

	Note	Estimate	Outturn	Net total Outturn compared with estimate: saving / (excess)
	Note	£000	£000	£000
Resource Outturn	3	212,876	206,475	6,401
Capital				
Acquisition of property, plant and equipment		15,000	14,374	626
Non operating A in A				
Proceeds of fixed asset disposals		(15)	-	(15)
Accrual adjustments				
Non-cash items	8	(34,000)	(32,115)	(1,885)
Changes in working capital other than cash		-	4,162	(4,162)
Use of provision	16	14,000	15,216	(1,216)
Net cash requirement		207,861	208,112	(251)

6. Non-operating Income – Excess A in A

for year ended 31 March 2010

	Estimate	2009/10 Outturn	2008/09 Outturn
	£000	£000	£000
Proceeds on disposal of Property Plant and Equipment Assets	(15)	-	-

6a. Analysis of Income Payable to the Consolidated Fund

In addition to appropriations in aid, the following income and receipts relate to the Department and is payable to the Consolidation Fund (cash receipts being shown in italics)

	Forecast 2009/10		Outturn 2009/10		Outturn 2008/09	
	Income	Receipts	Income	Receipts	Income	Receipts
	£000	£000	£000	£000	£000	£000
Operating income and receipts - excess A-in-A	-	-	-	-	324	*324*
Other non-operating income and receipts	-	-	-	-	15	*15*
Total income payable to the Consolidated Fund	-	-	-	-	339	339

7. Staff Numbers and Related Costs

for the year ended 31 March 2010

7.1 Staff Costs Comprise

	Total	Permanently employed staff	2009/10 Others	2008/09 (restated) Total
	£000	£000	£000	£000
Wages and salaries	91,571	88,421	3,150	89,564
Social security costs	6,370	6,310	60	5,930
Other pension costs	14,846	14,726	120	14,686
Total	112,787	109,457	3,330	110,180
Less recoveries in respect of outward secondments	(327)	(327)	-	(147)
Total net costs	112,460	109,130	3,330	110,033

The average number of full-time equivalent (FTEs) persons employed during the year was as follows:

7.2 Staff Numbers

		2009/10		2008/09
	Total FTEs	Permanently employed FTEs	Others FTEs	Total Number FTEs
Objective				
Statistical Services	3,302	3,252	50	3,158

Note

The staff numbers were averaged out on a month by month basis and relate to the number of staff on the payroll each month.

7.3 Capitalised Staff Costs

		2009/10		2008/09
	Cost £000	FTEs	Cost £000	FTEs
Computer configurations	173	9	16	1
I-Dissemination project	-	-	1,064	19
Web Development Programme	524	9	-	-
Total	697	18	1,080	20

Notes

1. Figures for 2008/09 have been restated in line with IFRS.
2. As a result of the introduction of IAS19 2008/09 figures have been restated by £1,487,000 refer to Note 2.
3. Included in the wages and salaries figure is an accrual for employee performance pay amounting to £785,000; being a net accrual movement of £46,000 on the pror year (2008/09 £739,000).
4. There is also an annual leave and flexi time net adjustment of £793,000 (2008/09 £1,408,000).
5. In addition to the figures in note 7.1, £697,320 (2008/09 £1,080,000) of salary costs have been charged to capital and are not included in the Operating Cost Statement. An analysis by capital project is provided in note 7.3.
6. Recoveries of £327,000 (2008/09: £147,000) in respect of outward secondments are shown as administration income shown in note 9.

Pensions

The Principal Civil Service Pension Schemes (PCSPS), is an unfunded multi-employer defined benefit schemes, but the Authority is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2009/10, employers' contributions of £14,652,920 were payable to the PCSPS (2008/09: £14,518,321) at one of four rates in the range of 16.7 to 24.3 per cent (2008/09: 17.1 to 25.5 per cent) of pensionable pay, based on salary bands.

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

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

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

Employers' contributions of £180,302 (2008/09 £156,298) were paid to one or more of a panel of three appointed stakeholder pension providers.

Employer contributions are age-related and range from 3 to 12.5 per cent (2008/09: 3 to 12.5 per cent) of pensionable pay.

In addition, employer contributions of £12,778 (0.8 per cent; 2008/09: £11,381, 0.8 per cent) of pensionable pay were payable to PCSPS to cover the cost of future provision of lump sum benefits to PCSPS to cover the cost of future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the Statement of Financial Position date were £20,019 (2008/09: £16,292).

Contributions prepaid at that date were nil.

2 persons (2008/09: 8 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2008/09 £nil).

These costs are centrally funded by the Civil Service Vote managed by the PPPA.

8. Programme Costs

for the year ended 31 March 2010

		2009/10		2008/09 (restated)
	£000	£000	£000	£000
Rentals under Operating leases				
Hire of plant and machines	228		282	
Other operating leases	2,182	2,410	2,581	2,863
Non-cash items				
Depreciation	15,849		12,945	
Downward Revaluation	464		690	
Loss on disposal of equipment	79		149	
Write off of aged debtors and credit notes	5		574	
Interest on Working Capital	1,691		1,880	
External Audit Fee	76		75	
Provisions	13,697		13,332	
Unwinding of discount on provisions	254	32,115	344	29,989
Travel and subsistence		7,061		6,536
Hospitality		207		174
Consultancy		17,905		13,207
Ex-gratia payments		154		26
Exchange rate losses/(gains)		37		(106)
Information technology		12,408		20,792
Accommodation		9,528		8,241
Other expenditure		3,809		3,294
Census Services		28,740		30,571
External training		1,488		1,321
Miscellaneous fees		932		1,264
Payments for carrying out surveys		4,556		6,398
Stationery		895		762
Postage		856		835
Telecommunications		2,109		2,382
		125,210		128,549

Note

The exchange rate loss of £37,000 is attributable to £3,000 of year end revaluations and £34,000 to in year sales activities.

The External Audit fee related only to the statutory audit.

9. Income

for the year ending 31 March 2010

	2009/10	2008/09
	£000	£000
Administration income	3,216	2,164
Sales of statistical data	12,961	11,941
Provision of social surveys	16,014	12,673
EU Income	70	721
	32,261	27,499

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

			2009/10			2008/09
	External	Public Sector	Total	External	Public Sector	Total
	£000	£000	£000	£000	£000	£000
Administrative income	17	3,199	3,216	99	2,065	2,164
Statistical services	2,863	26,112	28,975	2,525	22,089	24,614
EU Income	70	-	70	721	-	721
	2,950	29,311	32,261	3,345	24,154	27,499

Note

Included in the EU income is £23,702 of accrued income at 31 March 2009.

10. Property, Plant and Equipment

for the year ended 31 March 2010

	Land	Buildings	Computers	Office Machinery	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At April 2008 (restated)	10,514	55,678	19,059	3,154	9,852	98,257
Additions	-	14	593	338	707	1,652
Transfers from Assets under construction	-	2,918	489	-	-	3,407
Disposals	-	-	(1,280)	(522)	(9)	(1,811)
Reclassifications	-	453	(453)	-	-	-
Revaluations	(1,247)	(7,557)	(690)	63	872	(8,559)
At 31 March 2009	9,267	51,506	17,718	3,033	11,422	92,946
Depreciation						
At April 2008 (restated)	-	9,686	16,666	2,686	4,560	33,598
Charged in year	-	3,611	838	304	1,119	5,872
Disposals	-	-	(1,231)	(515)	(1)	(1,747)
Revaluations	-	(1,249)	-	40	445	(764)
At 31 March 2009	-	12,048	16,273	2,515	6,123	36,959
Cost or valuation						
At April 2009 (restated)	9,267	51,506	17,718	3,033	11,422	92,946
Additions	-	211	3,209	10	667	4,097
Transfers from Assets under construction	-	2,581	6,811	-	-	9,392
Disposals	-	-	(9,213)	(534)	(813)	(10,560)
Reclassifications	-	-	(5)	5	-	-
Revaluations	1,208	(30,243)	1,306	63	-	(27,666)
At 31 March 2010	10,475	24,055	19,826	2,577	11,276	68,209
Depreciation						
At April 2009 (restated)	-	12,048	16,273	2,515	6,123	36,959
Charged in year	-	3,604	3,484	236	1,194	8,518
Disposals	-	-	(9,211)	(532)	(808)	(10,551)
Reclassifications	-	-	(1)	1	-	-
Revaluations	-	(14,718)	725	42	-	(13,951)
At 31 March 2010	-	934	11,270	2,262	6,509	20,975
Net book value at 1 April 2008 (restated)	10,514	45,992	2,393	468	5,292	64,659
Net book value at 31 March 2009 (restated)	9,267	39,458	1,445	518	5,299	55,987
Net book value at 31 March 2010	10,475	23,121	8,556	315	4,767	47,234
Asset financing:						
Owned	10,475	22,585	8,556	315	4,767	46,698
Leasehold ownership	-	536	-	-	-	536
Net book value at 31 March 2010	10,475	23,121	8,556	315	4,767	47,234

Note

Included in the £4,097,000 of additions are £1,264,000 worth of capital creditors. The capital creditors brought forward from 2008/09 amounted to £157,000.

The properties at Titchfield, Christchurch and Newport were professionally valued as at 1 April 2010 by DVS, the commercial arm of the Valuation Office Agency who are qualified to undertake these valuations. The valuations were prepared in accordance with the appropriate sections of the Practice Statements (PS) and the United Kingdom Practice Statements (UKPS) contained within the RICS Appraisal and valuation Standards. The Authority has adjusted the closing valuations of these properties at the 31 March 2010 in line with the 1 April 2010 valuations given the material difference in reported net book value and valuation.

	Computer configurations	Building refurbishments	Total
	£000	£000	£000
10.1 Assets Under Construction			
At April 2008 (restated)	412	723	1,135
In year expenditure	6,888	3,536	10,424
Transfers to fixed assets	(489)	(2,918)	(3,407)
At 31 March 2009	6,811	1,341	8,152
At April 2009 (restated)	6,811	1,341	8,152
In year expenditure	-	4,730	4,730
Transfers to fixed assets	(6,811)	(2,581)	(9,392)
At 31 March 2010	-	3,490	3,490

Note

The in year expenditure of £4,730,000 includes £1,309,000 worth of capital creditors . The amount of capital creditors brought forward from 2008/09 was £788,000.

Statement of Financial Position

	2009/10 Total	2008/09 Total	First time adoption 1 April 2008
	£000	£000	£000
Non-current assets			
Net book value of property plant and equipment	47,234	55,987	64,659
Assets under construction	3,490	8,152	1,135
	50,724	64,139	65,794

11. Intangible Fixed Assets

for the year ended 31 March 2010

In-house Developed Software Applications

	NeSS projects	Odyssey projects	I-Dissemination project	Total
	£000	£000	£000	£000
Valuation				
At 1 April 2008 (restated)	12,426	22,350	-	34,776
Transfers from assets under construction	2,661	-	4,200	6,861
Revaluations	361	649	-	1,010
At 31 March 2009	15,448	22,999	4,200	42,647
Amortisation				
At 1 April 2008 (restated)	3,805	2,631	-	6,436
Charged in year	1,528	2,913	117	4,558
Revaluations	135	127	-	262
At 31 March 2009	5,468	5,671	117	11,256
Valuation				
At 1 April 2009 (restated)	15,448	22,999	4,200	42,647
Transfers from assets under construction	-	-	678	678
Revaluations	451	671	132	1,254
At 31 March 2010	15,899	23,670	5,010	44,579
Amortisation				
At 1 April 2009 (restated)	5,468	5,671	117	11,256
Charged in year	1,866	3,009	554	5,429
Revaluations	185	207	10	402
At 31 March 2010	7,519	8,887	681	17,087
Net book value at 1 April 2008 (restated)	8,621	19,719	-	28,340
Net book value at 31 March 2009 (restated)	9,980	17,328	4,083	31,391
Net book value at 31 March 2010	8,380	14,783	4,329	27,492

Note

The net book value of in-house developed software would be £24,343,585 (2008/09 £28,521,396) if historic cost accounting had been applied.

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

The Odyssey projects are a number of small projects which form a central ONS repository for data (CORD) which is fully supported by metadata. Incorporated within this is a set of standard statistical tools covering time series, estimation, disclosure and tabulation.

The i-Dissemination project is the Publication Hub which has provided for the first time a one-stop-shop for statistics users where they can find each day links to all of the new National Statistics from across Government.

Software Licenses

	2009/10 Software licences	2008/09 Software licences
	£000	£000
Valuation		
At 1 April (restated)	10,782	10,189
Additions	1,084	3,890
Disposals	(1,897)	(3,297)
Valuation at 31 March	9,969	10,782
Amortisation		
At 1 April (restated)	6,707	7,389
Charge in year	1,902	2,515
Disposals	(1,827)	(3,197)
Amortisation provision at 31 March	6,782	6,707

	2009/10 Total	2008/09 Total	First time adoption 1 April 2008
	£000	£000	£000
Net book value of software licences at 31 March	3,187	4,075	2,800

Notes

Included in the software licences additions of £1,084,000 is £2,000 capital creditors, the amount brought forward from 2008/09 is £81,000.

11.1 Assets Under Construction

	I-Dissemination project	Web Development Project	The Social Survey Repository	CPI/RPI Project	Publication Hub	NeSS Projects	Total
	£000	£000	£000	£000	£000	£000	£000
At 1 April 2008	1,777	-	-	-	-	2,661	4,438
In year expenditure	3,488	-	-	-	-	-	3,488
Disposals	(505)	-	-	-	-	-	(505)
Transfers to fixed assets	(4,200)	-	-	-	-	(2,661)	(6,861)
At 31 March 2009	560	-	-	-	-	-	560
At 1 April 2009	560	-	-	-	-	-	560
In year expenditure	1	2,659	623	999	181	-	4,463
Write off	(64)	-	-	-	-	-	(64)
Transfers to fixed assets	(497)	-	-	-	(181)	-	(678)
At 31 March 2010	-	2,659	623	999	-	-	4,281

	2009/10 Total	2008/09 Total	First time adoption 1 April 2008
	£000	£000	£000
Net book value of assets under construction at 31 March	4,281	560	4,438

Notes

Included in the additions of £4,463,000 is £31,000 capital creditors. The amount of capital creditors brought forward from 2008/09 is £133,000.

As a result of the introduction of the I-Dissemination project some work previously carried our under the Odyssey programme was stopped and subsequently reclassified as resource expenditure.

The i-Dissemination project is the Publication Hub which has provided for the first time a one-stop-shop for statistics users where they can find each day links to all of the new National Statistics from across Government.

The Web Development Programme delivers a new ONS website, with improved search and navigation. The programme also delivers new internal systems for statistical production areas to release their outputs onto the new website. As well as a new website, the programme will also provide an Application Programme Interface through which other parties will be able to directly access ONS statistics for use in their own systems.

The Social Survey Repository will replace the APS/LFS reweighting and SIR 2002 systems, based in Newport which currently weight, reweight, impute, produce derived variables, attach geographies and store the APS and LFS data. It will be built on the CASPA platform (Common Architecture for Statistical Processing and Analysis).

The development the new Consumer Prices Index (CPI) and Retail Prices Index (RPI) computer system provides a new and flexible system improving ONS's capability to continue to produce important economic indicators.

The Publication Hub Project is a website bringing together information about releases from across the Government Statistical Service (GSS). It is a central point of access for official statistics in the UK.

Statement of Financial Position

	2009/10 Total	2008/09 Total	First time adoption 1 April 2008
	£000	£000	£000
Non-current assets			
In-house developed software	27,492	31,391	28,340
Software licences	3,187	4,075	2,800
Assets under construction	4,281	560	4,438
Intangible assets	34,960	36,026	35,578

12. Financial Instruments

for the year ended 31 March 2010

As the cash requirements of the Department 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 Department's expected purchase and usage requirements and the Department in therefore exposed to little credit, liquidity or market risk.

Currency Risk

	2009/10 Non-interest bearing financial assets	2009/10 Non-interest bearing financial liabilities	2008/09 Non-interest bearing financial assets	2008/09 Non-interest bearing financial liabilities
	£000	£000	£000	£000
Euro	646	(96)	756	(57)
Gross financial assets/(liabilities)	646	(96)	756	(57)

13. Trade Receivables and Other Assets

for the year ended 31 March 2010

	2009/10	2008/09 (restated)	First time adoption 1 April 2008
	£000	£000	£000
Amounts falling due within one year:			
Trade receivables	4,352	2,683	2,648
Deposit and advances	202	132	234
Other receivables	3,067	4,760	1,130
Prepayments and accrued income	4,501	3,827	5,237
	12,122	11,402	9,249
Amounts falling after more than one year:			
Deposits and advances	39	136	142
Other debtors	274	268	257
	313	404	399
Total debtors	12,435	11,806	9,648

13.1 Intra-Government Balances

	Amounts falling due within one year			Amounts falling due in greater than one year		
	2009/10	2008/09 (restated)	First time adoption 1 April 2008	2009/10	2008/09 (restated)	First time adoption 1 April 2008
	£000	£000	£000	£000	£000	£000
Balances with other central government bodies	6,568	7,264	2,660	274	268	257
Balances with local authorities	302	30	154	-	-	-
Balances with NHS Trusts	3	17	271	-	-	-
Balances with public corporations and trading funds	22	619	29	-	-	-
Subtotal: intra-government balances	6,895	7,930	3,114	274	268	257
Balances with bodies external to government	4,740	3,224	4,579	-	-	-
Balances with staff	487	248	1,555	39	136	142
Total debtors at 31 March	12,122	11,402	9,248	313	404	399

The following is an aged analysis of total trade receivables due at the year end:

Total Trade Receivables Outstanding

	2009/10	2008/09 (restated)	First time adoption 1 April 2008
	£000	£000	£000
1-30 days	3,922	2,504	2,242
31-60 days	396	96	134
61-90 days	23	80	163
91-180 days	-	1	44
	4,341	2,681	2,583
greater than 181 days	11	2	65
	4,352	2,683	2,648

Statement of Financial Position

	2009/10	2008/09 (restated)	First time adoption 1 April 2008
	£000	£000	£000
Deposits and advances falling due after more than one year	313	404	399
Trade and other receivables	4,352	2,683	2,648
Other current assets	7,496	8,451	6,263
Financial assets	274	268	338
	12,435	11,806	9,648

Note

The figures for 2009/10 have been adjusted to reflect an in year net movement of £223,000 for pre-paid holiday pay (2008/09 £1,492,000, refer Note 2).

14. Cash and Cash Equivalents

for the year ended 31 March 2010

	2009/10	2008/09	First time adoption 1 April 2008
	£000	£000	£000
Balance at 1 April	1,011	2,435	4,028
Net change in cash and cash equivalent balances	(1,262)	(1,424)	(1,593)
Balance at 31 March	(251)	1,011	2,435
The following balances at 31st March were held at:			
Government Banking Service (prior years: Office of HM Paymaster General)	(615)	851	2,410
Commercial banks and cash in hand	46	2	25
Cash equivalents	318	158	-
Balance at 31 March	(251)	1,011	2,435

Note

The Authority keeps a balance of postal orders, Shopping vouchers and stamps which are used for incentive payments and also retains a small balance of Euros.

15. Trade Payables and Other Current Liabilities

for the year ended 31 March 2010

	2009/10	2008/09 (restated)	First time adoption 1 April 2008
	£000	£000	£000
Amounts falling due within one year:			
Other taxation and social security	2,486	2,517	2,200
Trade payables	9,650	11,371	1,850
Other payables	133	469	62
Accruals and deferred income	12,106	14,353	13,047
Amounts issued from Consolidated Fund for supply but not spent at year end	-	672	2,435
Consolidated fund extra receipts due to be paid to the Consolidated fund	-	339	-
	24,375	29,721	19,594

15.1 Intra-Government Balances

Amounts falling due within one year

	2009/10	2008/09 (restated)	First time adoption 1 April 2008
	£000	£000	£000
Balances with other central government bodies	4,583	4,942	6,181
Balances with local authorities	22	1	82
Balances with Eurostat	144	302	148
Balances with public corporations and trading funds	254	-	-
	5,003	5,245	6,411
Balances with bodies external to government	14,350	21,158	10,599
Balances with Staff (Holiday Pay and Performance Related Pay)	5,022	3,318	2,584
Total creditors at 31 March	24,375	29,721	19,594

Note

1. At 1 April 2008, accruals were adjusted for IAS 19 short-term employee benefits. This has resulted in an additional accrual amounting to £2,584,000 being recognised in respect of emplyee holiday and flexi pay due.
2. In 2008/09 accruals were adjusted to reflect a £5,000 movement for accrued holiday pay; being a reduction in the prior year accrual (see note 2).
3. Also a prior year adjustment to accruals was made, amounting to £739,000, in respect to employee performance related pay (see Note 2).
4. The 2009/10 figures reflect a net in year movement of £962,000 of accrued holiday and flexi pay; an increase on the prior year accrual.

16. Provisions for Liabilities and Charges

for the year ended 31 March 2010

	Early Departure Costs	Onerous Contracts	Bessborough Rent	Drummond Gate Dilapidations	Relocation Costs	Myddleton Street Dilapidations	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2008	19,311	6,195	2,814	1,085	970	917	708	32,000
Provided in year	5,126	9,330	-	-	-	-	20	14,476
Provisions not required written back	-	(137)	-	-	(68)	-	(489)	(694)
Provisions utilised in the year	(5,268)	(5,774)	(1,343)	(1,085)	(209)	-	(170)	(13,849)
Unwinding of discount	740	4	38	-	-	83	5	870
Rewinding of discount	(467)	-	(5)	-	-	(43)	-	(515)
Balance at 31 March 2009	19,442	9,618	1,504	-	693	957	74	32,288
Balance at 1 April 2009	19,442	9,618	1,504	-	693	957	74	32,288
Provided in year	4,498	3,827	84	7,365	-	-	-	15,774
Provisions not required written back	-	(1,899)	-	-	(104)	-	(74)	(2,077)
Provisions utilised in the year	(7,610)	(5,944)	(1,343)	-	(319)	-	-	(15,216)
Unwinding of discount	833	99	5	-	-	43	-	980
Rewinding of discount	(636)	(63)	-	-	-	(22)	-	(721)
Balance at 31 March 2010	16,527	5,638	250	7,365	270	978	-	31,028

	2009/10	2008/09	First time adoption 1 April 2008
	£000	£000	£000
Current early retirement provision	5,912	5,824	7,148
Early retirement provision due later than one year	10,615	13,618	12,163
Other provisions	14,501	12,846	12,689
	31,028	32,288	32,000

Analysis of expected timing of discounted flows

	Early Departure Costs	Onerous Contracts	Bessborough Rent	Drummond Gate Dilapidations	Relocation Costs	Myddleton Street Dilapidations	Total
	£000	£000	£000	£000	£000	£000	£000
In the remainder of the Spending Review period to 2012	5,912	4,669	250	-	270	978	12,079
Between 2013 and 2017	8,951	969	-	7,365	-	-	17,285
Between 2018 and 2022	1,664	-	-	-	-	-	1,664
Balance at 31 March 2009	16,527	5,638	250	7,365	270	978	31,028

Notes

Figures for 2008/09 have been restated in line with International Financial Reporting Standards.

Early Departure Costs

The Department 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 Department provides for this in full when the early retirement programme becomes binding on the Department by establishing a provision for the estimated payments discounted by the Treasury pensions discount rate of 1.8% in 2009/10. In previous years a Treasury provisions discount rate was applied, this change has not had a material effect on the Accounts and a prior year restatement for this adjustment has not taken place.

In 2006/07 it was announced that staff numbers in London would reduce to about 90 by the end of 2009/10, and a provision has been made for early retirement of those staff allowing for those who leave by other means, such as transfer, relocation or resignation.

The increase in the provision reflects a revision to the costs of those expected to leave in future years, and plans to reduce staff further. There is an element of uncertainty of timing of the cost of departures.

Drummond Gate Onerous Contract

As part of the decision to relocate all remaining London staff to Myddelton Street, Drummond Gate was vacated in June 2008. The property is being actively marketed and discussions are taking place with a number of potential tenants, contracts have been agreed for three out of the six floors and therefore a provision has been updated to recognise the cost of the vacant areas that will be incurred in 2010/11 and 2011/12 whilst marketing continues. The provision has been discounted by the Treasury discount rate of 2.2%.

Lancaster Court Onerous Contract

The Office leases buildings at Lancaster court in Titchfield that are surplus to its requirements, and had sub-let those to a third party who has terminated the sub-lease.

Due to the depressed state of the property market it is anticipated that we will not be able to find a tenant for the short time remaining on the lease and this estimated provision recognises the cost until the end of the lease in June 2014. The provision has been discounted by the Treasury discount rate of 2.2%.

Bessborough Rent

In June 2006 the Department disposed of the Bessborough and Rampayne annexes to it Drummond Gate Office in London as reduced staff numbers had led to a need for less office accommodation. As part of the agreement the tenant was allowed a rent free period.

Drummond Gate Dilapidations

The offices at Drummond Gate are mainly let to tenants elsewhere in the public sector. When the lease expires January 2018 it will not be renewed and the UK Statistics Authority would expect to have to pay a sum in respect of dilapidations. The provision included in based on external valuations at 31 March 2010.

Relocation Costs

As a result of the Lyons and Gershon reports, decisions were taken to relocate a number of staff from Titchfield and London. This provision represents an estimate of the costs outstanding from 2007/08 and costs expected to be incurred, and now includes additions to reflect the extension of plans to 2010/11.

Myddleton Street Dilapidations

The former Family Record Centre in Myddleton Street has space for over 300 staff and in the longer term is too large based on staff projections. We therefore plan to give notice to leave at the next lease break, when the UK Statistics Authority would expect to have to pay a sum in respect of dilapidations. This provision is discounted by the Treasury discount rate of 2.2%.

Other

Other provisions include:

Employment Tribunal
The Department does not have a provision moving forward.

Excess Fares
The Department does not have a provision moving forward.

17. Statement of Operating Costs by Departmental Strategic Objectives

for the year ended 31 March 2010

Programme expenditure have been allocated as follows

		2009/10	2008/09 (restated)
		£000	£000
Objective 1	Statistical Services	237,997	238,729

Capital Employed by Departmental Strategic Objectives at 31 March

		2009/10	2008/09 (restated)	First time adoption 1 April 2008
		£000	£000	£000
Objective 1	Statistical Services	42,465	50,973	61,861

18. Capital Commitments

for the year ended 31 March 2010

	2009/10	2008/09
	£000	£000
Contracted building refurbishments commitments	362	179
Contracted IT commitments Intangible Assets	469	2,070
Total commitments as at 31 March not otherwise included in these financial statements	831	2,249

19. Commitments Under Leases

for the year ended 31 March 2010

Operating leases

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

	2009/10	2008/09 (restated)
	£000	£000
Buildings:		
Not later than one year	5,982	5,821
Later than one year and not later than five years	22,696	22,833
Later than five years	20,665	26,203
	49,343	54,857
Other:		
Not later than one year	223	282
Later than one year and not later than five years	534	-
Later than five years	2	-
	759	282

Note

The cost of building leases include commitments for Drummond Gate. This property is being actively marketed and contracts have been agreed for three out of the six floors, the following income streams are anticipated in relation to this:

	2009/10
	£000
Not later than one year	4,199
Later than one year and not later than five years	4,614
	8,813

20. Other Financial Commitments

for the year ended 31 March 2010

The department has entered into non-cancellable contracts (which are not leases or PFI contracts), for Information Management Services, Facilities Management and services in support of the Census. The payments to which the department is committed during 2010/11:

	2009/10	2008/09
	£000	£000
Expiry within 1 year	107,912	27,358
Expiry within 2 - 5 years	97,335	162,263
Expiry thereafter	-	-
	205,247	189,621

21. Contingent Liabilities

for the year ended 31 March 2010

None.

22. Special Payments and Losses

for the year ended 31 March 2010

	2009/10	2008/09
	£000	£000
Ex-gratia claims	3	26
Special Payments	122	-
	125	26

The Authority has paid out £125,000 ex-gratia and special payments to employees in keeping with the Civil Service Management code during 2009/10 all cases were below the individual disclosure threshold of £250,000.

	2009/10	2008/09
	Number of Claims	
Ex-gratia claims	19	24
Special Payments	13	5
	32	29

23. Related Party Transactions

for the year ended 31 March 2010

The UK Statistics Authority has had various material transactions with other government departments and other central government bodies. Most of these transactions have been with:

- Department for Work and Pensions – aggregate value £8,539,669;
- Department for Communities and Local Government – aggregate value £2,667,610;
- Department for Business, Innovation and Skills – aggregate value £1,534,435;
- Department of Health – aggregate value £1,470,014;
- Department of Environment, Food and Rural Affairs – aggregate value £1,006,222; and
- Northern Ireland Statistics and Research Agency – aggregate value £1,046,287.

All of the above transactions resulted from the sale of statistical data.

No board member, key manager or other related parties have undertaken any material transactions with the Authority during the year.

24. Explanation of the Transition to IAS

for the year ended 31 March 2010

Reconciliation as at 1 of April 2008 from UK GAAP Balance Sheet to the IFRS Statement of Financial Position:

	UK GAAP	Adjusted UK GAAP		First time adoption of IFRS	Explanation	Movement
	£000	£000		£000		
Fixed assets:			**Non-current assets:**			
Tangible assets	98,572	98,572	Property, plant and equipment	65,794	1	(32,778)
Intangible assets	2,800	2,800	Intangible assets	35,578	1	32,778
Debtors falling due after more than one year	142	399	Deposits and advances falling due after more than one year	399	2	-
Current assets:			**Current assets:**			
Debtors	7,897	7,640	Trade and other receivables	2,648	2	-
			Other current assets	6,263	2	-
			Financial assets	338	2	-
					2	1,609
Cash at bank and in hand	2,435	2,435	Cash and cash equivalents	2,435		-
			Current liabilities:			
Creditors falling due within one year	(17,010)	(17,010)	Trade and other payables	(19,594)	3	(2,584)
Provisions for Liabilities and charges	(32,000)	(32,000)	Current early retirement provision	(7,148)	3	-
			Non-current liabilities:			
			Other provisions	(12,689)	4	-
			Early retirement provision	(12,163)	4	-
					4	-
	62,836	62,836		61,861		
Taxpayers' equity:			**Taxpayers' equity:**			
General fund	28,943	28,943	General fund	27,968	5	(975)
Revaluation reserve	33,893	33,893	Revaluation reserve	33,893	5	-
	62,836	62,836		61,861	5	(975)

Explanation of the transition to IFRS

2009/10 is the first year that the Authority is presenting its financial statements under IFRS in accordance with the 2009/10 Government Reporting Manual (FReM).

The date of transition to IFRS is 1 April 2008 for the purpose of preparing the opening IFRS Statement of Financial Position. Adjustments arising from differing accounting policies resulting from application of IFRS for the first time have been taken through the General fund, see Note 2.

1. Non-Current Assets:

Under UK GAAP the Authority accounted for in-house developed software as tangible assets, IAS 38 requires the reclassification of these assets as intangible assets resulting in reclassifying of £28,340,000 of in-house developed software and £4,438,000 of assets under construction from tangible to intangible assets.

2. Current assets:

Debtors falling due after more than one year: a tenant's contribution towards dilapidations was previously analysed as due within one year, during the IFRS review it was found that the initial classification was incorrect. This resulted in long term debtors increasing by £257,000.

IAS 32 Financial instrument classification allows an increased understanding of the organisations debt and timing of cash flows.

UK GAAP required a classification between amounts due within or greater than one year, as a result of the IFRS review the Authority reclassified debts accordingly.

Trade receivables are debts where sales invoices have been raised and payment is due within less than one year, in keeping with IAS 37 the inclusion of a non-specific bad debts provision of £54,000 is no longer permitted. Other current assets are prepaid invoices where costs are matched against future activities, in keeping with IAS 19 prepaid holiday and flexi leave of £1,555,000 taken by staff at 31 March 2008 was included. A financial asset of £338,000 is reclassified as an onerous contract due within one year which was previously included in Debtors figure under UK GAAP.

3. Current liabilities:

Creditors falling due within one year have been reclassified as Trade and other payables.

IAS 19 requires that the Authority recognises the liability of accrued holiday pay to enable an understanding of the impact on the financial statements. IAS 19 has resulted in an additional accrual of £2,584,000 in respect to employee holiday pay and flexi time due at the year end.

The objective of IAS 37 is to ensure that provisions, contingent liabilities and contingent assets are appropriately recognised and disclosed to enable users of the financial statements to understand their nature, timing and amount. The early retirement provision has current and non current elements which become binding as part of the early retirement programme. The current element of this provision of £7,148,000 is due within one year and cash flows are not discounted.

4. Non-current liabilities:

Other provisions excludes the early retirement provision. All provisions accounted for under this heading are discounted where the time value of money is significant using the Treasury discount rate of 2.2% (see Note 16).

The Department meets the responsibility of additional costs of employees who retire early by paying the amounts required over the period between early departure and normal retirement date. The Authority provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated non-current payments of £12,163,000, discounted by the HM Treasury discounted rate. IAS 37 requires the non-current element of this provision to be recorded as Non Current Liabilities.

5. Taxpayers' equity:

Total IFRS adjustments following transition have had a net impact on Taxpayer's equity as follows:

	£000	£000
IAS 39 adjustment to non-specific provisions for bad debts	54	
IAS 19 Employee benefits prepayment	1,555	
IAS 19 Employee benefits accrual	(2,584)	
Total IFRS adjustments		(975)

25. Events Arising After the Reporting Date

for the year ended 31 March 2010

There were no subsequent events to disclose for the year ended 31 March 2010.

26. Date of Authorisation of the Accounts

for the year ended 31 March 2010

The Accounts were authorised to be issued on 23 July 2010.

Annex – Core Tables

The following tables show expenditure records and plans over a number of years. Their content and layout is mandated by HM Treasury. Growth in future plans is mainly to fund the cost of the 2011 Census.

Table 1: Total Departmental Spending

	2004/05 Outturn	2005/06 Outturn	2006/07 Outturn	2007/08 Outturn	2008/09 Outturn	2009/10 Outturn	2010/11 Plans	2011/12 Plans
	£000	£000	£000	£000	£000	£000	£000	£000
Resource budget								
Resource DEL								
UK Statistics Authority	154,760	163,849	167,967	171,099	207,297	206,551	319,533	327,198
Total resource budget DEL	154,760	163,849	167,967	171,099	207,297	206,551	319,533	327,198
Resource AME								
UK Statistics Authority	(305)	1,204	26,292	(2,032)	(173)	(1,767)	(3,000)	(5,000)
Total resource budget AME	**(305)**	**1,204**	**26,292**	**(2,032)**	**(173)**	**(1,767)**	**(3,000)**	**(5,000)**
Total resource budget	**154,455**	**165,053**	**194,259**	**169,067**	**207,124**	**204,784**	**316,533**	**322,198**
of which: depreciation	11,631	10,242	16,441	22,873	14,209	15,849	19,925	22,000
Capital budget								
Capital DEL								
UK Statistics Authority	33,721	24,630	22,562	15,324	19,290	14,374	15,000	15,000
Total capital budget DEL	**33,721**	**24,630**	**22,562**	**15,324**	**19,290**	**14,374**	**15,000**	**15,000**
Capital AME								
Total capital budget AME	-	-	-	-	-	-	-	-
Total capital budget	**33,721**	**24,630**	**22,562**	**15,324**	**19,290**	**14,374**	**15,000**	**15,000**
Total departmental spending†								
UK Statistics Authority	176,545	179,441	200,380	161,518	212,205	203,309	311,608	315,198
Total departmental spending†	**176,545**	**179,441**	**200,380**	**161,518**	**212,205**	**203,309**	**311,608**	**315,198**
of which:								
Total DEL	**176,850**	**178,237**	**174,088**	**163,550**	**212,378**	**205,076**	**314,608**	**320,198**
Total AME	**(305)**	**1,204**	**26,292**	**(2,032)**	**(173)**	**(1,767)**	**(3,000)**	**(5,000)**
Spending by local authorities on functions relevant to the department								
Current spending	-	-	-	-	-	-	-	-
of which:								
financed by grants from budgets above	-	-	-	-	-	-	-	-
Capital spending	-	-	-	-	-	-	-	-
of which:								
financed by grants from budgets above††	-	-	-	-	-	-	-	-

Note

† Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME.

†† This includes loans written off by mutual consent that score within non-cash Resource Budgets and aren't included in the capital support to local authorities line in Table 3.

Table 2: Resource Budget DEL and AME

	2004/05 Outturn	2005/06 Outturn	2006/07 Outturn	2007/08 Outturn	2008/09 Outturn	2009/10 Outturn	2010/11 Plans	2011/12 Plans
	£000	£000	£000	£000	£000	£000	£000	£000
Resource DEL								
UK Statistics Authority	154,760	163,849	167,967	171,099	207,297	206,551	319,533	327,198
of which:								
UK Statistics Authority	154,760	163,849	167,967	171,099	207,297	206,551	319,533	327,198
Total resource budget DEL	**154,760**	**163,849**	**167,967**	**171,099**	**207,297**	**206,551**	**319,533**	**327,198**
of which:								
Pay	120,376	124,658	125,205	117,886	103,317	110,196	100,000	102,000
Procurement	22,746	30,270	21,666	31,126	90,268	107,670	193,883	203,548
Current grants and subsidies to the private sector and abroad	-	(1,343)	(350)	(846)	(721)	(70)	(350)	(350)
Current grants to local authorities	-	-	-	-	-	-	-	-
Depreciation	11,631	10,242	16,441	22,873	14,209	15,849	19,925	22,000
Resource AME								
of which								
UK Statistics Authority	(305)	1,204	26,292	(2,032)	(173)	(1,767)	(3,000)	(5,000)
Total resource budget AME	**(305)**	**1,204**	**26,292**	**(2,032)**	**(173)**	**(1,767)**	**(3,000)**	**(5,000)**
of which:								
Near-cash	-	-	-	-	-	-	-	-
of which:†								
Pay	-	-	-	-	-	-	-	-
Procurement	-	-	-	-	-	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-	-	-	-	-	-
Current grants to local authorities	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-
Total resource budget	**154,455**	**165,053**	**194,259**	**169,067**	**207,124**	**204,784**	**316,533**	**322,198**

Note

† The breakdown of near-cash in Resource DEL by economic category may exceed the total near-cash Resource DEL reported above because of other income and receipts that score in near-cash Resource DEL but aren’t included as pay, procurement, or current grants and subsidies to the private sector, abroad and local authorities.

Table 3: Capital Budget DEL and AME

	2004/05 Outturn	2005/06 Outturn	2006/07 Outturn	2007/08 Outturn	2008/09 Outturn	2009/10 Outturn	2010/11 Plans	2011/12 Plans
	£000	£000	£000	£000	£000	£000	£000	£000
Capital DEL								
UK Statistics Authority	33,721	24,630	22,562	15,324	19,290	14,374	15,000	15,000
of which:								
UK Statistics Authority	33,721	24,630	22,562	15,324	19,290	14,374	15,000	15,000
Total capital budget DEL	**33,721**	**24,630**	**22,562**	**15,324**	**19,290**	**14,374**	**15,000**	**15,000**
of which:								
Capital expenditure on fixed assets net of sales†	33,721	24,630	22,562	15,324	19,290	14,374	15,000	15,000
Capital grants to the private sector and abroad	-	-	-	-	-	-	-	-
Net lending to private sector	-	-	-	-	-	-	-	-
Capital support to public corporations	-	-	-	-	-	-	-	-
Capital support to local authorities††	-	-	-	-	-	-	-	-
Capital AME								
Total capital budget AME	-	-	-	-	-	-	-	-
Total capital budget	**33,721**	**24,630**	**22,562**	**15,324**	**19,290**	**14,374**	**15,000**	**15,000**
Of which:								
Capital expenditure on fixed assets net of sales†	33,721	24,630	22,562	15,324	19,290	14,374	15,000	15,000
Less depreciation†††	11,631	10,242	16,441	22,873	14,209	15,849	19,925	22,000
Net capital expenditure on tangible fixed assets	22,090	14,388	6,121	(7,549)	5,081	(1,475)	(4,925)	(7,000)

Note

† Expenditure by the department and non departmental public bodies on land, buildings and equipment, net of sales. Excludes spending on financial assets and grants, and public corporations' capital expenditure.

†† This does not include loans written off by mutual consent that score within non-cash Resource Budgets.

††† Included in Resource Budget.

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