The Information Centre™

knowledge for care

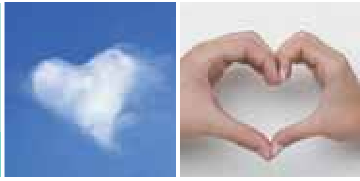
The Health and Social Care Information Centre

Annual Report and Accounts 2005/06

Information at the heart of decision making in health and social care

FOR HEALTH AND SOCIAL CARE

NHS



Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

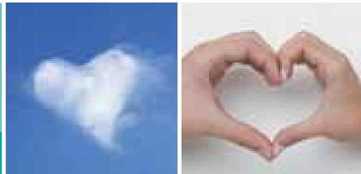
The Health and Social Care Information Centre Annual Report and Accounts 2005/06

Presented to Parliament pursuant to section 98 (1c) of the National Health Service Act 1977

Ordered by the House of Commons to be printed 6 February 2007

HC270 London: The Stationery Office £13.50

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



© Crown Copyright 2007

The text in this document (excluding any Royal Arms and departmental logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

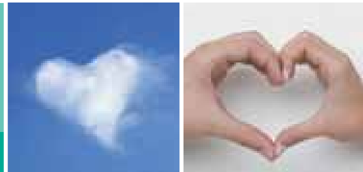
Any queries relating to the copyright in this document should be addressed to

The Licensing Division, HMSO, St Clements House, 2-16 Colegate, Norwich, NR3 1BQ.

Fax: 01603 723000
or e-mail: licensing@cabinet-office.x.gsi.gov.uk.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Contents

Contents	Page
How we measured up in 2005/06	7
Foreword - a year of progress	8
Information at the heart of decision making - why we were formed	9
Data can make a difference - our organisation	10
Our Board's vital statistics - biographies	11
Making the difference - the impact of information	14
Making the difference - our stakeholders	19
Looking ahead	24
Achievements against business objectives	26
Financial results	28
Management commentary	30
Remuneration report	32
Emoluments of Board directors	35
Statement of the Board's and Chief Executive's responsibilities	37
Statement on internal controls	38
NAO report	40
Accounts 2005/06	47

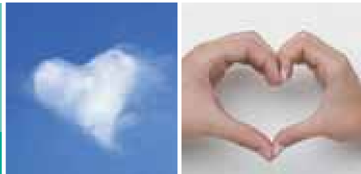
Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

How we measured up in 2005/06

Our successes

- **Production** of 120 statistical publications which our customers rely on and which we have adapted to their changing needs.
- **Providing** vital information for the understanding and improvement of care through clinical audits commissioned by the Healthcare Commission.
- The establishment of our **joint venture** with Dr Foster Intelligence.
- **Publication** of the Quality and Outcomes Framework which is critical for GP pay.
- **Making a key contribution to policy implementation** through the development of HRG 4 for Casemix services - the basis for Payment by Results.
- The **groundbreaking agreement** with Ordnance Survey helping to support and promote the use of computerised mapping across the NHS.
- **Participation** in the concordat amongst regulatory bodies to provide a single, authoritative assurance and approval process to streamline and manage the level and scope of data collected for regulatory purposes by NHS organisations.
- The **announcement** of our new brand will help to raise our profile so that our stakeholders know where to come for information and data to improve their frontline services. We also migrated services to our head office in Leeds.
- The launch of the **new** information catalogue which guides potential users of data to appropriate sources and reduces duplication in data collection.
- Providing expert advice to NHS Connecting for Health to get the Secondary Uses Service working. This is key to getting NHS organisations **access to data** which will serve many purposes.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Foreword - a year of progress

We are pleased to present the first annual report of The Health and Social Care Information Centre now known as The Information Centre for health and social care (The IC). This provides the opportunity to reflect on our first year of operation as well as look ahead to a future of continuing engagement with health and social care professionals, regulators and the public.

Creating a new organisation has been both a challenging and rewarding experience. From the outset our aims were to foster public confidence in national data, reduce the burden of collection on frontline staff and put information at the heart of decision making.

One year on, we have built on the functions inherited from our predecessor organisations; most notably the Department of Health's statistics branch and the former NHS Information Authority, to create a foundation for future growth.

Developing robust relationships with the NHS, social care providers, the Department of Health and regulatory bodies is a high priority, and we are encouraged by their strong support of the value of information and our work. Our participation in the concordat for regulatory bodies led by the Healthcare Commission is particularly notable. This provides a single authoritative assurance and approval process to streamline and manage the level and scope of data collected across the NHS and social care.

We recognise that we are still in the early stages of the journey to embed use of information within care services, but feel that we have made significant steps through our initial achievements.

Key milestones include the collection and publication of the Quality Outcomes Framework information, which is critical for the remuneration of GPs, and our groundbreaking agreement with Ordnance Survey that allows us to promote and support the use of computerised mapping across the NHS.

We aim to encourage and stimulate the development of a dynamic market for information services. As a start we have taken a new route through our 50:50 joint venture with Dr Foster LLP, to create Dr Foster Intelligence. However, this is not an exclusive arrangement. We are also actively pursuing new partnerships with a wide range of providers to ensure local organisations receive information in user friendly formats and products designed to meet the needs of decision makers.

We have been commissioned by the Healthcare Commission to deliver clinical audits for cancer, diabetes and heart disease that provide information vital in the understanding and improvement of care.

Add to this our work in the development of healthcare resource groups, which are the building blocks of Payment by Results, and the many statistical publications we have produced throughout the year, which are essential to understanding of health and social care in England.

Our achievements, during a time of foundation and growth, are a testament to the collective efforts of all our staff; those from our predecessor organisations and those new to The Information Centre. We thank them all for their support and dedication at a time of significant organisational and personal change.

Internally, we now have a robust organisation structure, based at our head office in Leeds with a small liaison office in London. We ended the year by fine-tuning our brand to become The Information Centre, delivering knowledge for care. A simpler title that aims to focus on our national presence and help ensure all using our services understand what we do.

We are not complacent about the challenges we face in a tough financial climate but by building on and exploiting existing data and information services, encouraging innovation and listening to the views of our stakeholders, we believe we can make an even greater contribution to public health and care in the year ahead.

Mike Ramsden **Chairman**

Denise Lievesley **Chief Executive**

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

In 2005 **720 million** prescriptions were dispensed in the community compared to 686 million in 2004.

Information at the heart of decision making

Why we were formed

On 22 July 2004 the Secretary of State for Health announced to the House of Commons that the number of NHS bodies working at 'arm's length' to the Department of Health (DH) would be reduced. The subsequent publication of *An Implementation Framework for Reconfiguring the DH's Arm's Length Bodies* advised that the NHS Information Authority (NHS IA) would be dissolved with functions passed to The Information Centre (then the Health and Social Care Information Centre) and NHS Connecting for Health.

The Information Centre for health and social care (The IC) was created on 1 April 2005 as a special health authority, bringing together functions from the NHS IA, the DH statistics unit and the West Yorkshire Strategic Health Authority. We populated buildings in Trevelyan Square and Lisbon House in Leeds, taking over leases previously held by the abolished NHS Estates, and began our work to put information at the heart of decision making.

Our purpose

We must understand what health and social care information is needed and why, ensure the right data is collected, establish a framework for the provision of national comparative data, evaluate and improve service delivery, set and promote standards in data collection and ensure that data is collected only once.

This will lead to the delivery of information that is accurate and up-to-date to be used for:

- developing, implementing and monitoring policy
- allocating and making efficient use of resources
- improving the quality of services
- making choices.

Mission

To be the recognised source of authoritative comparative data, providing an independent perspective on the quality, validity and application of information to support improvement in health and social care.

Vision

Information will be at the heart of decision making in health and social care.

Strategic imperatives for 2006/07

1. Developing an information culture across health and social care

The Information Centre will lead development of an information culture across health and social care, supporting and promoting the sound use and interpretation of information, and setting the standards to determine the information is fit for purpose.

2. Influence policy development and research through information

The Information Centre will provide effective information for policy development and contribute to policy development and research, ensuring information is at the heart of policy making. The Information Centre will provide expert opinion on information issues that need to inform policy development and information activities required to ensure successful policy implementation. It will lead on information sharing policy and strategy development.

3. Effective access to information for decision makers

The Information Centre will ensure information is available and accessible to support system reform and service improvement, as well as enabling effective access to information that can be used by decision makers to affect change to improve health and social care services.

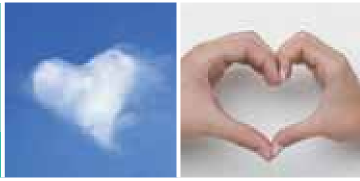
4. Information of integrity

The Information Centre is to become the primary organisation for co-ordinating and affecting the capture, production and dissemination of objective, credible and comparable information relating to health and social care. As a leading player in the information arena there is a need to reduce the burden through the management of demand and the co-ordination of requirements to ensure that the information is accurate and fit for purpose in order that it is trusted.

5. Dynamic and customer-focussed organisation

The Information Centre aims to become a dynamic and customer-focussed organisation with a motivated and skilled workforce that is flexible and responsive to changing requirements. There is a need to develop our staff individually, reward excellence at work, and ensure they have the expertise and credibility with our stakeholders and customers. The Information Centre will initiate development and training programmes and competitive financial rewards that reflect the interests and aspirations of our employees.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Data can make a difference

Our organisation

During 2005/06, we focused on developing an organisational structure that will allow us to develop our business around our strategic objectives. Each director will take responsibility for developing and implementing the business objectives that sit beneath the strategic objectives.

The Chief Executive, as Accounting Officer, is responsible for ensuring that the requirements of government accounting are met and that proper procedures are followed for ensuring the regularity and propriety of the public funds administered by The IC.

She is supported by the executive directors in achieving this and in fulfilling the strategic objectives of the organisation.

Non-executive directors have the responsibility to challenge and contribute to the development of strategy. They scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. Non-executives review the financial information and ensure that financial controls and systems of risk management are robust and defensible. Finally they ensure the Board acts in the best interests of the public and is fully accountable.

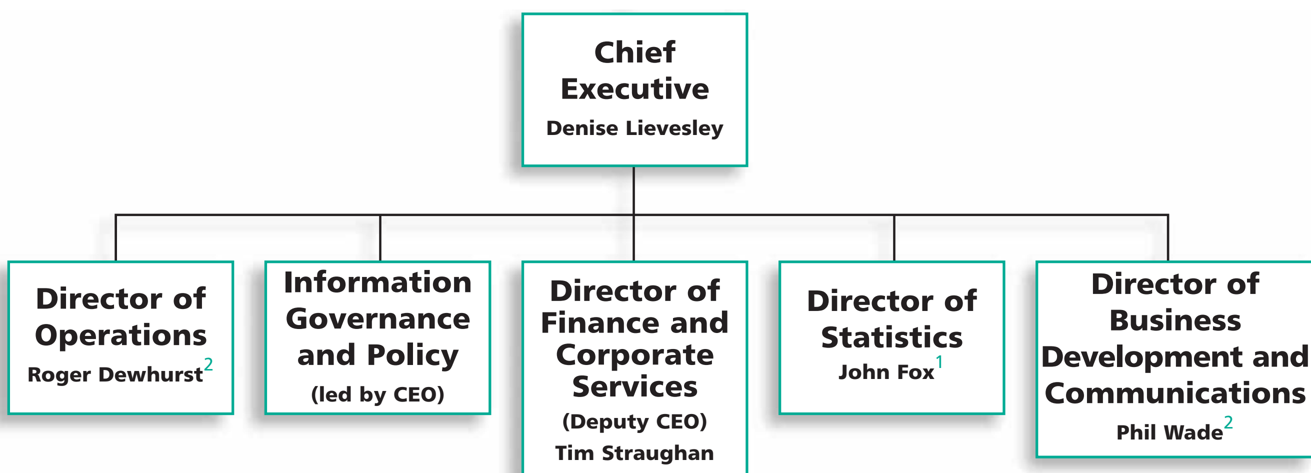
In the first year of operation the Board of The IC consisted of a Chair, five non-executive directors, a Chief Executive and two executive directors. In 2006/07 this executive team has expanded to incorporate an additional post, and the responsibilities have been re-aligned as reflected in the chart below.

The Board advises and supports the Chief Executive on a range of issues including key objectives and developing policy and strategy. There are three Board committees covering; audit and risk; information and statistical governance; remuneration. All committees are chaired by non-executive directors.

The Board ensures Board meetings are transparent with public Board meetings and papers made available via The IC website: **www.ic.nhs.uk**

The Board met nine times during 2005/06. See page 33 for more detail.

The Information Centre Management structure



[1] Retired June 2006 and post of Director of Statistics abolished

[2] New posts created March 2006 and appointments made in June 2006

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

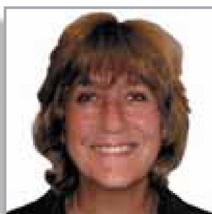
Our Board's vital statistics

Biographies of those directors in position on 31 March 2006 are as follows.

Executive directors

Mike Ramsden - Chairman

Mike commenced his career in the NHS in 1977 and worked within the Service for 26 years. He became Chief Executive of Wakefield Family Health Services Authority in 1989 and then Chief Executive of Leeds Family Health Services Authority in 1992. He was then appointed as Chief Executive of Leeds Health Authority in 1999, a position he held until the reorganisation of the service in 2002. In 2002 Mike left the NHS to become a Director of two companies specialising in consultancy and management services. At the same time Mike established Smartrisk Foundation (UK), a charity focussed on preventing injuries, particularly amongst children.



Professor Denise Lievesley - Chief Executive

Denise joined The IC from UNESCO where, as Director of Statistics, she established a new Institute for Statistics.

Prior to joining UNESCO she was the Director of the UK Data Archive and Professor of Research Methods in the mathematics department at Essex University.

Although based overseas whilst at UNESCO in Paris and then Montreal, Denise retained her academic links with the UK, as an honorary professor at the University of Durham and a visiting professor at City University where she received an honorary doctorate.

Denise has been elected President at the International Statistical Institute a role she will take up in the summer of 2007. She is a fellow of University College London.

She is a former President of the Royal Statistical Society and of the International Association for Official Statistics and is currently the international member of the Board of the American Statistical Association.

On 17 January 2006 Denise was appointed as a non-executive director of Dr Foster Intelligence to represent The Information Centre's 50 per cent shareholding in this joint venture. Future representation of The IC on the DFI Board will be reviewed to ensure continued oversight of our investment whilst ensuring appropriate commercial independence.

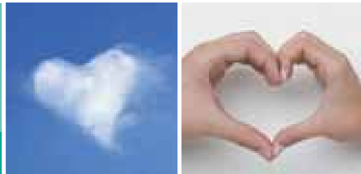
Tim Straughan - Director of Finance and Corporate Services

Tim Straughan was appointed Director of Finance and Corporate Services (Deputy Chief Executive) on 1 October 2005.

Tim joined The IC from NHS Estates where he was acting Chief Executive managing the closure of the agency and the transfer of its functions to other organisations. Prior to this he was the Finance Director and has a number of years experience working in the NHS.

Tim is a chartered accountant and trained with KPMG. He is also a qualified dentist with experience of working in general practice, hospital and community facilities.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Professor John Fox[3] - Director of Statistics

John came to The IC from the Department of Health where he was Director of Statistics. He has had a number of senior appointments in the Government Statistical Service, including Chief Medical Statistician and Director for Census, Population and Surveys in the Office for National Statistics. In the 1980s, as a Professor of Social Statistics at City University he established the Social Statistics Research Unit.

John has played an active role in the Faculty of Public Health, Royal Statistical Society, British Society for Population Studies, and Society for Social Medicine, and was a founding member of the multi-disciplinary public health forum. He is a visiting professor at the London School of Hygiene and Tropical Medicine and Vice Chair of the research resources board of the Economic and Social Research Council (ESRC).

Non-executive directors

Tony Allen - Vice-Chairman of the Board

Tony was a partner at Pricewaterhouse-Coopers between 1984 and 2005, advising a wide range of corporations, both public and private. From 2001 he was the lead partner for the firm's services to the NHS and to the Department of Health. He also led on governance and the effectiveness of boards. He is a director, and Audit Committee Chairman, of Datamonitor plc, a member of the Audit Committee at the Department for Education and Skills, a Trustee of The Wigmore Hall Trust, and a director of Allen's Wholefoods Limited, a family owned health food retail company.

Lucinda Bolton

Lucinda is a former executive director of an investment bank and has held a number of public and voluntary sector appointments. These include the Chair of Hammersmith and Fulham PCT (2002/03), Chair, and initially non-executive director, of Riverside Community Healthcare NHS Trust (1998/02), a board member of Tower Hamlets Housing Action Trust (1996/04), and Director of Old Ford Housing Association (1998/01). Her current roles include being a member of the Review Body for Nursing and Other Health Professions, a governor of Thames Valley University and acting as an independent assessor at the Department of Culture, Media and Sport. Lucinda has also held several private sector non-executive directorships.

[3] John Fox retired in June 2006.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Anthony Land

For the past five years, Anthony has completed a range of interim and advisory assignments for the board and Chief Executive of the Kensington and Chelsea Primary Care Trust in London, the General Social Care Council, the Social Care Institute for Excellence, and the Equal Opportunities Commission. This work has included business and corporate planning and the development and review of new risk management systems, financial and IT systems and corporate governance. He has been a non-executive director of the Book Trust, the Brussels-based European Office of Consumer Organisations, and the Kensington Society.

On 17 January 2006 Anthony Land was appointed as a non-executive director of Dr Foster Intelligence (DFI) to represent The Information Centre's 50 per cent shareholding in this joint venture. In addition, Anthony is the current Chairman of the DFI Board and will remain in post until January 2007 (the completion of 12 months). At that time, a representative of Dr Foster LLP will become chairperson, and Anthony will continue as a non-executive director. The role will then alternate between organisations on a 12-monthly basis. Future representation of The IC on the DFI Board will be reviewed to ensure continued oversight of our investment whilst ensuring appropriate commercial independence.

Professor Michael Pearson

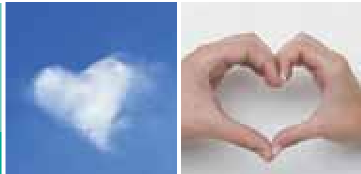
Michael has been a consultant physician at University Hospital Aintree since 1984 and Director of the Clinical Effectiveness and Evaluation unit at the Royal College of Physicians (RCP) since 1997. He also holds a chair at the University of Liverpool. His role at RCP has included leading the development of National Clinical Guidelines on behalf of The National Institute for Health and Clinical Excellence (NICE) and the establishing of National Comparative Audits linked to the Healthcare Commission. He has previously served on the National Clinical Advisory Board of the National Programme for IT and on the interim executive of the NHS Care Records Development Board.

Roger Clarkson

Roger has spent all his working life to date responding to the challenges of change in the public sector. He is currently a national advisor for the Department of Communities and Local Government working in e-government and local government modernisation. Previously in senior management roles, with ICL and IBM/PricewaterhouseCoopers' government consultancy businesses, he has led major customer focused change programmes within a wide range of organisations.

On 17 January 2006 Roger was appointed as a non-executive director of Dr Foster Intelligence to represent The Information Centre's 50 per cent shareholding in this joint venture. Future representation of The IC on the DFI Board will be reviewed to ensure continued oversight of our investment whilst ensuring appropriate commercial independence.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Making the difference

The impact of information

We measure our successes by the impact of our information on the efficiency and quality of health and social care services. We believe this can be achieved through:

streamlining data collection - ensuring that central collections of information from relevant services are appropriate, efficient and practical for their purpose and are not duplicated

bringing data together to ensure accuracy and credibility - providing the support tools to the service organisations, we are helping to ensure consistency of health and social care services across the country

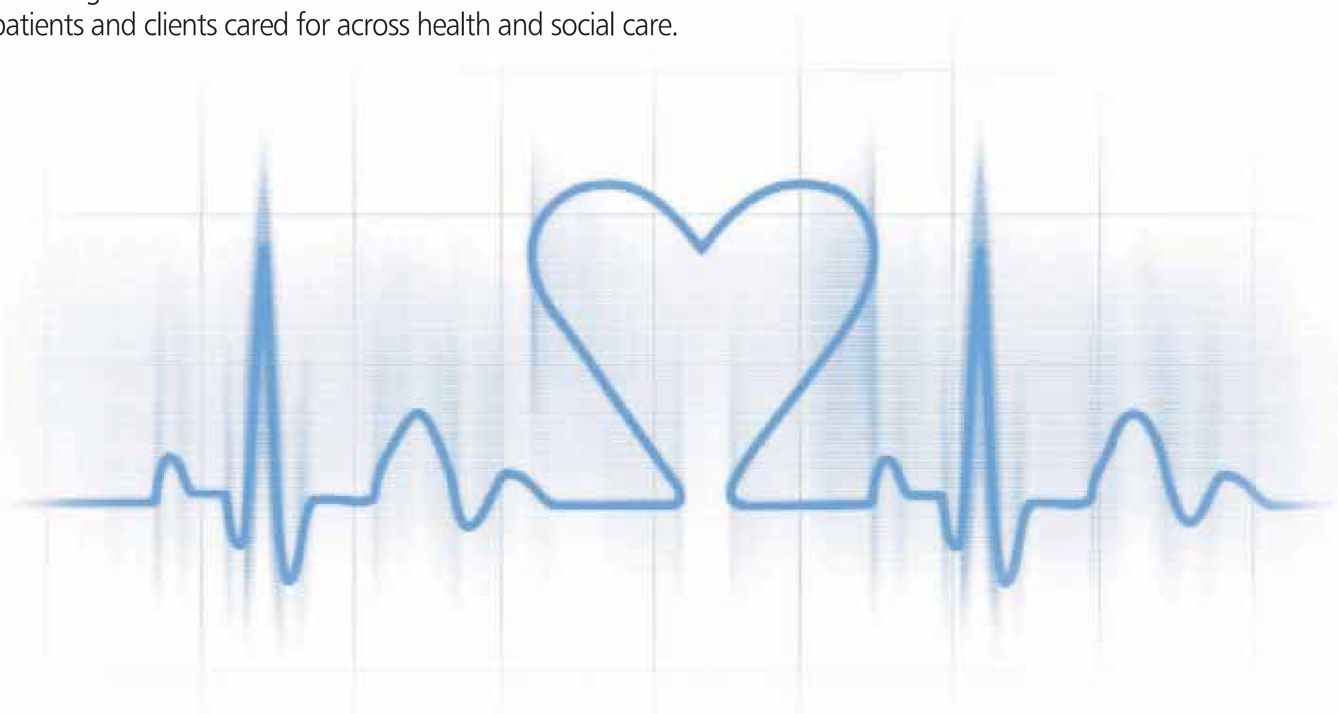
making the most of new technologies - providing quality data to support planning, commissioning of services, public health, clinical auditing, benchmarking, performance improvement, research and clinical governance

creating an information culture - ensuring the public receives good information which they can readily access with the necessary support to use it. The IC market covers the breadth of health and social care fields, including the main frontline and secondary healthcare and social care organisations in England.

Our range of services and statistics are as diverse as the patients and clients cared for across health and social care.

Our services

- **NHS clinical datasets service** - help satisfy information requirements for planning and other secondary purposes. They provide nationally approved standards specifications of data to support information analysis and usage.
- **Casemix services** including the development of Healthcare Resource Groups to support Payment by Results.
- **National clinical audit services** for conditions including heart disease, diabetes and cancer. These offer reliable and valid information to help the front line make improvements at their hospital, PCT, GP and/or other treatment centre.



Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

In 2004/05 **600,000** operations were conducted on bones and joints, an increase of 3 per cent.

National clinical audits for cancer, heart disease and diabetes

Aims

To provide clinically led, risk adjusted and strategically sound information to support the measurement of the quality of NHS care.

To improve treatment of patients and outcomes by reviewing care provided and offering reliable, valid information to help the front line make improvements to their local healthcare services.

Outcome (success) in 05/06

The IC currently delivers 14 national clinical audits on behalf of the Healthcare Commission for heart disease, cancer and diabetes.

These contracts have been won through an open tendering process.

While many of the audits have been in operation for a short time, other more established audits are already realising direct improvements in patient care.

There are many indicators of improvements including the audit on heart attacks which has led to increased timeliness of treatment given to patients in the vital period immediately following an attack. There has also been an increased uptake of effective medication when patients are discharged.

Future plans

Developing an extra audit for oesophago-gastric (stomach) cancer and competitively tendering for a national mastectomy and breast reconstruction audit.

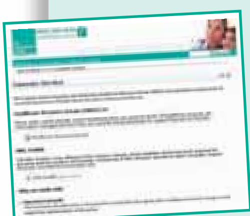
A new database will allow clinicians to assess survival of heart disease patients and their quality of life by linking multiple heart disease audits together to follow a patient's treatment and outcomes throughout their lifetime.

Changing the way finances move around the NHS. Healthcare Resource Groups and their role in Payment by Results.

Aims

Our Casemix service develops Healthcare Resource Groups (HRGs). HRGs are groupings of similar treatments that require similar levels of resources.

The delivery of Payment by Results, providing a way to standardise costs for NHS treatment and to reward providers fairly and equitably for their work.



Outcome (success) in 05/06

HRG 4 is the revised and updated version of HRGs. It will be the basis for national tariff by 1 April 2008 and reference costs by 1 April 2007.

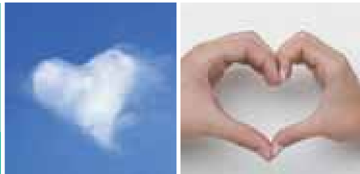
Version 4 has involved large-scale revision of existing groupings to reflect clinical practice and costs. It brings:

- increased coverage; HRG 4 covers new clinical areas such as emergency and urgent care, chemotherapy and radiotherapy
- independence of the setting; version 4 covers in-patient, day-case and out-patient activity to support treatment delivered in a variety of settings
- enhanced banding; to differentiate between simple and complex procedures
- increased flexibility to handle expensive and resource intensive elements by using multiple HRGs.

Future plans

To carry out annual revisions to HRG 4, develop casemix groupings for children's critical care and mental health and extend casemix to other healthcare settings.

Copyright © 2007, The Information Centre, Marketing and Communications. All rights reserved



Our services

- **NHS care record Secondary Uses Service (SUS)** - SUS will provide timely, anonymised patient based data and information for management and clinical purposes (other than direct clinical care) such as healthcare planning, benchmarking, clinical audit and research. The first priority for SUS is to support the implementation of Payment by Results.
- **Population and geography data services.**
- **Health informatics standards and networks.**
- **New NHS omnibus sample survey.**
- **Review of Central Returns and Technical Working Group for Social Care** - ensure that collections of data have clear purposes, are relevant to the NHS and social care communities, that they do not duplicate existing collections and are designed efficiently. This reduces the burden on the NHS staff who have responsibility for submitting the data.
- **Prescribing support unit.**

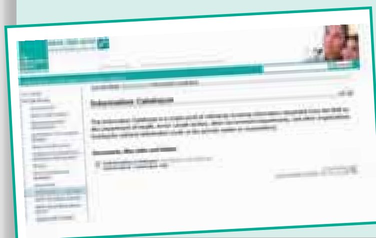
The Review of Central Returns of information requests across the NHS

Aim

To provide a single authoritative assurance and approval process to streamline and manage the level and scope of data collected from NHS organisations.

Outcome (success) in 05/06

Our participation in the Healthcare Commission-led concordat amongst regulatory bodies to agree, implement and monitor the effectiveness of ROCR processes. We have taken the lead and are influencing this process.



In 2005/06, we managed over 100 business case proposals for requests for new information from the Department of Health, arm's length bodies, regulators and other government departments. We have eliminated data collections where there is duplication, or where the burden outweighs the value.

We have also launched a revised version of the Information Catalogue. This web-based reference facility provides details of current and national data collections from across the NHS and social care. It allows those requesting information to check what information is available before developing plans to collect new data and fostering the sharing of data.

Future plans

To implement ROCR-lite (an agreement with the Healthcare Commission to streamline and manage data collections conducted by the regulatory bodies), and to pilot parallel systems in social care. To enhance and extend our online information catalogue.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

There were **670,000** hospital admissions for diseases of the respiratory system in 2004/05, down from 840,000 in 2003/04.

Data to improve health and social care

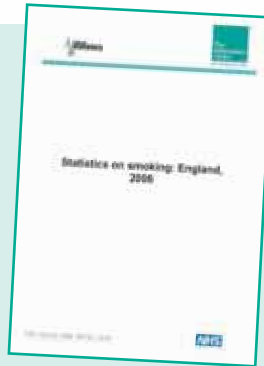
Aims

To improve the role of information in delivering health and social care services - putting information at the heart of decision making.

To extend the use of nationally collected information of health and social care in decision making at all levels from individual users of services and front line practitioners through to regulatory bodies and government.

Outcomes (success) 05/06

We produced 120 publications in our first year covering areas such as birth and contraception, neighbourhood statistics and workforce numbers.



Lifestyles publications are particularly topical and of great interest to the media. These cover smoking, drinking, drugs, obesity and exercise. A recent release on childhood obesity attracted interest from all major broadsheet newspapers and major TV and radio broadcasts e.g. BBC and ITV.

These publications raise awareness of health-related issues and inform decision making of front-line staff. This results in a more effective, efficient service.

Future plans

To make this information more accessible by applying a web-based approach to statistical publications. This enables The IC to meet its vision of 'greater use through better access to information'.

Dr Foster Intelligence (DFI): Combining public and private sector skills for the benefit of patients

The Information Centre is committed to making information more accessible across the health and social care communities. The joint venture with Dr Foster LLP, a 50:50 partnership to create Dr Foster Intelligence, marked a bold and groundbreaking move towards improving accessibility.

Discussions around the joint venture with interested parties including the DH and the Treasury began before The IC was formed. The final decision to enter the agreement was approved by the The IC Board following guidance from legal and financial advisors.

This new business, formed on 13 February 2006, combines The IC's in-depth knowledge of statistics with private sector expertise and skills, to fulfill three principal functions:

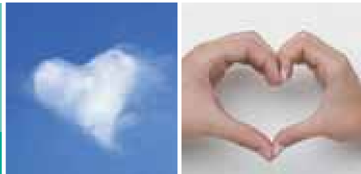
- improving patient and client care by providing information and information tools which enable clinical monitoring, benchmarking and service improvement
- providing market research services that help the public make informed choices e.g. the Good Hospital Guide
- acting as a catalyst for information improvement.

For instance, DFI identified that high impact users (those visiting hospital more than three times a year) were responsible for more than a million emergency admissions each year. Many of these people have conditions that are better managed at home or in the community, e.g. heart disease and diabetes. In response, DFI launched a High Impact User Manager service which identifies those patients at risk of repeat admission.

More recently DFI released a practice based commissioning tool that will allow access to comprehensive activity and financial information eg provider performance comparisons and details of treatments (who, what, where and how much).

Plans for the future include expanding the scope of services into the primary and social care sectors.

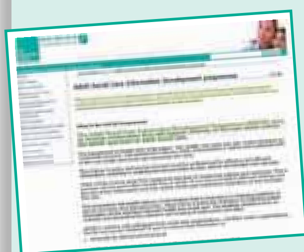
Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Our services

- **Adult Social Care Information Development** - this cross-government and multi-agency committee is chaired and serviced by The IC. It has been reviewing the information provision and matching it to emerging needs in social care in order to support the new vision for adult social care which focuses on the client rather than the separate services.
- **Supporting primary care practitioners' remuneration (QOF).**
- The provision of **data and analysis for the Healthcare Commission** and the Commission for Social Care Inspection to support performance assessment.

Adult Social Care Information Development (ASCID) programme



Aim

To coordinate and streamline the collection and promote the sharing of adult social care data for the planning, delivery and monitoring of new services.

Outcome (success) in 05/06

Significant progress made towards ensuring that social care information will reflect future requirements, particularly in relation to the Department of Health white paper, *Our health, our care, our say*, which was published in January 2006. Key achievements include:

- mapping of social care information sources across different organisations, to identify gaps, overlaps and inconsistencies between collections, and help simplify future collections
- surveying data quality issues with the Association of Directors in a number of pilot authorities, resulting in guidance and a data quality checklist to be issued during 2006/07.
- exploring how information on mental health services is recorded and used across the interface between health and social care.

Future plans

- Building on a pilot collection during 2005/06, to run a new data collection on services provided by voluntary organisations to enable vulnerable people to live more independently in their own homes.
- Broker agreement on the terminology and definitions for a core social care dataset.
- Establish protocols for joint working with key partner organisations.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Making the difference

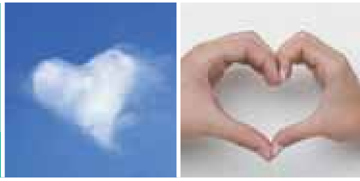
Our stakeholders

Our stakeholders rely on our data to make informed decisions and to review and learn lessons from past performance.

Our stakeholders can be grouped as:

- **the public and Parliament** - includes patients/ clients and their carers, the media, the Department of Health, ministers and select committees along with the general public
- **front-line services** - includes carers, clinicians, managers, and boards throughout the NHS and local authorities
- **national and central strategic organisations** - such as the Healthcare Commission, CSCI, Monitor, DH, Connecting for Health and the National Patients Safety Agency
- **health informatics professionals** - including those who supply micro data (patient/client level), process and manage information, and provide information services to public and private sectors
- **partner organisations** - such as Dr Foster Intelligence, the Office for National Statistics (ONS), Ordnance Survey, Northgate, Natcen and The National Centre for Health Outcomes Development (NCHOD)
- **professional organisations** - such as NHS Confederation, NHS Alliance and the Association of Directors of Social Services.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Services - lifestyle and inequalities

- Drug use, smoking, drinking among young people in England.
- Statistics on NHS stop smoking services.

Case study 1

Statistics highlight underage drinking

Secondary school children are drinking more than they used to. Average alcohol consumption of children aged 11 to 15 has rocketed from 5.3 units a week in 1990 to 10.4 in 2005. Of the 46 per cent of 15-year-olds who say they drink, boys consume an average of 13.1units - the equivalent of seven pints of beer or lager - and girls, 10.5 units. Source - *Drugs Use, Smoking and Drinking in Young People 2005*.

Alcohol Concern is the national voluntary agency on alcohol misuse. It takes a lead role in influencing policy on drink-related issues and relies heavily on The Information Centre's statistics. In particular, our compendium of alcohol statistics, which brings together a range of data, is a key reference source.

By highlighting potential levels of harm, such as binge drinking, Alcohol Concern is able to focus attention where it is needed. In a recent bid for essential funding for a project to raise young people's awareness of the problems of heavy drinking, figures on young people's binge drinking were used by them as evidence to press the case for more resources targeted at young people.

"Statistics are essential to us. These are solid facts and we use them to support all aspects of our work, to influence policy and to raise awareness. They provide the evidence that observation and qualitative analysis alone cannot deliver. The Information Centre's data is good because it is consistent, of high quality and importantly provides evidence of trends."

Anne Jenkins

Research and Information Officer

Alcohol Concern
Making Sense of Alcohol

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

In 2005 **12** per cent of pupils aged 11-15 had taken cannabis in the previous 12 months, this was not significantly different to 2004.

Statistics - sickness and health

- Admissions of people to hospital with mental health conditions.
- Hospital episodes (admitted patient care) including morbidity.
- Community care statistics.
- Health survey for England.
- Ambulance service information.

Case study 2

Drug use facts not fiction

One in five secondary school children say they tried drugs at least once in the past 12 months. Six per cent of 11-year-olds say they had taken drugs in the last year compared with a third of 15-year-olds. In total, 6 per cent of pupils used drugs at least once a month. Source - *Drugs Use, Smoking and Drinking in Young People*.

DrugScope is the UK's leading centre of expertise on drugs. Use of our statistics forms a key part of its work on informing policy to help reduce drug-related risk.

Media relations - the media consistently over-estimates levels of drug use among young people, regularly asserting that it is 'spiralling out of control' and that cannabis use in particular has become 'pandemic'. As DrugScope is committed to promoting informed debate, it is extremely valuable to have reliable statistics to hand (such as the survey on young people's drinking, smoking and drug use) in order to demonstrate that in fact it is the minority of young people who experiment with drugs.

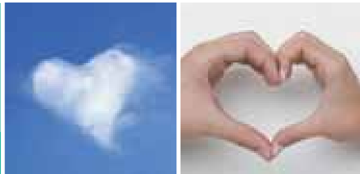
Education and Prevention - young people themselves often over-estimate levels of drug use amongst their peer group, so that their perception is that the majority of their peers are using illegal drugs. By informing and promoting normative drug education based on credible research, DrugScope can help demonstrate to young people that if they are choosing not to take drugs they are in fact in the majority.

"We provide quality information, to promote effective responses to drug taking, advice on policy making, encourage informed debate and speak for our member bodies working on the ground. The IC's statistics are invaluable to us in a number of ways. We use The Information Centre's statistics for answering enquiries from drug workers, researchers, the media, students, teachers etc looking for reliable data on the number of young people using drugs and recent patterns in usage."

Petra Maxwell

Media and Communications Manager

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Statistics - work and pay

- Sickness absence rates of NHS staff.
- NHS workforce (doctors, dentists, other health professionals).
- GP practices including remuneration, vacancies and patient care.

Case study 3

Getting the balance right

In 2005 1.3 million people were employed in the NHS. The numbers include 404,000 nurses, 122,000 consultants and GPs and a further 153,000 clinically qualified staff. There are now 37,900 more doctors and 87,300 more nurses than in 1995. Source: *NHS Staff 2005.*

How do we know the NHS has the right numbers of doctors, nurses and health professionals to ensure high quality treatment and care for patients?

The answer is found in The IC's workforce statistics. Each year we carry out an annual census of all NHS staff to build a picture of the workforce and provide insight into potential areas of shortage and over-capacity.

With one of the largest workforces in the world, planning is essential to ensure a healthy balance between staff employed and the services delivered.

Staffing data is also essential for accountability - to answer questions from sources including MPs, journalists, academics, researchers and the public, such as, "How many GPs are there in Leeds? How many radiographers were employed nationally in 2000 and how many were there in 2005?"

In 2005 alone The IC's workforce team provided the data for over 1,000 ad-hoc parliamentary questions and enquiries.

“Facts from the census statistics inform our workforce strategies, which can range from investment in education and training to international recruitment.

When considering the future we have to look not only at the current situation but also consider trends from previous years. For example, we may look at how many in a particular occupation may be retiring in the next ten years and put in place measures to ensure enough staff are coming through to replace those that leave. We also have to consider the impact of growth in the workforce to improve services.”

Guy Cross

Workforce Capacity Team

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

In 2004/05 **2.7 million** women aged between 53 and 64 were screened for breast cancer, an increase of 2 per cent on 2003/04.

Statistics - prevention and cure

- Immunisation statistics.
- Breast and cervical screening programmes.

Case study 4

Quality care wherever you live

One-in-four people who may have diabetes are undiagnosed. Source: *The National Diabetes Audit*.

Clinical audits aim to ensure that all patients receive the most effective, up-to-date and appropriate treatment, delivered by clinicians with the right skills and experience.

A key finding from the first national diabetes audit, published in September 2005, revealed that a quarter of all people who may have diabetes have not been identified, leaving them at increased risk of developing serious complications.

Other findings suggest that: almost half of women with diabetes may be undiagnosed; less than 50 per cent of diagnosed people are receiving eye examinations putting them at risk of avoidable blindness; and only 56 per cent of people with diabetes are managing their glucose levels within the guidelines set by NICE (an HbA1c less than 7.5 per cent).

The audit, designed to monitor care and assure consistent quality across the country, was carried out by The Information Centre on behalf of the Healthcare Commission.

Anna Walker, Chief Executive of the Healthcare Commission, said: "This work shows us the value of national audit. We expect to see changes as a result of this work and we will be using participation in the audit as part of our annual performance ratings for primary care trusts."

The Information Centre carries out a set of clinical audits for the Healthcare Commission covering heart disease, cancers and diabetes.

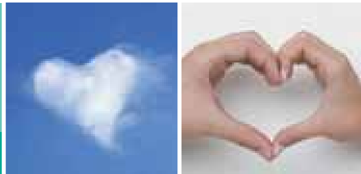
More information about the diabetes audit is available from www.ic.nhs.uk

"The use of up-to-date, accurate information is vital in improving diabetes care. The need to measure what we are doing through compiling good quality data about what we are doing, hard facts in other words, and how we use them is fundamental to delivering a world class diabetes service in the NHS. The support of The Information Centre in capturing, analysing and presenting that data in an easy to understand fashion, provides invaluable assistance to the diabetes community."

Dr Sue Roberts

National Clinical Director

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Looking ahead

We have developed a strategy for our future work and we will consult widely on this during 2006/07. We take pride in our professional leadership in the field of health and care information and are keen to ensure that the views and opinions of our stakeholders inform all aspects of everything we do.

Our principal aim is to improve the use of data for decision making within health and social care. For that data to be of value, it must be fit-for-purpose. And this is why the views of all who collect and use health and care data are of importance to us.

In the coming months we will be working with NHS Connecting for Health on the Secondary Uses Service (SUS). This will store data taken directly from patients' online NHS Care Records. It allows data collected at the point of care to be used not only to support clinical decision making but to assist with the planning and management of health services, such as benchmarking, clinical audit and commissioning.

A priority area is to support SUS in the areas of data quality and user assurance, both of which require extensive engagement with the user communities.

The collection and dissemination of Quality and Outcomes Framework (QOF) data, which rewards GP practices for the quality of care they deliver, will continue as a major part of our work programme. In 2006/07 we will introduce a new online service, which incorporates this data, to help the public find out how their GP practice has performed. Data from QOF will also be used to provide insight into national prevalence of the most common long-term conditions, such as diabetes and high blood pressure.

We will continue to maintain an awareness of existing data throughout the NHS to ensure that its value is commensurate with the costs and impact of collection. Thus, we may stop data collections which duplicate other sources or fail to show continued value. This reflects our commitment to streamlining and reducing the burden of data collection. Our aim is to collect data once, but to use it many times.

The IC places considerable emphasis on its role and responsibilities in building public confidence in all official statistics. We will provide professional leadership with respect to data standards, information governance, and the interpretation and analysis of data.

We also look forward to contributing to the consultation on government plans to legislate on independence for statistics.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

There were **50,200** alcohol related hospital admissions in 2004/05, an increase of 12 per cent from 2003/04.

What the papers said...

Our statistics hit the headlines to make front page and prime time TV news during the year, building our reputation as a provider of national statistics for health and social care.

But it's not just about headlines. Use of the media is a key channel to communicate and raise awareness of our vast range of information.

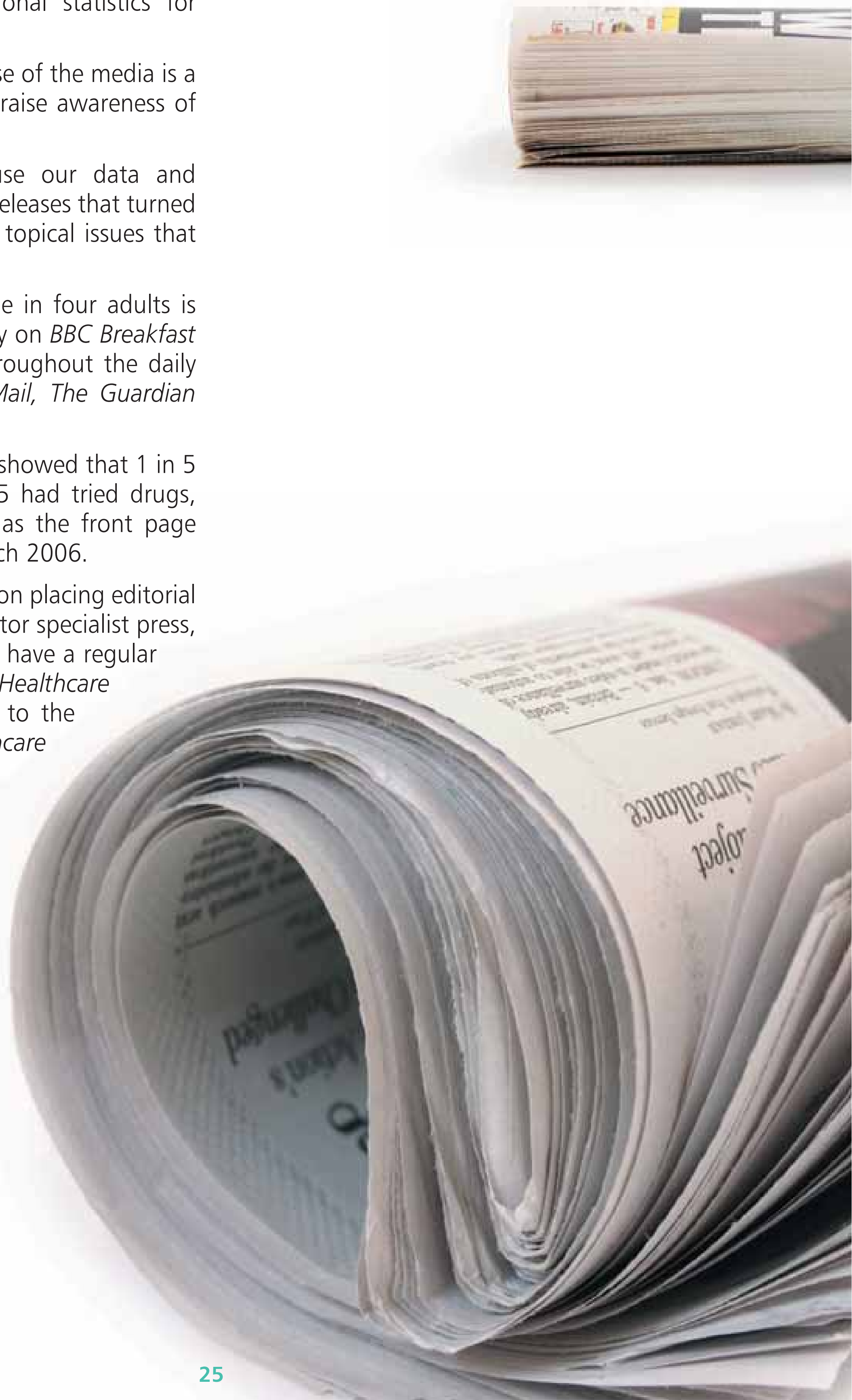
Understanding how journalists use our data and presenting it in easy-to-read press releases that turned facts and figures into news about topical issues that affect us all, has been key.

In December we reported that one in four adults is obese. This became a running story on *BBC Breakfast time,* with additional coverage throughout the daily press including *The Mirror, The Mail, The Guardian* and *The Times*.

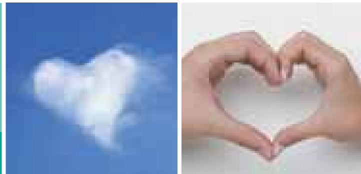
Our figures on drug taking, which showed that 1 in 5 young people between 11 and 15 had tried drugs, had similar success and featured as the front page lead story in *The Times* on 25 March 2006.

At the same time we have focused on placing editorial and news ideas with the health sector specialist press, such as *Health Service Journal*. We have a regular column in the *British Journal of Healthcare Computing* and have contributed to the BURISA newsletter, and the *Healthcare Finance* magazine among others.

We are also switched on to radio - with our Chief Executive, Professor Denise Lievesley taking part in a Radio 4 *More or Less* programme and being consulted by Radio 4's *You and Yours*.



Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Achievements against business objectives

Information of integrity

- Through competitive tender we won additional funding from the Healthcare Commission for all cancer, diabetes, and heart disease audits that are currently managed and supported by the Commission.
- The National Diabetes Audit Paediatric Report was released as a result of work by The IC's National Clinical Audit Support Programme. The report outlines findings about care for children and adolescents with diabetes for the period 2003/04 and is based on almost 10,000 patient records collected from 28 specialist children's units.
- We were awarded the Information Fair Trader Scheme Assessed Certificate. This demonstrates that we encourage the re-use of information and have reached a recognised standard of equity and transparency.
- For the first time the social care statistics team collected information on services provided to carers as part of their Referrals, Assessments and Packages of Care (RAP) publication. The information will help the Healthcare Commission improve service delivery.
- The workforce analysis team produced a report for the Mental Health Act Commission that investigated the gender, ethnicity and distance travelled of patients accessing both NHS and private mental health care.
- We managed a successful launch of the Quality and Outcomes Framework (QOF) data, which measures GP earnings against a series of performance indicators, for the first time.

Effective access to information

- The first annual report for the national head and neck cancer audit (DAHNO) was published on 31 March 2006. The findings paint an indicative picture of healthcare provision and allow clinicians to improve the quality of data and consequently patient care.
- The Information Catalogue was re-launched providing details of national, current and future data collections from the NHS, social care and arm's length bodies. It allows those requesting data to establish what information is already available.
- The DH commissioned our Omnibus team to conduct a major survey on contraceptive services. The survey will reduce the burden of data collection on frontline staff through more efficient data collection.
- Our groundbreaking agreement with Ordnance Survey supports and promotes the use of computerised mapping across the NHS.
- The Review of Central Returns (ROCR) service website details approaching deadlines for the approval of proposed data collections and the services we provide.
- The contact centre handled an average of 1,529 calls or e-mails per month.

Developing an information culture

- We established the ROCR steering committee to broaden its coverage and expertise. It reviews business cases for new and existing requests for information with the NHS.
- Members of the workforce statistics team met with counterparts in Northern Ireland, Scotland and Wales to explore how they could jointly improve UK-wide NHS employee statistics.
- Our Health Survey for England statistics revealed that one in four children are obese - this generated high profile coverage across the major daily press, major TV channels, regional press and trade journals.
- The successful brand launch, both internally and externally, saw the end of the Health and Social Care Information Centre (HSCIC), and the beginning of The Information Centre for health and social care - a new simpler title that helped us to raise our profile.
- Our Chief Executive opened the ALB workshop on 1 March 2006 by speaking about vision and strategy for The Information Centre.
- The IC hosted an ONS workshop to consider the importance of confidentiality and how to reduce the risk of disclosure. This followed the Office for National Statistics (ONS) consultation document for the disclosure review of healthcare statistics.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

In 2004/05 PCTs paid for **10.1 million** sight tests, an increase of 3 per cent on 2003/04.

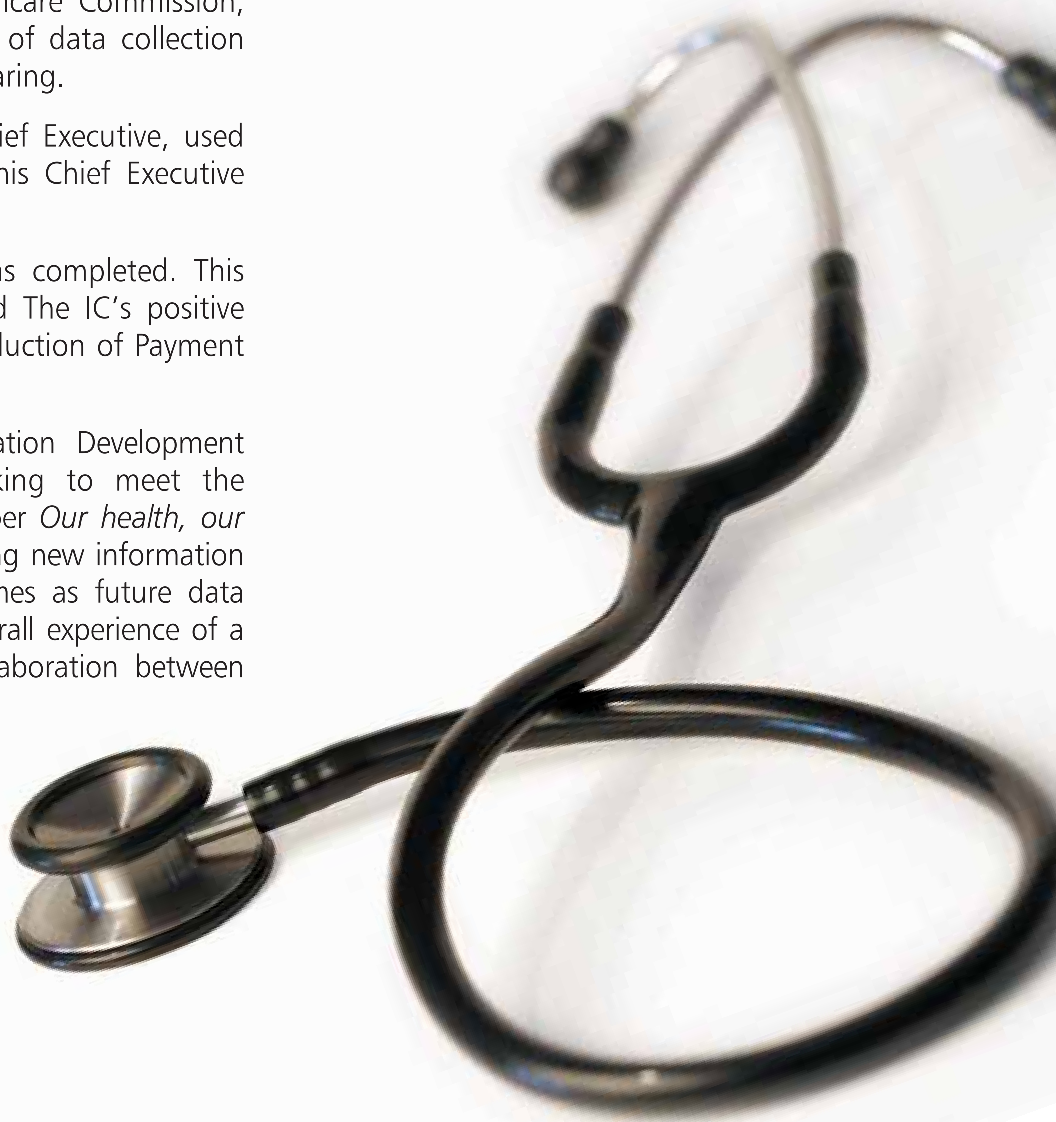
- Our 16 page HSJ supplement 'Information for Improvement' focused on the work of The IC, detailing products and services to our stakeholders.
- We created a joint venture, 'Dr Foster Intelligence', which combines the expertise and experience of our employees with the commercial insight that Dr Foster LLP offer.
- Our Chief Executive was appointed Senior Responsible Owner for the Secondary Uses Service. The project will allow the use of NHS Care Record data for purposes other then direct clinical care, for example, benchmarking, commissioning and performance improvement.

Policy development and research

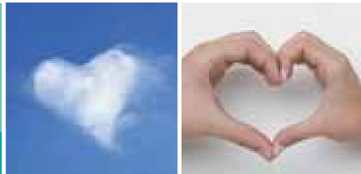
- Our concordat agreement with arm's length body regulators, including the Healthcare Commission, helped reduce the bureaucracy of data collection and encouraged information sharing.
- Sir Nigel Crisp, former NHS Chief Executive, used our HES 2005/06 statistics in his Chief Executive Report to the NHS.
- Casemix coding for HRG 4 was completed. This marked an important step, and The IC's positive contribution, towards the introduction of Payment by Results to the NHS.
- The Adult Social Care Information Development (ASCID) team has been working to meet the challenges of the DH white paper *Our health, our care, our say*. They are developing new information to measure output and outcomes as future data collections will focus on the overall experience of a user and reflects a greater collaboration between health and social care providers.

Dynamic organisation

- Our staff have been successfully assimilated to the Agenda for Change pay structure.
- We opened a new head office in Leeds as part of our relocation programme.
- Business case approval was obtained to build a new single IT network including improved service levels at all sites.
- In support of the DH's arm's length body review the shared business project has overseen the migration of the bulk of finance and accounting services to the NHS Shared Business Services. This will help us to increase efficiency.



Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Financial results

For the year ended 31 March 2006

Introduction

On 22 July 2004 the Secretary of State for Health announced in a written statement to the House of Commons, that the number of NHS bodies that work at 'arm's length' from the Department of Health would be reduced. This announcement was followed by the publication of *An Implementation Framework for Reconfiguring the Department of Health's Arm's Length Bodies* in which it was advised that the NHS Information Authority would be dissolved and certain of its functions transferred to two successor organisations: NHS Connecting for Health and the Health and Social Care Information Centre (now The IC) with effect from 1 April 2005.

The IC was created on 1 April 2005 as a special health authority under the Health and Social Care Information Centre (Establishment and Constitution) Order 2005. The IC inherited various information related functions from the NHS Information Authority, the Department of Health, West Yorkshire SHA and NHS Estates.

The accounts have been prepared under a direction issued by HM Treasury in accordance with section 5(2) of the Government Resources and Accounts Act 2000 and have been prepared in accordance with the guidelines set out in the Government Financial Reporting Manual.

Creation of The IC

The first months of The IC have without doubt been a challenging time, staff were located throughout the country on different terms and conditions of employment, differing methods of working and with an initial amount of uncertainty as to the evolving and changing role and responsibilities of The IC. In addition, much effort has been focused on centralising all functions into Trevelyan Square, Leeds. Offices at Birmingham, Exeter and Winchester were closed on 31 March 2006 and the London office is in the process of being downsized and relocated. The centralisation in Leeds will significantly improve efficiency in the longer term and create a single new organisational culture.

The IC is managed by the Chief Executive, who as an Accounting Officer, is accountable directly to Parliament. The Chief Executive is supported by a Board consisting of executive and non-executive directors who meet on a regular basis. The key governance and financial controls are documented through standing orders, standing financial instructions and a scheme of delegation. The IC is also in the process of establishing a three year strategic plan that will become the basis for its future business planning and objectives.

The principal financial systems were provided by the Prescription Pricing Authority (PPA) during the year, under a shared services SLA.

Principal activities

The principal activities of The IC are to co-ordinate and undertake the capture, production and dissemination of unbiased, credible and comparable information relating to health and social care. In addition, The IC aims to lead information policy development and contribute to the wider policy development and research, ensuring information is at the heart of decision making.

A diverse range of services is provided including:

- NHS clinical datasets services
- national clinical audit services, and support, for conditions including heart disease, diabetes and cancer
- casemix services, including the development of Healthcare Resource Groups to support Payment by Results
- NHS care record Secondary Uses Services (SUS)
- population and geography data services and
- publication and production of a diverse range of statistics on topics such as birth and contraception, sickness and health, work and pay, prevention and cure, lifestyle and inequalities and prescriptions.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Corporate governance and risk management

The IC is committed to ensuring a high standard of corporate governance. The IC Board has responsibility for defining strategy and determining resource allocations to ensure the delivery of The IC's objectives. The Board has designated three committees that have been allocated clear terms of reference to assist it, namely the Audit and Risk Committee, Remuneration Committee and the Information and Statistical Governance Committee.

Audit and Risk Committee

An Audit and Risk Committee was established in 2005 to advise the Board on all matters of audit, corporate governance, risk management, and internal control and reports directly to The IC Board.

The Committee comprises of four non-executive directors. The National Audit Office, internal auditors, Chief Executive and the Director of Finance and Corporate Services attend by invitation. Meetings are held at least on a quarterly basis. During 2005/06 there were four meetings.

Employee policies

Equal Opportunities - The IC is an equal opportunity employer. The aim is to be fair to everybody; to ensure that no eligible job applicant or employee receives less favourable treatment on the grounds of race, colour, nationality or ethnic origins, age, gender, sexual orientation, marital status, disablement, religion or religious affiliation, or is disadvantaged by conditions or requirements which cannot be shown as justifiable.

Learning and Development - The IC is committed to providing employees with proper training and development to enhance their professionalism in supporting The IC's overall objectives. A training manager has recently been recruited to ensure a proper training programme is developed and implemented.

Employee Consultation - The IC is committed to informing and consulting with staff. This year has focussed on the restructure, redeployment and relocation programmes. An intranet site has been developed to ensure that staff have access to a wide range of information. In addition, regular staff briefings are held where senior management update staff on key issues, and lunchtime seminars provide staff with detailed knowledge of particular functions within The IC.

Health and Safety - The IC recognises and accepts its legal responsibilities in relation to the health, safety and welfare of its employees and for all people using its premises. The IC will comply with the Health and Safety at Work Act 1974 and all other legislation as appropriate.

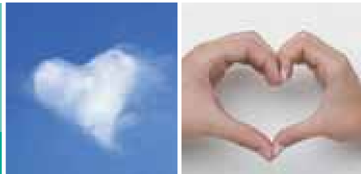
Auditors

The accounts have been audited by the Comptroller and Auditor General, who has been appointed under statute and is responsible to Parliament. The cost of the audit was £70,000.

The internal audit service during the year was provided by Bentley Jennison Risk Management Ltd.

The Accounting Officer has undertaken all steps to ensure she is aware of any relevant information and to ensure that The IC's auditors are aware of that information. As far as the Accounting Officer is aware, there is no relevant audit information of which The IC's auditors are not aware.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Management commentary

A resource limit was set prior to The IC being established at £53.1m (including £7.1m to cover the costs of the reorganisation) and £2.2m for capital expenditure with an additional non-cash allocation of £12m to fund the joint venture. It is thus pleasing to report that the first full year result indicates that The IC has reported a small underspend against this.

Inevitably, in its first year of operation, there were some variances against the original budget.

- staff costs were significantly below budget as The IC operated well below its full complement of staff throughout the year and thus there was a heavy reliance on contractors and interim staff
- IT costs were significantly above original plan due to the heavy reliance on other organisations' systems and infrastructure until The IC introduced its own IT infrastructure (ICIS) in March 2006
- accommodation costs include charges for DH properties at Quarry House and Skipton House during the re-organisation period.

Exceptional items consist of:

- the costs of centralising its functions into Leeds and London (including staff relocation, redundancy, office closures, consultancy advice)
- provisions for future lease surrender and dilapidation costs on vacated properties
- all credits and additional costs associated with the residuary body (see below)
- loss on sale of fixed assets including the transfer of software developments to the joint venture for nil consideration.

Capital expenditure in the year relates to new furniture and office refurbishment in Leeds together with the development costs of the new ICIS infrastructure. In addition software developments across a range of programme areas were transferred from the Department of Health at net book value. The investment of £12m in the joint venture is covered under fixed asset investments below.

Outstanding sales ledger balances were £364k of which only £2k was over 60 days overdue. Other debtors largely relate to the VAT recovery claim for March.

The surplus of cash at the year end is largely the result of a high level of creditors and accruals at 31 March. The PPA year end procedures stopped processing invoices to the purchase ledger in mid March, and with the transfer of service provider to Shared Business Services on 1 April, a significant number of invoices could not be processed until early April.

Fixed asset investments

The IC entered into a joint venture partnership arrangement known as Dr Foster Intelligence. This was announced by ministers on 17 January 2006 and formally launched on 13 February 2006. This arrangement aims to provide significant opportunities to best utilise private sector expertise and skills to generate improved value added information tools for use across the health and social care sector.

The IC has invested £12,000,000 to purchase a 50 per cent stake in Dr Foster Intelligence and provide initial working capital of which £9,500,000 was paid immediately and a promissory note for a further £2,500,000 to be settled in 2007. In addition some staff have been seconded and certain software products transferred to Dr Foster Intelligence. Profits and losses are to be shared equally between Dr Foster LLP and The IC.

Whilst the joint venture discussions commenced prior to the creation of The IC, the final investment decision was approved by The IC Board following extensive input from legal and financial advisors, particularly in the areas of value for money and legality. The proposal was also approved by the Department of Health and the Secretary of State for Health.

The interests of The IC are represented on the DFI Board by The IC Chief Executive and two non executive directors.

The National Audit Office have undertaken a VFM study to examine if the investment in Dr Foster Intelligence offered value for money and if the transaction was conducted fairly. The outcome of the study is reported under reference HC151. The joint venture agreement includes two contractual obligations which are disclosed in the notes to the accounts as contingent liabilities.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Residuary body

Following the dissolution of the NHS Information Authority, The IC became responsible for collecting outstanding debtors and paying outstanding creditors. Funds were provided by the Department of Health to undertake this exercise. All material balances were resolved during the year. A release of £677k has been taken and is shown in exceptional items.

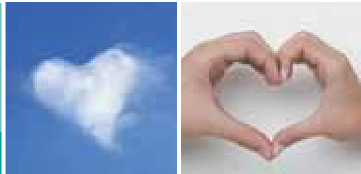
Prior year comparatives

The IC has considered the requirements of FRS 6 Acquisitions and Mergers which requires that prior year comparatives are shown for the equivalent functions taken over by The IC. Despite considerable efforts it has proved impossible to arrive at meaningful and accurate comparative data in all areas of activity that would stand full audit scrutiny due to:

- the Department of Health do not produce a balance sheet at cost centre level, thus it has not been possible to incorporate such balances (other than fixed assets)
- the NHS Information Authority produced detailed management accounts to period 12 but did not update for all the year end adjustments - it was thus impossible for The IC to identify which adjustments related to the functions transferred
- the opening Balance Sheet inherited from The NHS Information Authority includes all residuary balances including those for functions transferred to other organisations
- both the NHS Information Authority and the Department of Health produce monthly management accounts at cost centre level, but these do not incorporate an allocation basis for central service costs - assumptions have had to be made for such re-allocations.

Therefore, as a result of factors beyond the control of The IC, it has not been possible to fully comply with the requirements of FRS 6 to the satisfaction of The IC. This has been acknowledged and accepted by the Department of Health. As a result the Comptroller and Auditor General has qualified his audit report (See page 40).

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Remuneration report

This report for the year ended 31 March 2006 is produced by the Board on the recommendation of the Remuneration Committee and deals with the remuneration of the Chair, Chief Executive, and other members of the Board.

Remuneration Committee

The remuneration of the executive Board directors is set by the Remuneration Committee and is reviewed on an annual basis. The Remuneration Committee consists of the non-executive directors (including the chairman) all being required to be present. It is Chaired by Mike Ramsden.

The Chief Executive and other executive directors are not present for discussions about their own remuneration and terms of service, but may attend meetings of the committee to discuss other employee terms.

The work of the committee is supported and administered by the Chief Executive and appropriate staff.

The Remuneration Committee met once during 2005/06.

In reaching its recommendations, the Remuneration Committee has regard to:

- the need to recruit, maintain and motivate suitably able and qualified people to exercise their responsibilities
- variations in the labour markets and their effects on the recruitment and retention of staff
- recommendations of the Senior Salaries Review Body, Pay Negotiating Council and other Department of Health guidelines.

Remuneration policy

The IC aims to remunerate employees on a fair and equitable basis for the role and responsibilities undertaken in line with best practice within the Department of Health and the NHS. A major exercise has just been completed to evaluate each employee's job under the Agenda for Change (AfC) programme.

Staff who continue on civil service terms and conditions will continue to receive performance related pay (PRP) in line with the Department of Health collective agreements. A small number of staff on 'senior civil service' pay are eligible to be considered for bonuses. Staff on NHS terms and conditions will receive increments within their pay-scale under AfC guidelines. This will either be the annual increment or the gateway review depending on individual service and their point within the band.

Both PRP and AfC increments will be linked to a single individual performance and development review mechanism.

Bonus payments in 2005/06 were limited to:

- SCS scheme linked to DH collective agreement by virtue of TUPE
- a non-consolidated bonus in line with the civil service scheme for a small number of ex-civil service staff by virtue of Transfer of Undertakings Protection of Employment (TUPE)
- outstanding payment of bonus awarded by West Yorkshire Strategic Health Authority for a number of NHS staff TUPE'd from this organisation.

The Remuneration Committee is currently considering the introduction of a bonus scheme for senior managers but will keep a watching brief on any further guidance released by DH.

Service Contracts

The Chief Executive and all other members of the senior management team are employed under permanent employment contracts with six months notice period and they work for The IC full time. Early termination, other than misconduct, will come under the terms of the civil service or NHS compensation schemes as applicable.

Non-executive directors are appointed through, and follow terms and conditions of, the NHS Appointments Commission. The term for each non-executive director is for four years commencing from the dates of appointment detailed below. There is no entitlement to compensation for loss of office and there is no provision for the early termination of appointment.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

The IC Board meetings in 2005/06 - attendance of Board members

Name	Month								
	Apr 05	May 05	Jun 05	Jul 05	Sep 05	Oct 05	Nov 05	Jan 06	Mar 06
Mike Ramsden	✓	✓	✓	✓	✓	✓	✓	✓	✓
Denise Lievesley	AJ05	AJ05	AJ05	✓	✓	✓	✓	✓	✓
Tim Straughan	AO05	AO05	AO05	AO05	AO05	✗	✓	✓	✓
John Fox	✓	✓	✓	✓	✓	✗	✓	✓	✓
Robert Allen*	✓	✓	✓	✗					
David Whitaker#	✓	✓	✓	✓	✓				
Tony Allen	✓	✗	✓	✓	✓	✓	✓	✓	✓
Lucinda Bolton	✓	✓	✓	✓	✓	✓	✗	✓	✗
Anthony Land	✓	✓	✓	✓	✓	✓	✓	✗	✓
Michael Pearson	✓	✓	✓	✓	✓	✗	✓	✓	✓
Roger Clarkson	AJ05	AJ05	AJ05	✗	✓	✗	✓	✓	✓

Key: AJ05 = Appointed July 2005
AO05 = Appointed October 2005
* Interim CEO – left August 05
# Interim Director of Finance – left October 05

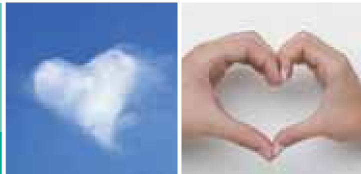
A Board meeting was not held in August 2005, December 2005 or February 2006.

Audit and Risk Committee meetings in 2005/06 - attendance of committee members

Name	Month			
	Oct 05	Nov 05	Jan 06	Mar 06
Tony Allen	✓	✓	✓	✓
Lucinda Bolton	✓	✓	✓	✓
Anthony Land	✓	✓	✗	✗
Roger Clarkson			✓	✗

The Audit and Risk Committee met four times during 2005/06.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Information and Statistical Governance meetings in 2005/06 - attendance of committee members

Name	Month Jan 06
Mike Pearson	✓
Anthony Land	✓
Denise Lievesley	✓
John Fox	✓

Remuneration Committee - attendance of committee members

Name	Month Mar 06
Mike Ramsden	✓
Mike Pearson	✓
Anthony Land	✓
Tony Allen	✓
Roger Clarkson	✓
Lucinda Bolton	✓

DFI Board meetings in 2005/06 - attendance of The IC's representatives

	Month	
Name	Feb 06	Mar 06
Denise Lievesley	✓	✓
Anthony Land	✓	✓
Roger Clarkson	✓	✓

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Emoluments of Board directors

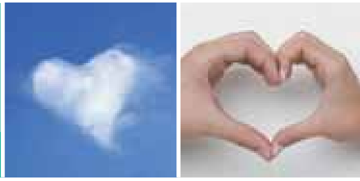
	Salary including performance pay (£000)	Real increase in pension and related lump sum at age 60 (£000)	Total accrued pension at age 60 at 31/3/06 and related lump sum	CETV at 31/3/06 (nearest £000)	CETV at 31/3/05 (nearest £000)	Real increase in CETV after adjustment for and changes in market investment factors (nearest £000)
Denise Lievesley Chief Executive **(from 4 July 2005)**	95-100	-	-	-	-	-
Tim Straughan Director of Finance and Corporate Services **(from 1 October 2005)**	45-50	0-2.5	0-2.5	7	-	7
John Fox Executive Director of Statistics **(resigned 10 June 2006)**	100 -105	0-2.5 plus 2.5-5.0 lump sum	45-50 plus 140-145 lump sum	1,162	947	28
Robert Allen Interim Chief Executive **(until 31 August 2005)**	70-75	-	-	-	-	-
David Whittaker Interim Finance Director **(until 12 October 2005)**	70-75	-	-	-	-	-
Amounts paid to non-executive directors were as follows:						
Mike Ramsden (Chairman)	60-65	-	-	-	-	-
Anthony Allen	5-10	-	-	-	-	
Lucinda Bolton	5-10	-	-	-	-	-
Michael Pearson	5-10	-	-	-	-	-
Anthony Land	5-10	-	-	-	-	-
Roger Clarkson (from 1 July 2005)	0-5	-	-	-	-	-

Emoluments of the executive directors consist of basic pay. No non-cash remuneration or benefits in kind were paid.

All the above directors were appointed on or prior to 1 April 2005 except where indicated.

Robert Allen and David Whittaker were appointed on an interim basis and the costs above relate to the fees charged by the external agency.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



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 pension 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 CETV figures, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual transferred to the civil service pension arrangements and for which the civil service vote received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions made by the employee (including the value of any benefits transferred from another pension scheme or arrangements) and uses common market valuation factors for the start and end of the period.

Denise Lievesley
Chief Executive
2 February 2007

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Statement of the Board's and Chief Executive's responsibilities

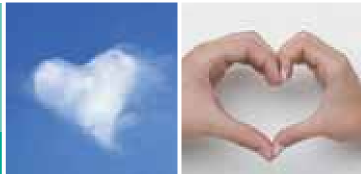
Under the National Health Service Act 1977 and directions made thereunder by the Secretary of State with the approval of Treasury, The Information Centre is required to prepare a statement of accounts for each financial year in the form, and on the basis, determined by the Secretary of State. The accounts are prepared on an accruals basis and must give a true and fair view of The IC's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

The Accounting Officer for the Department of Health has appointed the Chief Executive of The IC as the Accounting Officer, with responsibility for preparing The IC accounts and for submitting them to the Comptroller and Auditor General. Specific responsibilities include the propriety and regularity of the public finances and the keeping of proper records.

In preparing the accounts, the Board and Accounting Officer are required to:

- observe the accounts direction issued by the Secretary of State, 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 have been followed and disclose and explain any material departures in the financial statements and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that The IC will continue in operation.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Statement on internal control

Scope of responsibility

As Accounting Officer, I have responsibility, together with the Board of The Information Centre, for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible as set out in the Accounting Officers' memorandum issued by the Department of Health.

On 1 April 2005 the The Information Centre was formed as a special health authority. The senior departmental sponsor in the Department of Health is responsible for ensuring that The IC procedures operate effectively, efficiently and in the interest of the public and the NHS. I provide regular business and financial reports to the The IC Board.

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 the organisation's policies, aims and objectives
- 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 not been fully in place in The IC for the year ended 31 March 2006 although significant progress has been made during the year. I acknowledge that there have been weaknesses during 2005/06 as reported in the paragraph 'significant internal control issues' and that action has, and continues to be taken, to address these in 2006/07.

During the initial period, The IC was largely set up and managed by interim managers. I took up post on 4 July 2005 as Chief Executive. The remaining members of my management team were appointed between April 2005 and June 2006 and our internal auditors were appointed in October 2005.

Capacity to handle risk

The IC has not had an overarching assurance framework in place for the whole of the 2005/06 year. The risk management approach was largely in place at 31 March 2006 through:

- the establishment of an Audit and Risk Committee
- the approval of a risk management strategy
- ongoing board level consideration of strategic risks
- the regular reporting and updating of operational risk management activity and outcomes.

The risk and control framework

As already indicated The IC did not have a full assurance framework in place. During the year, elements of the framework covering corporate governance and the management of risk have been progressively introduced.

The risk management process was established to address the immediate operational and strategic business risks. This was the subject of executive overview and scrutiny by The IC Audit and Risk Committee and Board.

During 2005/06 The IC concentrated on the key risk management priorities as follows:

- finance, to effectively manage the financial position, finalise the various residuary body issues and to establish its longer terms needs and accounting systems through a switch of outsourced accounting supplier
- joint venture deal negotiated and completed
- operational processes, to maintain service continuity and capacity and document all operational processes and procedures
- organisational change, to manage the closure and relocation of various offices and re-establish the various functions
- communications, both internal and external
- human resources to implement standard practices and Agenda for Change.

The IC is committed to managing risks to an acceptable level on all aspects of the business activity with a clear intention to align the organisation's governance framework with its business plan.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Review of effectiveness

As Accounting Officer, I have responsibility, together with the Board, for reviewing the effectiveness of the system of internal control. My review in a normal year is informed in a number of ways. The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the assurance framework and on the controls reviewed as part of the internal audit work. Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurances. The assurance framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed. My review is also informed by the findings of the National Audit Office as the organisation's external auditors.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, and the Audit and Risk Committee and am accordingly aware of the significant issues that have been raised. A plan to address these weaknesses and ensure continuous improvement of the system has been formulated and is progressively being implemented.

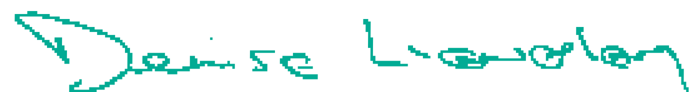
Significant internal control issues

In 2005/06 the internal control issues were identified as:

- reliance on temporary and interim staff in the initial setting up of the The IC delaying critical decisions being made
- weaknesses in some accounting controls through the very manual processes inherited with the existing outsourced supplier
- limited accounting information transferred from the former NHS Information Authority
- initial lack of an assurance framework
- merger of staff from both the NHS and DH with different approaches, terms of employment and methods of working
- compliance with Government Accounting.

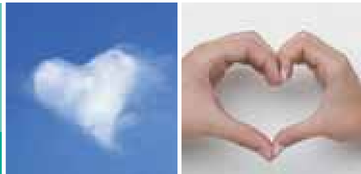
The IC acknowledges that in 2005/06 there were significant internal control issues. This was due to the fact that The IC was established without the basic infrastructure and senior management team being in place and the concentrated effort of senior managers to close the joint venture arrangements. This was achieved in the second half of the year and a determined effort has now been made to establish much tighter internal controls. This has continued from April 2006 with the transfer to a new outsourced supplier providing online accounting processes.

A detailed action plan has been implemented to ensure that The IC comply with the assurance framework requirements by the end of 2006/07. This includes detailed controls and assurance for risks at both a strategic and operational level. Each of the key strategic risks will have individual risk registers and will be reviewed in detail by the Audit and Risk Committee which has been charged by the Board to oversee and report on assurance arrangements for the whole organisation.



Denise Lievesley
Chief Executive
2 February 2007

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



NAO report

The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament

I certify that I have audited the financial statements of The Information Centre for the year ended 31 March 2006 under the National Health Service Act 1977. These comprise the Operating Cost Statement, the Balance Sheet, the Cashflow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Chief Executive and auditor

The Chief Executive is responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the National Health Service Act 1977 and directions made thereunder by the Secretary of State with the approval of the Treasury and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Chief Executive's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Health Service Act 1977 and directions made thereunder by the Secretary of State with the approval of the Treasury. I also report whether in all 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. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if The Information Centre has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on page 38 reflects The Information Centre's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Chief Executive's statement on internal control covers all risks and controls, or form an opinion on the effectiveness of The Information Centre's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report, the financial information and the Management Commentary. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to The Information Centre's circumstances, consistently applied and adequately disclosed.

I planned my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

However there was no evidence available to me to confirm the accuracy of prior year comparatives included in the financial statements due to incomplete data from the entities which formed The Information Centre. There were no other procedures I could adopt to confirm that these figures were accurate.

Qualified opinion

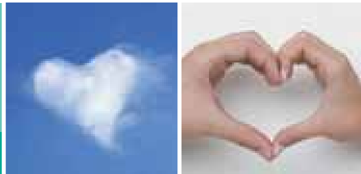
In my opinion:

- Except for any adjustments which might have been found to be necessary had I been able to obtain sufficient evidence concerning the accuracy of prior year comparative figures, the financial statements give a true and fair view, in accordance with the National Health Service Act 1977 and directions made thereunder by the Secretary of State with the approval of the Treasury, of the state of The Information Centre's affairs as at 31 March 2006 and of the resource outturn, recognised gains and losses and cashflows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Health Service Act 1977 and directions made thereunder by the Secretary of State with the approval of the Treasury; and
- in all 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.

In respect alone of the limitation on my work relating to the prior year comparative figures:

- I have not obtained all the information and explanations that I considered necessary for the purposes of my audit; and
- I was unable to determine whether proper accounting records had been maintained.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Emphasis of matter - Investment in Joint Venture with Dr Foster

In forming my opinion I have considered the results of my review of the merits of the joint venture with Dr Foster LLP, as set out in my value for money report (HC151 Session 2006-07).

Included within fixed asset investments is an amount of £12 million which relates to The Information Centre's investment in a 50:50 joint venture with Dr Foster. As described in note 1.7 to the accounts (page 50), The Information Centre's share in the joint venture with Dr Foster has been disclosed in the Balance Sheet at cost, rather than at market value as required by Treasury's Financial Reporting Manual. My value for money report highlights the payment of a strategic premium within the cost of the investment, and so it is possible that the 50% share in the joint venture is currently worth less than was paid. Despite my concerns over the valuation of the joint venture I have not qualified my opinion but draw this to your attention.

My report on pages 43 to 46 provides further details of the qualification of my audit opinion and this emphasis of matter.

John Bourn

Comptroller and Auditor General
5 February 2007

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

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Report by the Comptroller and Auditor General

Introduction

1. The Information Centre[1] was established as a Special Health Authority on 1 April 2005 to accelerate the reform of health and social care informatics in the English public sector. The Centre's main objectives are:

- To reduce the burden on front-line services from the collection of data; and
- To stimulate the reform of health and social care informatics to enable the NHS and care organisations to improve efficiency and effectiveness.

2. The Centre's role consists of a range of information and statistics responsibilities and activities previously performed by the Department of Health, the NHS Information Authority, NHS Estates and the West Yorkshire Strategic Health Authority.

My Responsibilities as Auditor

3. I am required, by the International Standards of Auditing (UK and Ireland), to obtain sufficient evidence to satisfy myself that in all material aspects, the financial statements give a true and fair view of The Information Centre's state of affairs. In forming my opinion, I examine, on a test basis, evidence supporting the amounts, disclosures and regularity of financial transactions included in the financial statements and assess the significant estimates and judgments made in preparing them. I also consider whether the accounting policies are appropriate, consistently applied and adequately disclosed.

4. I have qualified my opinion on The Information Centre's financial statements for 2005-06 because there is insufficient evidence available to support the prior year comparative figures for all aspects of the accounts. This report sets out my findings on the prior year comparatives in more detail in paragraphs 6 to 10.

5. In addition to this qualification I draw your attention to the method of valuation of The Information Centre's investment in a joint venture with Dr Foster LLP. This report sets out the background to the joint venture in paragraphs 11 to 16.

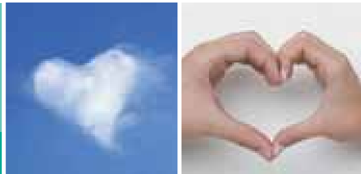
Determination of Prior Year Comparative Figures for The Information Centre

6. The Information Centre assumed some of the responsibilities of four public sector organisations when it was established on the 1st of April 2005. As a Special Health Authority The Information Centre is required, under S 7(2) of the Government Resources and Accounts Act 2000, to produce accounts which meet the reporting requirements specified in HM Treasury's Financial Reporting Manual (FReM). Where responsibilities are being transferred between public sector organisations as was the case in the establishment of The Information Centre, the FReM requires that such changes are accounted for as "mergers" and therefore should follow the requirements of Financial Reporting Standard 6, Acquisitions and Mergers (FRS 6).

7. To ensure comparability between accounting periods, the standard requires prior year comparative figures to be restated to incorporate the expenditure and income and assets and liabilities of all the merged organisations. In the case of The Information Centre, this required information on the income and expenditure and assets and liabilities in respect of the transferred functions to be provided by the Department of Health, the NHS Information Authority, NHS Estates and the West Yorkshire Strategic Health Authority.

[1] The Information Centre was established on 1 April 2005 and originally called the Health and Social Care Information Centre. It was renamed as the Information Centre shortly after although its remit and constitution remained unchanged.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



8. The Information Centre has devoted considerable time and resources to attempting to produce robust prior year comparatives for both income and expenditure, and for the balance sheet. The prior year comparative figures presented in the accounts were determined by collating all available information but The Information Centre was unable to carry out further substantiation of these figures as not all of the necessary information was available. In addition, due to the lack of available information, The Information Centre was unable to estimate the prior year comparatives for the Cash Flow Statement. The Information Centre considers that the comparative figures presented in the financial statements represent its best estimate of prior year expenditure, but acknowledges that it is not possible to confirm that accurate and complete data had been received from the previous bodies due to the way these costs had been recorded within local accounting systems.

9. In accordance with International Standards of Auditing (UK & Ireland) my opinion on the financial statements includes consideration of the prior year comparative figures. Because The Information Centre was unable to provide me with sufficient evidence to support the prior year comparative figures, and because there were no other audit procedures I could adopt to confirm that the prior year comparatives were not materially misstated, I have limited the scope of my audit opinion on these financial statements.

10. The lack of evidence to support the prior year comparatives does not have any impact on the accuracy of the balances of assets and liabilities transferred into The Information Centre ('opening balances') and so The Information Centre's determination of assets and liabilities going forward ('closing balances'). This is because The Information Centre has been able to obtain evidence to support the assets and liabilities transferred from the NHS Information Authority, and in the case of the remaining bodies it has been agreed that any further liabilities identified will be settled by the Department of Health (for Department of Health and NHS Estates balances) or West Yorkshire Strategic Health Authority and therefore these balances did not form part of The Information Centre opening balances. This qualification will therefore only apply to this year's financial statements and no further action is necessary.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Investment in the Joint Venture with Dr Foster

11. In February 2005 the Department of Health commenced negotiations to form a joint venture with a private company called Dr Foster Ltd. In July 2005, The Information Centre took over negotiations to finalise the joint venture and, in February 2006, the Secretary of State for Health announced the formation of the joint venture company - Dr Foster Intelligence Ltd.

12. Dr Foster Ltd provided data products and information to the NHS and private sector. The aim of the joint venture was to improve the use and accessibility of information across the health and social care system by bringing together the statistics expertise of The Information Centre with the marketing and private sector expertise of Dr Foster Ltd. Fifty per cent of the new company (known as Dr Foster Intelligence Ltd) is owned by The Information Centre and 50 per cent by private shareholders (Dr Foster LLP). The Information Centre's investment in the joint venture cost £12 million in cash. In addition, in the range of £1.7 to £2.5 million was paid to advisors and £1.8 million of fixed assets (at book value) were transferred to the joint venture. The exact amount paid to advisors in relation to the joint venture is uncertain as there is no detailed breakdown of some £874,000, which is attributed to advice on both the joint venture and the setting up of The Information Centre.

13. As noted above, the joint venture is disclosed as a fixed asset investment in the Balance Sheet, recorded at the cash cost of the investment of £12 million. My review showed that the £12 million paid for the 50 per cent share included a strategic premium of £2.5 to £4 million. The strategic premium was paid because the Department of Health and The Information Centre believed that it reflected the anticipated benefits to the NHS and The Information Centre of the joint venture. Due to the payment of the strategic premium, it is possible that the 50 per cent share in the investment is currently worth less than was paid.

14. In the absence of any market valuation The Information Centre have advised that they believe the cash cost to be a reasonable valuation in preparing the financial statements. The Treasury's Financial Reporting Manual requires a market valuation although, in the absence of this, allows for a "Director's valuation". Given the significance of this asset within the balance sheet and the absence of an independent valuation, I have drawn attention to the valuation by way of a matter of emphasis paragraph at the foot of my audit opinion, but my opinion is not qualified in this respect. The Information Centre will need to ensure that a market valuation is undertaken next year to provide a more reliable basis for the inclusion in the financial statements of their investment in the joint venture.

15. In addition to the fixed asset arising from the joint venture agreement, the accounts disclose two contingent liabilities resulting from the joint venture. The terms of the joint venture include a clause that requires The Information Centre to purchase Dr Foster LLP's share at market value in the event that, after the three-year period of the joint venture, Dr Foster LLP wish to sell their share of the joint venture and no other buyer can be found. This "put option" is valid from 1 January 2009 until 31 December 2013. This arrangement has been reported in Note 12 to the accounts as an unquantified contingent liability.

16. The joint venture contract also includes a clause whereby the joint venture Board could request up to £2.5 million further working capital in January 2007, thus creating a contingent liability also reported in Note 12 to the accounts. This is disclosed in Note 12 to the accounts, although the Board did not choose to exercise this option at their meeting on 19 December 2006, and this liability will therefore not crystallise. This has been confirmed in writing by the Board of Dr Foster Intelligence.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Value for Money report

17. Following the Secretary of State's announcement of the finalisation of the joint venture in February 2006, I conducted a full scale review to examine the merits of the joint venture and to highlight any lessons to be learnt. My findings are set out in my report on the joint venture, HC 151 Session 2006-07, to be published on 6 February 2007.

John Bourn

Comptroller and Auditor General
5 February 2007

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

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Operating cost statement

For the year ended 31 March 2006

	Notes	**2005/06** **£000**	Estimated 2004/05 £000
Operating cost	2.1	**44,923**	32,697
Operating income	5	**(982)**	(229)
Net operating cost before interest and exceptional items		**43,941**	32,468
Reorganisation costs	4	**7,930**	1,422
Loss on transfer of software assets	4	**1,802**	0
Residuary body transactions	4	**(677)**	0
Net operating cost		**52,996**	33,890
Net resource outturn		**52,996**	33,890

All income and expenditure is derived from continuing operations

Statement of recognised gains and losses

For the year ended 31 March 2006

		2005/06 **£000**	2004/05 £000
Unrealised surplus on the indexation of fixed assets	11.2	**11**	0
Recognised gains for the financial year		**11**	0

The notes on pages 50 to 62 form part of this account

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Balance Sheet

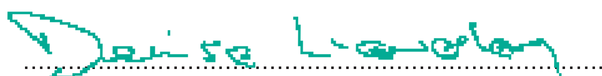
As at 31 March 2006

	Notes	**2005/06 £000**	Estimated 2004/05 £000
Fixed assets			
Intangible assets	6.1	**56**	5
Tangible assets	6.2	**3,810**	3,098
Investment	6.3	**12,000**	0
		15,866	3,103
Current assets			
Debtors	7	**1,560**	7,372
Cash at bank and in hand	8	**13,050**	0
		14,610	7,372
Current liabilities			
Creditors - amounts falling due within one year	9	**(13,028)**	(26,224)
Net current assets		**1,582**	(18,852)
Provisions for liabilities and charges	10	**(9,129)**	(709)
Net assets		**8,319**	(16,458)
Taxpayers' equity			
General fund	11.1	**8,319**	(16,491)
Revaluation reserve	11.2	**0**	33
		8,319	(16,458)

The notes on pages 50 to 62 form part of this account

The financial statements on pages 47 to 49 were approved by the Board on 25 January 2007

and signed on its behalf by



Date 2 February 2007

D Lievesley

Chief Executive

The Information Centre

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Cash Flow Statement

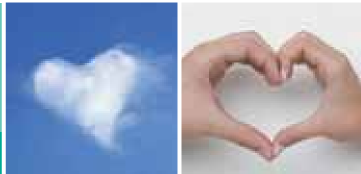
For the year ended 31 March 2006

	Notes	2005/06 £000
Net operating cost before interest for the year		**(43,941)**
Depreciation and amortisation	2.1	**910**
Capital charges	2.1	**(303)**
(Increase) / decrease in debtors		**5,812**
Increase / (decrease) in creditors		**(13,019)**
Increase / (decrease) in provisions		**(516)**
Net cash outflow from operating activities		**(51,058)**
Returns on investments and servicing of finance		
Exceptional costs		**(923)**
Capital expenditure and financial investment		
Payments to acquire intangible fixed assets	6.1	**(57)**
Payments to acquire tangible fixed assets		**(1,680)**
Fixed asset investment	6.3	**(9,500)**
Net cash outflow from investing activities		**(11,237)**
Net cash outflow before financing		**(63,218)**
Financing		
Total resource limit	11.1	**55,383**
Funding for residuary body opening balances	11.1	**20,200**
Other funding	11.1	**685**
		76,268
Increase in cash		**13,050**

The notes on pages 50 to 62 form part of this account

Prior year comparatives are not available as explained in the accounting note 1.3

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Notes to the accounts

Accounting policies

The financial statements have been prepared in accordance with the Government Financial Reporting Manual issued by HM Treasury. The particular accounting policies adopted by The Information Centre are described below. They have been consistently applied in dealing with items considered material in relation to the accounts.

1.1 Background

On 22 July 2004 the Secretary of State for Health announced that the number of NHS bodies that work at 'arm's length' from the Department of Health would be reduced. On 30 November 2004, the Secretary of State for Health announced the dissolution of the NHS Information Authority with effect from 31 March 2005 and the creation of a new body called the NHS Health and Social Care Information Centre (now The Information Centre) on 1 April 2005. Certain statistical related functions formerly of the NHS Information Authority, within the Department of Health, West Yorkshire SHA and NHS Estates were transferred into The IC during 2005/06.

The IC also became the residuary body for the NHS Information Authority with the responsibility for settling all outstanding balances. The comparative results for 2004/05 are a best estimate of the equivalent figures for these functions using merger accounting principles.

1.2 Accounting conventions

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of tangible fixed assets. This is in accordance with directions issued by the Secretary of State for Health and approved by HM Treasury.

1.3 Prior year comparisons

Prior year comparatives figures have been incorporated using the principles of FRS 6 Merger Accounting. However, despite considerable efforts it has proved impossible to arrive at meaningful and accurate comparative data that would stand full audit scrutiny. The figures included in the Operating Cost Statement are a best estimate whilst the Balance Sheet incorporates only the residuary balances from the NHS Information Authority adjusted for known balances acquired from the Department of Health. It has not been possible to provide a comparative cash flow statement.

1.4 Income

The main source of funding is a Parliamentary grant from the Department of Health within an approved cash limit, which is credited to the general fund. Parliamentary funding is recognised in the financial period in which it is received.

Operating income is accounted for by applying the accruals convention and primarily comprises of fees and charges for services provided on a full cost basis to external customers and the NHS.

1.5 Taxation

The IC is not liable to pay corporation tax. Expenditure is shown net of recoverable VAT.

1.6 Capital charges

A charge reflecting the cost of capital utilised by The Information Centre is included within operating costs.

The charge is calculated at the real rate set by HM Treasury, currently 3.5 per cent (2004/05 3.5 per cent), on the average carrying value of all assets and liabilities except for cash balances with the Office of the Paymaster General.

1.7 Joint venture

The investment in the joint venture is accounted for under the principles of FRS 9. However the carrying value for the 2005/06 accounts has been stated at the investment cost rather than market value as there has been insufficient time elapsed since the creation of the joint venture to produce a meaningful and reliable set of accounts. The full provisions of FRS 9 will be applied in the accounts for 2006/07.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

1.8 Fixed assets

a. Capitalisation

All assets falling into the following categories are capitalised:

1) Intangible assets, including purchase of computer software licences, where they are capable of being used for more than one year and have a cost, individually or as a group, equal to or greater than £5,000
2) Tangible assets which are capable of being used for more than one year, and they:
   - individually have a cost equal to or greater than £5,000
   - collectively have a cost of at least £5,000, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control or
   - form part of the initial equipping and setting up cost of a new building irrespective of their individual cost.

Personal IT equipment such as desktop computers, laptops and local printers are treated as revenue items.

b. Valuation

Intangible fixed assets are valued at historical cost. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Tangible fixed assets are stated at the lower of replacement cost and recoverable amount. They are restated to current value each year.

On initial recognition, assets are measured at cost, including any costs such as installation directly attributable to bringing them into working condition.

c. Depreciation

Depreciation is charged on each asset as follows:

1) Intangible assets are amortised, on a straight line basis, over the estimated lives of the asset
2) Purchased computer software licences are amortised over the shorter of the term of the licence and their useful economic life
3) Each equipment asset is depreciated on a straight line basis over its expected useful life as follows
   - fixtures and fittings 7 - 13 years
   - office, information technology, short life equipment. 3 - 5 years

1.9 Leases

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives or primary lease term. Rentals under operating leases are charged on a straight line basis over the terms of the lease.

1.10 Provisions

The IC provides for legal or constructive obligations that are of uncertain timing or amount at the Balance Sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

2.1 Operating and programme expenditure

	2005/06 £000	2004/05 £000
Non-executive directors' remuneration	**94**	0
Salaries and wages	**20,891**	13,657
External contractors	**13,699**	10,941
Training and conferences	**394**	338
Travel	**1,290**	887
Accommodation costs	**2,632**	2,182
Personal IT equipment	**443**	0
IT maintenance and support	**3,757**	1,830
Office services	**366**	556
Advertising and publicity	**373**	0
Capital: depreciation and amortisation	**910**	1,686
Capital charges	**(303)**	420
External auditors fees	**70**	82
Other expenditure	**307**	118
	44,923	32,697

No payments were made to the external auditors for non-audit work.

2.2 Staff numbers and related costs

	2005/06 Total Costs £000	**Permanently Employed Staff £000**	**Temporary & Contract Staff £000**	2004/05 £000
Salaries and wages	**18,819**	**8,793**	**10,026**	11,848
Social security costs	**796**	**796**	-	729
Employer superannuation contributions-NHSPA	**858**	**858**	-	530
Employer superannuation contributions-other	**512**	**512**	-	550
	20,985	**10,959**	**10,026**	13,657

The average number of employees during the year was:

2005/06 Total Number	**Permanently Employed Staff Number**	**Temporary & Contract Staff Number**	2004/05 Number
358	**264**	**94**	285

Expenditure on staff benefits

The amount spent on staff benefits during the year totalled £0 (2004/05: £0).

Retirements due to ill health

During 2005/06 there was one early retirement from The IC on the grounds of ill health. The estimated additional pension liability of this ill health retirement calculated on an average basis and borne by NHS Pensions Agency is £76,114.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Principal civil service pension scheme (PSCPS)

From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium and classic plus). The schemes are unfunded, with the costs of benefit met by monies voted by Parliament each year. Pensions payable under classic, premium and classic plus are increased annually in line with changes in the retail prices index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement 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 and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary 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 but members may give up (commute) some of their pension to provide a lump sum. Classic plus is essentially a variation of premium, but with the benefits in respect of service before 1 October 2002 calculated broadly as per classic.

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. 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). The employer also contributes 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 PCSPS scheme is an unfunded multi-employer defined benefit scheme in which the employer is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was undertaken on 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: (www.civilservice-pensions.gov.uk). For 2005/06, employer's contributions of £511,600 were paid at one of four rates in the range 16.2 per cent to 24.6 per cent. The contribution rates reflect benefits as they accrue, not the costs as they are incurred, and reflect past experience of the scheme.

NHS pension scheme

Past and present employees are covered by the provisions of the NHS pension scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State for England and Wales. As a consequence it is not possible for the employer to identify its share of the underlying scheme liabilities. The total employer contributions payable in 2005/06 was £858,444.

The scheme is subject to a full valuation by the Government Actuary every four years which is followed by a review of the employer contribution rates. The last valuation took place as at 31 March 2003 and has yet to be finalised. The last published valuation covered the period 1 April 1994 to 31 March 1999. Between valuations the Government Actuary provides an update of the scheme liabilities on an annual basis. The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the NHS pension scheme (England and Wales) resource account, published annually. These accounts can be viewed on the NHS Pensions Agency website at www.nhspa.gov.uk. Copies can also be obtained from The Stationery Office.

NHS bodies are directed by the Secretary of State to charge employers pension costs contributions to operating expenses as and when they become due. Employer contribution rates are reviewed every four years following a scheme valuation carried out by the Government Actuary. On advice from the Actuary the contribution may be varied from time to time to reflect changes in the scheme's liabilities. At the last valuation on which contribution rates were based (31 March 1999) employer contribution rates for 2005/06 were set at 14 per cent of pensionable pay (14 per cent for 2004/05). Until 2002/03 HMT paid the retail price indexation costs of the NHS pension scheme direct but as part of the Spending Review Settlement, these costs have been devolved in full.

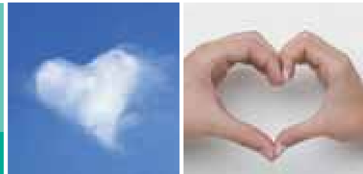
The scheme is a 'final salary' scheme. Annual pensions are normally based on 1/80th of the best of the last three years pensionable pay for each year of service. A lump sum normally equivalent to three years pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50 per cent of the member's pension is normally payable to the surviving spouse.

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. Additional pension liabilities arising from early retirement are not funded by the scheme except where the retirement is due to ill-health. For early retirements not funded by the scheme, the full amount of the liability for the additional costs is charged to the Operating Cost Statement account at the time The IC commits itself to the retirement, regardless of the method of payment.

A death gratuity of twice final years pensionable pay for death in service, and up to five times their annual pension for death after retirement, less pensions already paid, subject to a maximum amount equal to twice the member's final years pensionable pay less their retirement lump sum for those who die after retirement is payable.

The scheme provides the opportunity to members to increase their benefits through money purchase additional voluntary contributions (AVCs) provided by an approved panel of life companies. Under the arrangement the employee can make contributions to enhance their pension benefits. The benefits payable relate directly to the value of the investments made.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



2.3 Better Payment Practice Code - measure of compliance

	Number	£000
Total NHS bills paid 2005/06	**88**	**519**
Total NHS bills paid within target	**85**	**513**
Percentage of NHS bills paid within target	**96.6%**	**98.8%**
Total non NHS bills paid 2005/06	**6,411**	**26,025**
Total non NHS bills paid within target	**6,302**	**25,327**
Percentage of non NHS bills paid within target	**98.3%**	**97.3%**

The Better Payment Practice code requires all valid invoices to be paid by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

No interest was paid under the Late Payment of Commercial Debt (Interest) Act 1998 or any compensation payments made.

3.1 Reconciliation of net operating cost to net resource outturn

	2005/06 £000	2004/05 £000
Net operating cost	**43,941**	32,468
Exceptional costs	**9,055**	1,422
Net resource outturn	**52,996**	33,890
Revenue resource limit	**53,133**	
Underspend against revenue resource limit	**137**	

It has not been possible to separately identify the revenue resource limit for 2004/05 as this was not specifically allocated by function.

3.2 Reconciliation of gross capital expenditure to capital resource limit

	2005/06 £000	2004/05 £000
Gross capital expenditure	**14,238**	1,075
Capital resource limit	**14,250**	
Underspend against capital resource limit	**12**	

It has not been possible to separately identify the capital resource limit for 2004/05 as this was not specifically allocated by function.

3.3 Funding for the joint venture

The IC was allocated a resource limit and cash limit for 2005/06 as detailed above in note 3.1 and 3.2. Inevitably, as a new body there were no opening balances and it was soon identified that there would be a significant amount of closing creditors and accruals resulting in excess cash at the year end. It was agreed with the Department of Health to use this cash to partially fund the joint venture investment of £9.5m. Consequently, a capital resource allocation has been provided without an equivalent cash allocation.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

4. Exceptional costs

	2005/06 £000	2004/05 £000
Reorganisation costs	**7,930**	1,422
Loss on transfer of software assets	**1,802**	0
Residuary body transactions	**(677)**	0
	9,055	1,422

Reorganisation costs relate to the closure of previous NHS Information Authority offices in Birmingham, Exeter and Winchester in order to centralise all activities into Leeds with a small office in London. Costs include staff redundancies, consultancy fees, loss on sale of fixed assets and lease surrender and delapidation provisions. The Department of Health agreed to contribute towards these costs by an increased resource limit allocation.

Certain software assets that are an integral part of the functions transferred to the new joint venture operation, Dr Foster Intelligence, were transferred for nil consideration.

The residuary body balances relates to the finalisation of all opening balances inherited from the NHS Information Authority.

5. Operating income

	2005/06 £000	2004/05 £000
Consultancy services	**809**	229
Publications and training events	**44**	-
Other	**129**	-
	982	229

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

6.1 Intangible fixed assets

	Software Licences £000
Gross cost at 1 April 2005	43
Additions - purchased	57
Disposals	(43)
Gross cost at 31 March 2006	**57**
Accumulated amortisation at 1 April 2005	38
Provided during the year	6
Disposals	(43)
Accumulated amortisation at 31 March 2006	**1**
Net book value at 1 April 2005	5
Net book value at 31 March 2006	**56**

6.2 Tangible fixed assets

	Information Technology £000	Software £000	Fixtures & Fittings £000	Total £000
Cost or Valuation				
At 1 April 2005	306	3,653	979	4,938
Additions	1,306	324	551	2,181
Transfers	-	1,798	-	1,798
Revaluation	-	-	13	13
Disposals	(306)	(2,154)	(992)	(3,452)
At 31 March 2006	**1,306**	**3,621**	**551**	**5,478**
Depreciation				
At 1 April 2005	234	1,250	356	1,840
Provided during the year	77	746	81	904
Revaluation	-	-	2	2
Disposals	(292)	(351)	(435)	(1,078)
At 31 March 2006	**19**	**1,645**	**4**	**1,668**
Net book value at 1 April 2005	72	2,403	623	3,098
Net book value at 31 March 2006	**1,287**	**1,976**	**547**	**3,810**

The total amount of depreciation charged in the Operating Cost Statement in respect of assets held under finance leases and hire purchase contracts was £nil.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

6.3 Fixed asset investment

	31 March 2006 £000	31 March 2005 £000
Investment in joint venture	**12,000**	0

On 17 January 2006, The IC entered into a joint venture arrangement known as Dr Foster Intelligence. The IC acquired 50 per cent of the ordinary share capital and also provided working capital. The remaining share capital is owned by Dr Foster LLP. The investment was satisfied by a £9,500,000 cash payment and a further £2,500,000 promissory note due in 2007.

The accounting date for Dr Foster Intelligence is 31 December.

The purpose of Dr Foster Intelligence is to transform the quality and efficiency of the English health and social care informatics market by providing authoritative, timely and comparable information presented and marketed in a way that engages managers, clinicians, patients and citizens.

7. Debtors

	31 March 2006 £000	31 March 2005 £000
NHS debtors	**168**	389
Prepayments	**333**	4,053
Other debtors	**1,059**	2,930
	1,560	7,372

All debtors are due within one year.

8. Analysis of changes in cash

	31 March 2005 £000	Changes during the year £000	**31 March 2006 £000**
Cash at OPG	0	12,459	**12,459**
Cash with PPA	0	591	**591**
	0	13,050	**13,050**

The Prescription Pricing Authority (PPA) undertook accounting services for The IC during 2005/06 and funds are provided in order to meet The IC debts as they become due.

Copyright © 2007, The Information Centre, Marketing and Communications. All rights reserved

9. Creditors

	31 March 2006	31 March 2005
	£000	£000
NHS Creditors	**4,469**	2,795
Tax and social security	**48**	2,084
Other creditors	**142**	650
Accruals	**8,369**	20,695
	13,028	26,224

All creditors are due within one year.

10. Provisions for liabilities and changes

	Injury Benefit £000	**Lease Surrender £000**	**Delapi-dations £000**	**JV Investment £000**	**Staff Termination £000**	**Other £000**	**Total £000**
At 1 April 2005	206	-	55	-	353	95	709
Arising during the year	-	740	180	2,500	5,511	5	8,936
Utilised during the year	(8)	-	(55)	-	(353)	(100)	(516)
At 31 March 2006	**198**	**740**	**180**	**2,500**	**5,511**	**-**	**9,129**
Expected timing of cash flows							
Within 1 year	8	540	35	-	5,511	-	6,094
1-5 years	40	125	145	2,500	-	-	2,810
Over 5 years	150	75	-	-	-	-	225

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

11. Movements on reserves

11.1 General fund

		2005/06 £000
Balance at 1 April 2005		(16,493)
Net operating costs for the year		(52,996)
Net parliamentary funding		55,383
Funding provided to settle opening residuary balances		20,886
Transfer of realised profits from revaluation reserve		44
Non cash items:	transfer of software assets	1,798
	capital charges	(303)
Balance at 31 March 2006		**8,319**

Prior year comparatives are not available as per accounting note 1.3

11.2 Revaluation reserve

	2005/06 £000	2004/05 £000
Balance at 1 April 2005	**33**	33
Indexation of fixed assets	**11**	0
Transfer to general fund: realised revaluation	**(44)**	0
Balance at 31 March 2006	**0**	33

12. Contingent assets and liabilities

The joint venture (Dr Foster Intelligence) contract incorporates a clause that would provide a further £2.5m working capital if required. The clause states that the requirement to pay and the amount would be determined on the first anniversary of the joint venture (January 2007). The DFI Board did not choose to exercise this option at their Board meeting on 19 December 2006. Thus the liability will not crystallise.

The joint venture contract also includes a put option whereby if, anytime from 1 January 2009 to 31 December 2013, Dr Foster LLP shareholders wish to sell their share in the investment, The IC would be obliged to buy out their share of the business, at market value if no other buyer can be found.

13. Capital commitments

On 14 April 2006 The IC entered into a MOTO (memorandum of terms of occupation) for a three year lease of offices at Harmsworth House in London. A business case has been approved to expend £200k on office refurbishments and IT infrastructure.

During 2005/06 The IC commenced a £1.7m project to develop and improve the IT infrastructure. Expenditure during the year amounted to £1.2m with the balance to be expended in 2006/07.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

14. Commitments under operating leases

	31 March 2006		31 March 2005	
	Land and Buildings	**Office Equipment**	Land and Buildings	Office Equipment
	£000	**£000**	£000	£000
The IC is committed to making the following operating lease payments during the next financial year for leases expiring:				
Within one year	**1,148**	**18**	1,308	18
One to five years	**0**	**31**	46	31
More than five years	**80**	**3**	248	3
	1,228	**52**	1,602	52

The prior year comparatives reflect the lease obligations for properties occupied by the functions of The IC in 2005/06 as opposed to those properties occupied by the NHS Information Authority.

15. Other commitments

The IC has entered into non-cancellable contracts (which are not operating leases) for the provision of services totalling £3,923,000 as at 31 March 2006.

16. Losses and special payments

There were four losses and special payments in 2005/06 amounting to £32,383.

17. Related parties

The IC is an arms length body established by order of the Secretary of State for Health. The Department of Health is regarded as a controlling related party.

During the year The IC has had a number of material transactions with the Department of Health, and with other entities for which the Department of Health is regarded as the parent department. Transactions with these organisations include the provision of software enhancements, maintenance and support, seconded staff, training courses and conferences.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

	Payments in 2005/06 £000	Receipts in 2005/06 £000	Debtor at 31 March 2006 £000	Creditor at 31 March 2006 £000
Department of Health	349	354		2,449
Connecting for Health				1,800
South East London SHA		182		
South Yorkshire SHA		25		
West Midlands SHA	3	128		
Thames Valley SHA	105			
Healthcare Commission				69
NHS Employers			100	
Merseyside Regional Ambulance Service			25	
National Prescribing Centre		12		
NHS National Workforce Projects		10		
National Patient Safety Association			40	
Health Protection Agency	29			
NHS Logistics Authority	13			
Prescription Pricing Authority	52			
Charnwood & NW Leicestershire PCT	82			
Dacorum PCT	12			
Vale of Aylesbury PCT	250			
Maidstone and Tunbridge Wells PCT	11			
Airedale NHS Trust	75			
Clatterbridge Centre for Oncology NHS Trust				15
Humber Mental Health Teaching NHS Trust				28
Leeds Teaching Hospitals NHS Trust	29			
North Cumbria Acute NHS Trust	24			
Northampton Acute NHS Trust	61			20
North Cheshire Hospitals NHS Trust	30			
North West London Hospitals NHS Trust	26			
Portsmouth Hospitals NHS Trust				26
Royal Liverpool NHS Trust	21			
South Tees NHS Trust	43			7
Swindon and Malborough NHS Trust				26
United Bristol Healthcare NHS Trust	24			
University College London NHS Trust	25			7

During the year none of The IC's directors or key management staff has undertaken any material transactions with The IC.

Prior year comparatives are not available.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

18. Post balance sheet events

The contingent liability Note 12 refers to a potential liability to provide additional working capital of £2.5m to the joint venture. The DFI Board did not choose to exercise this option at their Board meeting on 19 December 2006.

19. Financial instruments

FRS13, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the way arm's length bodies are financed, The IC is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS13 mainly applies.

The IC has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks faced in undertaking its activities.

As allowed by FRS13, debtors and creditors that are due to mature or become payable within 12 months from the Balance Sheet date have been omitted from all disclosures.

Liquidity risk

The net operating assets are financed from resources voted annually by Parliament. The IC finances its capital expenditure from funds made available from government under an agreed borrowing limit. The IC is therefore not exposed to significant liquidity risks.

Interest rate risk

All of the financial assets and liabilities carry nil or fixed rates of interest. The IC is therefore not exposed to significant interest rate risk.

Foreign currency risk

The exposure to foreign currency risk is not material.

Fair values

Fair values are not significantly different from book values and therefore no additional disclosure is required.

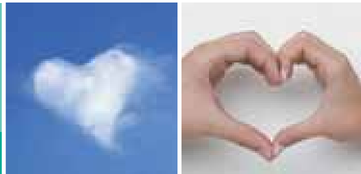
20. Intra-government balances

	Debtors Amounts falling due within one year £000	Creditors Amounts falling due within one year £000
Central government bodies	165	4,318
Strategic health authorities	0	0
NHS trusts and PCTs	3	154
Other external bodies	1,392	8,556
At 31 March 2006	**1,560**	**13,028**

Comparatives at 31 March 2005 are not available.

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



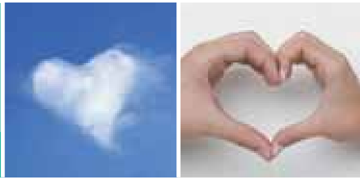
Statistical publications released by The Information Centre

- Admissions to Hospital of People with Mental Health Conditions, 2002/03
- Adults with Learning Difficulties in England 2003/04
- Ambulance Services, England: 2004/05
- Breast Screening Programme, England 2004/05
- Cervical Screening Programme, England 2004/05
- Community Care Statistics 2004: Home Care Services for Adults, England
- Community Care Statistics 2004/05: Referrals, Assessments and Packages of Care for Adults, England: National Report and CSSR tables
- Community Care Statistics 2004/05: Referrals, Assessments and Packages of Care for Adults, England: National Summary
- Community Care Statistics 2005: Home Help and Care Services for Adults, England
- Community Care Statistics 2005: Supported Residents (Adults), England
- Data on Written Complaints in the NHS 2004/05
- Drug Use, Smoking and Drinking Among Young People in England in 2005 - headline figures
- General Ophthalmic Services: Activity Statistics for England and Wales, October 2004 – March 2005 and year ending 31 March 2005
- General Ophthalmic Services: Activity Statistics for April 2005 - September 2005, England and Wales
- General Ophthalmic Services: Consultation Tables, NHS Sight Tests, Vouchers, Workforce, Premises 2004/05
- General Ophthalmic Services: Ophthalmic Statistics for England: 1994/95 to 2004/05
- General Ophthalmic Services: Workforce Statistics for England and Wales, 31 December 2004
- General Pharmaceutical Services in England and Wales 1994/95 to 2004/05
- GP Point Location Data
- GP Practice Vacancies survey 2005, England & Wales
- Guardianship Under the Mental Health Act 1983: England 2005
- Health Survey for England 2004 Health of Ethnic Minorities (headline tables)
- Health Survey for England 2004 - updating of trend tables to include 2004 data
- Hospital Episode Statistics (admitted patient care), England 2004/05
- Hospital Episode Statistics Data at Local Authority Level
- Hospital Prescribing, 2004 - England
- Inpatients Formally Detained in Hospitals under the Mental Health Act 1983 and other legislation, NHS Trusts and Independent Hospitals; 2003/04 [NS]
- Mental Health of Children and Young People in Great Britain, 2004
- National Quality and Outcomes Framework Statistics for England 2004/05
- NHS Contraceptive Services, England: 2004/05
- NHS Immunisation Statistics, England: 2004/05
- NHS Occupational Therapy Services: Summary Information for 2004/05 England
- NHS Physiotherapy Services: Summary Information for 2004/05 England
- NHS Speech and Language Therapy: Summary Information for 2004/05 England
- NHS Staff Earnings Survey August 2004
- NHS Vacancy Survey
- NHS Workforce: Consultants and GPs as at 30 June 2005
- NHS workforce: Consultants and GPs as at 31 December 2004
- NHS workforce: Consultants and GPs as at 31 March 2005
- Personal Social Services Expenditure and Unit Costs: England: 2004/05
- Personal Social Services Staff of Social Services Departments at 30 September 2005, England

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

- Point Location of Dental Surgeries, Opticians and Pharmacies in England, in April 2004
- Population Figures at SHA and PCO level for England and Wales
- Prescription Cost Analysis: England 2004
- Prescriptions Dispensed in the Community: Statistics for 1994 to 2004 - England
- Quality and Outcomes Framework Information
- Sickness Absence Rates of NHS staff in 2004
- Smoking, Drinking and Drug Use Among Young People in England in 2004
- Statistics on NHS Stop Smoking Services in England, April 2004 to March 2005
- Statistics on NHS Stop Smoking Services in England, April 2005 to September 2005 quarterly report
- Statistics on NHS Stop Smoking Services in England, April to December 2004
- Statistics on NHS Stop Smoking Services - annual bulletin 2004/05
- Statistics on NHS Stop Smoking Services - quarterly bulletin April to June 05
- Summary of the Public Service Agreement (PSA) Target on Homecare 2004/05
- Survey of Provision of Childcare Support in the NHS, England 2004
- Synthetic Estimates of Healthy Lifestyle Behaviours

Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved



Copyright © 2007, The Information Centre,
Marketing and Communications. All rights reserved

FOI requests April 2005 - March 2006

The IC received 192 requests under the Freedom of Information Act (2000) during the financial year 2005/06.

The IC failed to meet the statutory 20 working day timescale on 4 occasions.

The average time for response time for 2005/06 was five working days.

Complaints - The IC received six complaints in 2005/06.

Copyright

234 copyright licences were issued between October 2005 and March 2006.

23 copyright clearances were requested by third party organisations, and completed, between October 2005 and March 2006.

Equal opportunities

The IC is committed to recruiting and promoting the best candidates into the organisation through practices that demonstrate compliance with legislative requirements and which are open and transparent. We are committed to diversity and aim to have a workforce that reflects the communities in which it is based.

The IC is committed to upholding the principles of equal opportunities and equality of employment in its recruitment, selection and promotion activities. No applicant will receive less favourable treatment on the grounds of race, colour, religion or belief, ethnic or national origin, sexual orientation, sex, marital status or civil partnership, disability or age.

If you would like a copy of this report in a larger font please contact us.

This work remains the sole and exclusive property of The Information Centre and may only be reproduced where there is explicit reference to the ownership of The Information Centre.

Copyright © 2007, The Information Centre Marketing and Communications. All rights reserved.

Ref 17080601.

Further information:

The Information Centre for health and social care
1 Trevelyan Square
Boar Lane
Leeds
LS1 6AE

www.ic.nhs.uk

0845 300 6016

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office
ID5510861 02/07

Printed on Paper containing 75% recycled fibre content minimum.

The Information Centre™
knowledge for care

Published by TSO (The Stationery Office) and available from:

Online
www.tsoshop.co.uk

Mail,Telephone, Fax & E-mail
TSO
PO Box 29, Norwich NR3 1GN
Telephone orders/General enquiries 0870 600 5522
Fax orders 0870 600 5533
Order through the Parliamentary Hotline Lo-call 0845 7 023474
Email bookorders@tso.co.uk
Textphone 0870 240 3701

TSO Shops
123 Kingsway, London WC2B 6PQ
020 7242 6393 Fax 020 7242 6394
16 Arthur Street, Belfast BT1 4GD
028 9023 8451 Fax 028 9023 5401
71 Lothian Road, Edinburgh EH3 9AZ
0870 606 5566 Fax 0870 606 5588

The Parliamentary Bookshop
12 Bridge Street, Parliament Square
London SW1A 2JX
Telephone orders/General enquiries 020 7219 3890
Fax orders 020 7219 3866
Email bookshop@parliament.uk
Internet bookshop.parliament.uk

TSO@Blackwell and other Accredited Agents