UK SPACE AGENCY

Boost UK prosperity,
understand the universe,
protect our planet and outer space.

HC34

ANNUAL REPORT AND ACCOUNTS 2023 | **2024**

Tarantula Nebula. ©Dreamstime.

UK Space Agency

Annual Report and Accounts 2023 | **2024**

For the period April 2023 to March 2024

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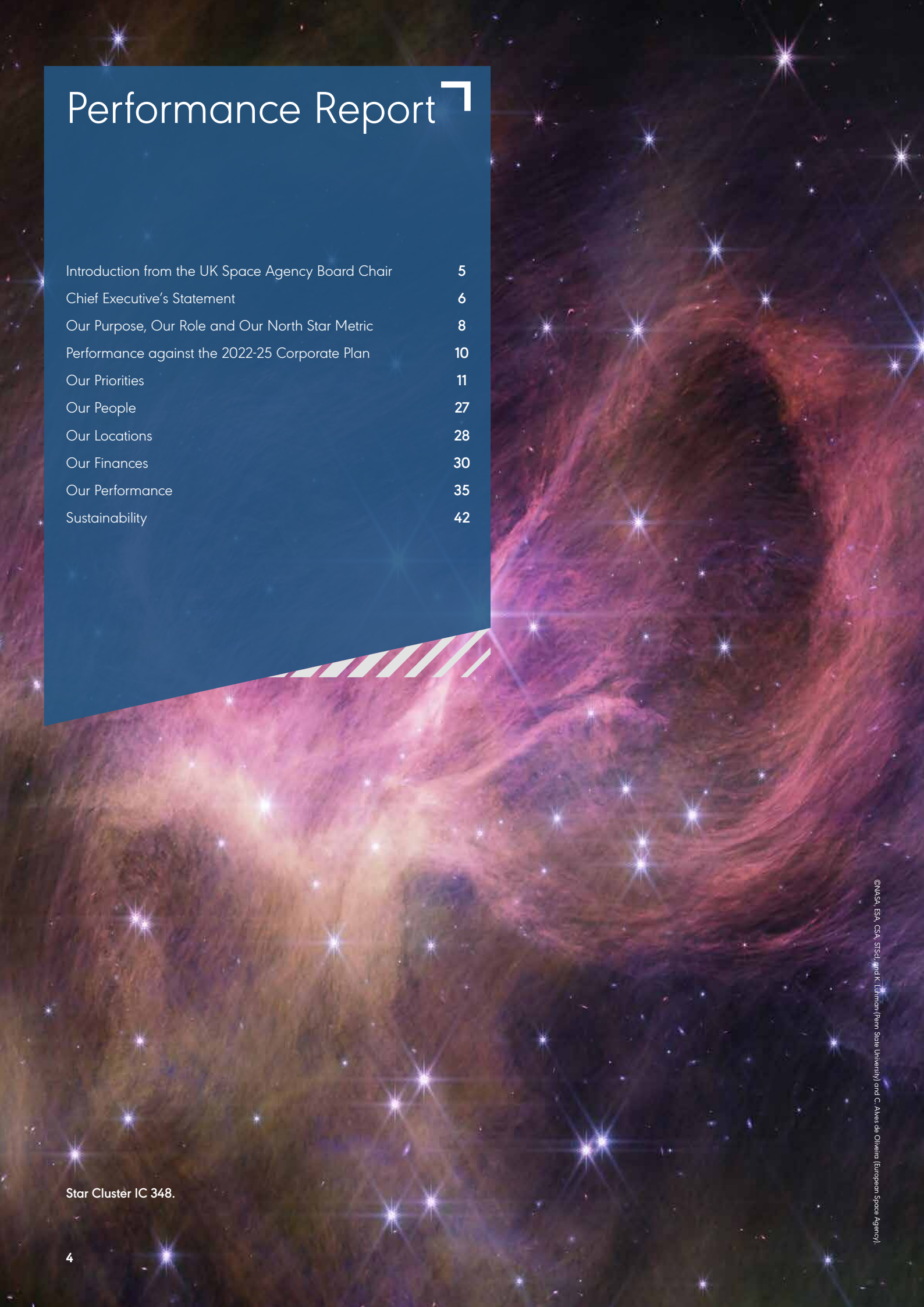


Star Cluster IC 348.

Introduction from the UK Space Agency Board Chair

The UK Space Agency has made excellent progress during the past year, my second as Chair of the UK Space Agency Board. I greatly appreciate the contribution of fellow members of the board and the executive team led with great skill by Paul Bate. My involvement in and appreciation of the work of the Agency has continued to grow.

The Space Agency supports Space activities based widely across the UK – from Goonhilly at the tip of Cornwall to SaxaVord at the far North of Shetland which I visited last September. I attended the UK Space Conference in Belfast in November alongside some of my Board colleagues, Agency executives and staff. It was a great opportunity to showcase the work of the Agency and the breadth of knowledge and experience of our staff. The Agency continues to deliver the ambitions of the National Space Strategy with a substantial impact both in the UK and internationally.

The importance of the Space sector was recognised with an exceptional royal endorsement: King Charles generously hosted an event at Buckingham Palace marking his support for the Astra Carta initiative to ensure sustainable use of Space. We have played a key role in support of space sustainability with two Active Debris Removal missions. We have also sponsored events such as the Space Sustainability Summit. We have developed our innovative Monitor Your Satellites service.

The UK's role in international missions continues to grow, particularly as a key member of the European Space Agency (ESA). April 2023 saw the launch of the ESA JUICE Mission to Jupiter and its icy moons, which included key UK instruments. Last year also saw the IM-1 lunar mission which carried UK instrumentation to the moon. The Agency has also supported the UK space sector internationally through initiatives like the International Bilateral Fund, as well as the Science and Exploration Bilateral Fund. The Agency has spear-headed new initiatives such as the Unlocking Space for Business, the Space Clusters Infrastructure Fund, and funding to continue developing spaceports across the UK.

The Agency has also taken on new opportunities over the past year, demonstrating excellent adaptability to changing circumstances. The £160m research & development programme for Connectivity in Low Earth Orbit (C-LEO) linked to the ESA ARTES programme, was just one of the exciting space announcements. The Spring Budget also saw the commitment of funds to back the SaxaVord Spaceport as part of our wider space launch strategy. The Agency is also working with Axiom Space to explore the delivery of a fully commercially sponsored UK astronaut mission.

Improving wellbeing and tackling the levels of workload for Agency staff was a key priority this year. I am delighted that we are making real progress on this. We have seen this improve due to a focus on building capacity, forward planning, and continuing to transform the Agency through the Integrated Transformation Programme. However, the Board recognises that there is more to do. There will be prioritisation decisions which will be difficult but ultimately will support the success of the Agency and the wellbeing of our staff. I led a review of the DSIT business case process for the Department and made recommendations to streamline and simplify the process. This should contribute towards reducing the burden on staff and to helping the Agency operate effectively and efficiently.

My Board colleagues and I are proud to serve the UK Space Agency and through it our growing space sector. We continue to explain the value and importance of the services the space industry can deliver. We are committed to maximising the capacity of the Agency to support the space sector and wider policy objectives across Government.

Rt Hon. Lord David Willetts FRS
Chair of the UK Space Agency Board
12 July 2024

Rt Hon.
Lord David Willetts FRS
Chair of the
UK Space Agency Board

Chief Executive's statement

Dr Paul Bate
Chief Executive and Accounting Officer

I am pleased to publish the UK Space Agency's Annual Report and Accounts for 2023-24. The Agency has again made £642m of funding available to the sector, and completed 78% (51) of the 65 milestones we set out to deliver at the start of the year. We took on new work during the year to support our satellite telecommunications sector and delivered within -1% of our forecast outturn for year-end.

The drumbeat of UK instruments and satellites reaching space this year has shown just what the sector can achieve with Agency support. Funding shared infrastructure from Cornwall to Scotland, a beam-hopping satellite to improve telecommunications, and receiving the first visible-light images from Euclid are just some of the UK success stories. Alongside initiatives like our nationwide Space for Everyone rocket tour, these are proud moments for the Agency and the sector.

The year has been a success, but a challenging one too. Our staff still report significantly higher concerns over workload than colleagues in the wider civil service and we have increased the overall Agency staffing by 18% to create more resilience. This increased capacity, alongside interventions to improve how we work together, have helped Agency scores in the annual Civil Service Staff Survey improve across seven of the nine categories, with a four-percentage point increase in overall engagement and a drop of more than a third in our bullying and harassment rates. We are maintaining our focus on making the Agency a great place to work, recognising that any amount of bullying, harassment or discrimination is too much.

Many of our larger non-ESA projects gained approval to begin in mid-2023, and we have been able to select proposals and release much greater funding as a result. The work of our Chair, Lord Willetts, and key leaders across the Agency and Department to improve the public Research and Development approvals process will further improve our responsiveness in future.

We have catalysed investment with our National Space Innovation and Unlocking Space programmes, delivered new missions through ESA and our national Launch programme and capabilities as part of our Space Clusters and Infrastructure Fund, and championed space with more than four million hours of engagement. Meeting each of these core parts of our role enable us to power the UK space sector in a rapidly commercialising and growing global market.

We will continue to deliver for the sector and overcome the challenges in our way by becoming more effective, efficient and ambitious in rethinking the way we work. This year we have embedded our new directorate structure, appointed a new job-share deputy CEO and invested, for the first time, in a patient capital fund to support early-stage space companies. We have staff working at our new offices in Cardiff, Leicester, and Edinburgh, and our new headquarters in Harwell opened in June 2024. Becoming a truly national Agency, as well as continuing to get the basics right, are two of our transformation goals for the coming year.

As we change, we will embody our values in everything we do. We will deliver with integrity, inspire and support each other, and build a better future. Projects such as the potential Axiom commercial all-UK astronaut mission are examples of how we are empowering our people to take informed risks, in partnership with our colleagues in government and industry. This annual report shows how we are delivering on our purpose to boost UK prosperity, understand the universe, and protect our planet and outer space. From promoting the value of space within the transport or investment sectors, to tracking the re-entry of satellites into our atmosphere or bringing the sector together in Belfast and Farnborough, the Agency will continue working to enable an energised, high-growth space ecosystem. We have achieved a lot this year and there is more to come as we raise our eyes to the stars and act as responsible pioneers for the UK in space.

Dr Paul Bate
Chief Executive and Accounting Officer
12 July 2024

To learn more about what the space agency does scan the code.

Critical for UK economy

17.7%

of UK GDP dependent on satellite services

£7.6 bn

of UK GDP would be lost if satellite navigation services went down for a 7 day period

Sources: Size & Health of the UK Space Industry 2022; Economic Impact to UK of disruption to GNSS, 2023

Investment Benefits

Economic benefits outweigh costs of UK investments in ESA by

9.8 : 1

Source: Evaluation of UK investments in the European Space Agency

UK Space Sector
High productivity & high growth

Year-on-year sector growth outpaces wider economy by over 5%

1590

organisations

49k

people employed

£17.5 bn

income generated

2.5 x

the national average for labour productivity

Source: Size & Health of the UK Space Industry 2022

Leadership in Space Science

300

Annual publications linked to UK Space Agency programmes

4th

in the world for % of publications in top 10% most cited

80%

of UK-led publications include international collaboration

Top 3 collaborators

United States
France
Germany

Source: UK Space Agency Bibliometric Analysis, 2021; OECD Space Forum, 2023

Weather, Climate & Net-zero

60% of Essential Climate Variables cannot be measured without Earth Observation satellite capabilities

Weather forecasting & climate services provided by satellites contribute at least **£1bn per year** to the UK economy

Source: Value of satellite-derived Earth Observation capabilities to the UK Government, 2018

Future Growth & Levelling Up

UK Space Agency programmes are increasingly focused upon **catalysing inward private investment** within the UK

- National Space Innovation Programme
- Connectivity in Low Earth Orbit
- Unlocking Space for Business
- Unlocking Space for Investment
- Space Clusters Infrastructure Fund

UK Space Agency spending is increasingly **outside of the Greater South East**

Recent £15m UK Space Agency commitment **catalysed £35m private investment** to fund skills and technology centre in North East England

Public spending compared to other space nations

In 2022, HMG spent 0.025% of national GDP on Civil Space

This was:

- 2 times **less** than Germany, India and Belgium
- 3 times **less** than Italy and Japan
- 4 times **less** than France and the USA

Source: The Space Economy in Figures, OECD, 2023

Our Purpose, Our Role and Our North Star Metric

To play our full part in delivery of the National Space Strategy, and prioritise our resources, we need to be clear about what we are focusing on and why that is:

OUR PURPOSE

Boost UK prosperity, understand the Universe, protect our planet and outer space.

Throughout our transformation, we've seen a shift in the way our people talk about the value of the UK Space Agency's work in benefiting life on Earth and across society. There is a greater realisation and greater expectations around the responsibility we hold to support businesses, universities and partners across the country to address issues that matter – from building accessible, inclusive economic growth to supporting organisations to tackle climate change.

Meeting these expectations by delivering on our purpose is at the heart of all the decisions we make, the work we do and how we look after our people.

OUR ROLE

We've used our expertise and resources to make a positive contribution to delivering the National Space Strategy ambition to make the UK one of the world's most innovative and attractive space economies. Our teams continue to create opportunities with greater potential and impact by focusing on:

- Catalysing investment, by deploying our funding and resources to multiply the value of non-Government contracts and private capital secured by UK space organisations to maximise the space sector's long-term growth.
- Delivering missions and capabilities, independently and with others, that use space science, technology, and applications to meet national needs and help humanity to understand our Universe.
- Championing space, encouraging other sectors to use space to deliver better services, tackle the climate emergency, inspire STEM education and lifelong learning, and advocate for sustainable space activities.

Each of these elements is mutually reinforcing, with our priorities and programmes typically contributing to all three.

NORTH STAR METRIC

Maximise total investment into the UK space sector.

This is the key metric that will help us to monitor delivery of our Purpose and ensure we're heading in the right direction, taking into account how access to contracts and investment can drive our space sector to deliver new science, products, and services, and keep pace with other nations. Please see page 36 for further details on this North Star Metric.

Our People, our story.

Our Values and Our Culture

OUR VALUES

- **We deliver with integrity.**
- **We inspire and support each other.**
- **We build a better future.**

Our Values are the principles and beliefs we work to day-to-day and are translated into the behaviours we encourage and expect of each other. In recognition of the transformation the Agency is undergoing and the new role and purpose, the values were also updated in 2024. These new values were developed through consultation with staff across the Agency and capture the essence of what really matters to us in how we achieve our goals. They form the final piece in the 'what' (our role), the 'why' (our purpose) and the 'how' (our values) which, together with our transformation goals, outline what the Agency is all about.

- **We deliver with integrity** at every level across the Agency – individually and collectively accountable for our actions and always holding ourselves – and each other – to the highest possible standards.

- We celebrate enterprising behaviour, where all our people embrace new ideas, are curious and collaborate to try things out, finding smarter ways to **inspire and support each other**.

- We have the passion and appetite to think bigger, make braver decisions and act on them with pace and confidence – with each one of us actively playing our part to shape and **build a better future** for all.

Our values set the expectations for the way we interact with each other, our partners, and society. They support a culture that empowers us all to be the best we can be, and encouraging each other across the Agency to be a better place for our people and our partners.

As we continue to manage our transformation, we've remained focused on supporting our people to build resilience and navigate complex challenges.

OUR CULTURE

The Transformation Culture workstream aims to develop and embed the culture that will enable the Agency to be an efficient, effective, and delivery-focused organisation and a great place to work, and the actions needed to sustainably embed this culture.

Having worked collaboratively with staff across the Agency to develop the new values, this year the Culture workstream has also developed 'Our Story' which brings together our purpose, role, transformation goals, and values. Our Story provides a framework for using our own staff voices to explain who we are as an organisation and what we want to achieve, in different ways that inspire and unite us.

As we move into the next Financial Year, we know that our people are at their best when they connect their work to a greater cause. And we understand the value of bringing different people together to make these positive changes happen. We will continue to engage with our people to build a meaningful, and purpose-driven culture, in which all our people can thrive.

Bristol and Swindon & Wiltshire Pride Days.

Performance against the 2022-25 Corporate Plan

The UK Space Agency exists to bring benefit to the UK and the wider world through space. This benefit can be economic, for example the connectivity revolution brought about by satellite communications. A space mission which tells us something unexpected about the universe and our place in it can transform our thinking and inspire young and old alike.

In the pages that follow, we describe the progress made by the UK Space Agency in 2023-24 in terms of our achievements in eight priority areas chosen for their importance to the Agency and to the UK. The eight priorities inevitably overlap. A mission to Mars involves discovery, but it calls too for technological innovation. And it will inspire people to imagine being part of the ambitious industry that makes such a feat possible.

Three of our eight priorities – Launch, Low Earth Orbit, and Earth Observation – reflect the Agency's involvement in key areas of space activity today and for the future. Two others, Innovation and Sustainability, are concerned with our ability to improve space technology and grow an ambitious and responsible space sector. Discovery and Inspiration are about our ability to generate fascinating and useful knowledge. And our Levelling-Up priority captures our ambition for the growth of the space sector, one of the world's fastest-growing industries, to benefit all parts of the UK.

The UK Space Agency Corporate Plan 2022-25

UK Space Agency CEO Dr Paul Bate speaking on a panel at the 16th Australian Space Forum.

OUR PRIORITIES

These describe the activities that we will put the most resource behind to deliver our purpose and role, and our progress against each is detailed in the following pages. They form the basis for our budget and programme plans and help us to design the operating model that we need. They also help us to know what to stop, so we can all manage our time and maintain our staff's wellbeing. Some actions not listed in our priorities continue to be a part of the UK Space Agency's work, where needed to comply with our legal, fiduciary, or Parliamentary duties.

Launch
Deliver the first small satellite launch from the UK in 2022, and a sustainable commercial UK launch market by 2030.

Earth Observation
Deliver a portfolio of activities that ensure long-term value for money access to the data we need.

Discovery
Manage frequent national and international space missions, short and long term, that strengthen UK capability in space science and engineering, and that offer opportunities for the UK to lead global discovery.

Innovation
Deliver a step change in the UK's share of the fastest growing or highest-potential commercial space markets, by managing a portfolio of investments in high risk, high reward technologies and applications, using future-focused regulation.

LEO Capabilities
Use the UK's low Earth orbit assets to deliver transformative new capabilities, including in broadband, position, navigation and timing, and Earth observation.

Sustainability
Deliver capabilities to track objects in orbit and to reduce and remove debris, lead global regulation and standard-setting to make space activities more sustainable.

Levelling-Up
Increase and spread space investment and jobs, by accelerating the growth of a connected network of local space clusters.

Inspiration
Deliver a programme that inspires young people to pursue STEM education, attracts talent to the UK space sector, and demonstrates the benefits of space science technology, and applications.

TRANSFORMATION GOALS

Our Transformation programme builds on the strength of our people, who together bring a tremendous range of experiences and capabilities, to address the near- and long-term challenges facing the sector and the Agency. This financial year we have made good progress against all of our transformation goals and are set for concluding this stage of our transformation next year. Our people continue to embrace personal and organisational development, and together we will:

- Build a great place to work. We feel motivated, respected, and challenged by our work. We are efficient and effective. We know we are making a difference and that our contribution is valued.
- Get the basics right. Our capabilities as experts and managers are strong, with processes that make it easy to do the right things and do things right, so we can take timely, informed decisions and fix problems fast.
- Create a truly national space agency. New locations across the UK alongside technology to support remote working, all connected with a state-of-the-art hub at Harwell. This brings us closer to the space sector, allowing us to spend time together in high-quality buildings that support our well-being and improve ways of working.
- Be a catalyst for our sector. We support space businesses and centres of learning of all sizes to innovate, grow and deliver space benefits through easily accessible funding, with effective oversight of our investments and delivery programmes, giving confidence that we are spending the money well.
- Nurture trusted space leadership. Open, accessible, and influential, we are leaders in the global space community who work well together with our partners.

While this dynamic programme has created challenges, it also continues to showcase the incredible ingenuity, creativity, determination, and resilience of our people – enabling the Agency to be an efficient, effective and delivery focussed organisation and a great place to work.

Our **Priorities**

Launch – Priority
Deliver the first small satellite launch from the UK in 2022, and a sustainable commercial UK launch market by 2030.

LAUNCH

Opening new opportunities for space access

The Virgin Orbit launch from Spaceport Cornwall in 2023 proved that the UK has all the capability, legislation and other enablers required of a launch nation. Our priority during this year was to support the development of vertical launch spaceports in the Shetland Islands and Sutherland.

Sutherland, the most north-westerly corner of the UK, and SaxaVord, on the island of Unst in the Shetland Isles, the most northerly part of the country, will be a foundation of the UK's ability to launch for years to come. SaxaVord has already received its spaceport and range licence and is targeting its first launch in 2024, working with partners Rocket Factory Augsburg.

Our work this year included the groundwork for the Government announcement in the Budget that it has made available £10m for SaxaVord Spaceport to help achieve the goal set out in the National Space Strategy for the UK to become the first European country to launch a satellite into orbit and a leading small satellite launch destination by 2030.

Orbex, the owners and operators of Spaceport Sutherland, have made significant progress with power and internet now available at the spaceport, and the road leading to the launch pad is under construction. Alongside the expansion of its facilities in Forres and maturing aspects of their rocket technology, Orbex are making good progress towards a targeted first launch of its Prime vehicle in 2025.

An additional opportunity seized this year enabled us to support Horizon Technologies in developing its Amber programme providing marine domain awareness. Having lost its previous satellite on the Virgin Orbit launch the improved satellite is under construction and is expected to be launched in 2025.

Our investment in developing UK launch has been the springboard for communicating space to the UK public. It helps our communication and engagement and brings skilled people to the space industry. Over time, it will bring highly skilled and well-paid jobs to some of the most remote places in the UK.

Interview with Paul Bate – SaxaVord space. Scan the code.

Skyrora interview with Matt Archer. Scan the code.

©SaxaVord

UK's Spaceport Shetland Islands.

Artist impression – Orbex launch

EARTH OBSERVATION | E.O.

Earth Observation – Priority
Deliver a portfolio of activities that ensure long-term value for money access to the data we need.

Protecting our planet

The UK's standing as a world leader in Earth observation was confirmed by developments during 2023-2024.

The year marked the UK's return to full membership of Copernicus, the European Union programme for Earth observation. This enables the UK's academic and commercial sectors to participate fully in the programme, and allows UK users full access to Copernicus data, products and services.

On the global stage, the UK Space Agency was voted in as the next Chair of the Committee on Earth Observation Satellites (CEOS) and will take up the leadership from October 2024 for 12 months.

The world's most important event to tackle the climate emergency is the Conference of the Parties. COP 28 took place in Dubai in December 2023. The UK Space Agency was the leading participant in the Space Pavilion where space-enabled climate services from over 40 UK organisations were on show. Visitors to the pavilion included major figures from UK Government, ministers and officials from other nations, heads of space agencies, the climate change community, and representatives of the private sector, as well as 20,000 school children.

COP 28 was also marked by the first Space Summit Pledge, in which over 20 space agencies including the UK Space Agency pledged to use Earth observation in their climate mitigation activities. The UK was central to the global acceptance of this important pledge.

The Agency also led the International Charter for Space and Major Disasters for the first half of the 2023-24 period. The Charter has 17 members, all of which are providers of Earth Observation data. This can be supplied on request to governments and other approved users. Any type of disaster, from storms and floods to oil spills and volcanoes, may prompt a request, of which there are over 40 per year.

The UK continued its strong participation in ESA's Earth Observation programmes, and won major contracts along the EO value chain from mission preparations, through to SCOUT missions, data quality and uses of EO for science and society, A key ESA mission which the UK is leading is TRUTHS (Terrestrial Radiometry Underpinning Terrestrial- and Helio- Studies), which is due to be launched in 2030. TRUTHS will use hyperspectral imaging to gather data on the Earth's climate ten times more accurately than we have today. The data will be inherently valuable, but a major focus of TRUTHS is that it will allow other instruments to be calibrated.

Within its scope will be ocean and land temperatures and indicators such as atmospheric carbon concentrations. As well as current data, TRUTHS will help calibrate previous measurements, bringing fresh information resources into use.

In November last year, we were pleased to see the successful launch of MANTIS, the Mission and Agile Microsatellite for Terrestrial Imagery Services. About the size of a microwave cooker, it has been built with the aid of an ESA INCUBED award, intended to help bridge the gap to commercial EO missions.

In January 2024, the MicroCarb satellite was delivered by Thales Alenia Space in the UK, based at the Harwell Science and Innovation Campus. The satellite has now been moved to France, where it will await shipment for launch. CNES, the French Space Agency, was tasked by the French government with overseeing and executing the MicroCarb mission, in partnership with the UK Space Agency and the European Union. With its compact technology, MicroCarb will enable scientists to estimate concentrations of CO2 in the atmosphere with a high degree of precision, to around one molecule per million molecules of dry air.

CO2 and Methane are the major contributors to climate change. Measuring methane in the atmosphere is now essential as there is a Global Methane Pledge to reduce methane emissions by 2030. It is vital that estimates of emissions can be compared over time and between companies and countries and the estimates should not depend on which satellite took the measurements. That is why the UK Space Agency and National Physical Laboratory are leading the way with developing standards for methane emissions.

COP 28.

*Interview with **Harshbir Sangha** at the global conference for climate change.*

*To learn more about **TRUTHS** scan the code.*

LOW EARTH ORBIT | L.E.O.

LEO Capabilities – Priority
Use the UK's low Earth orbit assets to deliver transformative new capabilities, including in broadband, position, navigation and timing, and Earth observation.

Enhancing the UK's ability to deliver transformative new technologies in LEO.

The current revolution in satellite communications centres on new technology in Low Earth Orbit. Historically, communications satellites are large machines based in geostationary orbit (around 35,000 kilometres above the Earth), take years to build, and weigh many tonnes. Recently there has been significant growth in much smaller satellites in low earth orbit (around 1000 kilometres above the Earth). These are more flexible, more affordable and quicker to implement and to reconfigure in orbit. The constellations comprise tens, hundreds or even thousands of satellites, that can be developed and deployed at pace offering internet connectivity at speeds comparable to terrestrial broadband, anywhere on the planet.

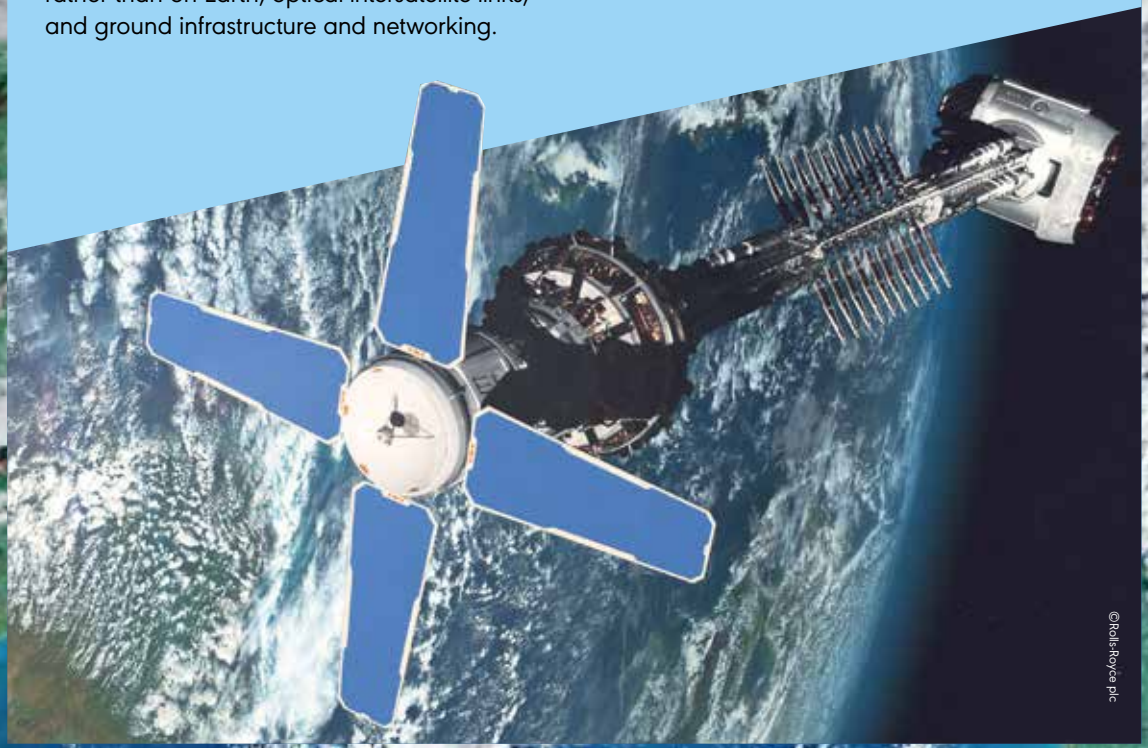
We wish to future-proof the UK's competitive edge in this high-value industry by enabling its diversification into the constellation market, with its potential for high growth and high volume as well as its strategic importance.To achieve this, we have launched the Connectivity in Low Earth Orbit (C-LEO) programme with up to £160m in funding – the largest domestic UK space programme funded to date. This programme will drive the development of technologies and capabilities including data processing in orbit rather than on Earth, optical intersatellite links, and ground infrastructure and networking.

It will build UK industrial capabilities in this R&D-intensive business and signals the UK's commitment to the long-term growth of the satellite communication sector.

The shipping and aviation industries are significant users of innovative satellite technology. This new approach will allow ships and aircraft to be operated more safely and effectively. Equally, faster communications via LEO satellites are allowing farmers to send and receive data on crop quality, monitor weather, and make environmental monitoring more responsive.

We are also helping to build new industries that use drones and conventional aircraft to communicate with satellites in low earth orbit. In disaster areas, these new systems would be faster and more reliable than those in use today. In a hunt for a missing person, they could be the difference between life and death.

The same market-based approach will help meet other longer-term communications needs and help reduce the global digital divide.



Innovation – Priority
Deliver a step change in the UK's share of the fastest growing or highest-potential commercial space markets, by managing a portfolio of investments in high risk, high reward technologies and applications, using future-focused regulation.

We have continued to explore the use of non-grant support, such as the use of SBRI Contracts for Innovation.

Learn more about ***Investment*** *in innovation. Scan here.*

INNOVATION

Unlocking the future potential of space through innovation.

Innovation has always been at the heart of the UK space sector. Our companies need to develop new technologies, products, and services to maintain and capture a bigger share of the rapidly growing global market. Services that incorporate data from satellites are becoming ever more important and affordable to markets outside of our traditional customer base, so supporting our industry and universities to develop new satellite applications and business models is also vital to the UK's growth objectives.

The UK Space Agency's investments in innovation provide companies, and research organisations with many support opportunities, with programmes designed to cover end-to-end support: from concept to commercialisation. We understand that successful sector growth requires an holistic approach which includes not just grants and contracts, but also access to new skills, facilities, the opportunity to network and make connections with other organisations, and crucially, access to finance.

This year saw the successful launch of the new-and-improved National Space Innovation Programme (NSIP), which will commit up to £65m over the next four years, with the first tranche of £34m being announced in November. 30% of this first budget was targeted at projects focused on developing new products and services in in-orbit servicing, assembly, deployment and manufacture, a key priority area identified in the Space Industrial Plan published in March 2024. 15 NSIP Kickstarter projects and 8 Major Projects have been offered grants, with details to be announced in summer 2024.

Building on both the success of the previous NSIP Pilot and the Enabling Technologies Programme (ETP) pilot, and improving on the challenges reported by our stakeholders, NSIP has evolved to run in two parts: NSIP Kick Starter, building on ETP, providing grants of £150k-£1m for low Technology Readiness Level (TRL) projects (1-4) with an emphasis on innovation and disruption, and NSIP Major Projects, building on the NSIP pilot, offering grants of £1m-£5m for higher TRL projects (5-9) with an emphasis on commercialisation and catalysing investment. NSIP Kickstarter also introduced the concept of grant deferral, providing businesses the opportunity to use their successful bid to raise private capital before they kick off their project. Through open calls, offering multi-year funding, NSIP is the UK's only national funding programme offering end-to-end support for innovative space ideas and businesses, developing technologies, applications, and services.

The new £20m International Bilateral Fund (IBF) has focused on supporting the UK space sector to work directly with international partners. From AI in space sustainability to aquatic monitoring using earth observation technology, 61 international organisations from 16 countries participated in 32 projects, helping to spark 92 new partnerships between the UK and international collaborators. These included partnerships with NASA (USA), JAXA (Japan), ASA (Australia), CSA (Canada) and many more. IBF has also been used to test innovative new funding mechanisms, such as the recently launched Aqualunar Challenge, the Agency's first challenge prize fund being delivered in partnership with the Canadian Space Agency.

There have been many technical advances achieved this last year through our investment in technology. For example, we have secured the first UK-only complete electric propulsion supply chain, enabling a new electric engine for future satellite station keeping, suited for both ESA and commercial missions. Our National Satellite Propulsion Test Facility was fully booked this year, again, testing many systems including engines for a future lunar lander. The Agency's work on standards increased in influence this last year, too, with the UK Space Agency's standards lead elected to Chair the British Standards Institute Space Forum Board.

The UK Space Agency continues to deliver significant innovation funding to companies in collaboration with the European Space Agency, with programmes such as the ARTES Telecommunications Programme, Business Applications and Space Solutions (BASS), the General Support Technology Programme (GSTP) and the Navigation, Innovation and Support Programme (NavISP), all continuing to fund companies and other stakeholders across satellite technology and data applications. The UK continues to provide international leadership in satellite communications, investing via ARTES in technologies that will accelerate the convergence between satellite and terrestrial communications; from advanced digital payload technologies and antenna systems, to optical intersatellite links and 5G/6G non-terrestrial networks. Our leadership in this area was demonstrated in March at the Mobile World Congress (MWC), where we became the first space agency in the world to take a stand. We met with over 100 companies interested in converging satellite communications technologies with terrestrial infrastructure. We had over 40 industry partners use the stand for meetings or exhibition space showcasing the innovation we have supported through national and ESA programmes.

Background image: Beam hopping ©OneWeb

Space micro-reactor model

MANTIS under inspection.

Our new Communications in Low Earth Orbit (C-LEO) programme, announced this year is already realising benefits to the UK, with a number of foreign direct investments made by international companies wishing to grow from the UK citing the C-LEO programme and the UK's long-term strategy in this area as part of their motivation.

The support offered to companies developing satellite applications has seen a range of innovative projects commercialising space data and space assets through ESA BASS. Projects funded include: the development of a portable X-Ray machine by Adaptix and Transdim, using cathode field emitters initially produced for space travel; projects by Earth-i and Origin Tech who have combined EO and terrestrial data sets to remotely monitor steel stockpiles (with the support of AI), and ground movement along gas and water pipelines, respectively; and Rail Sense solutions specialising in monitoring the condition of the UK's rail network from space. This year, the Agency has also developed an alumni programme for companies graduating from the BASS funding scheme, to ensure we continue offering opportunities and non-financial support to companies beyond the conclusion of their projects.

UNLOCKING SPACE

This year, the Agency introduced a new programme called Unlocking Space, to identify barriers to adoption of space products and services across a number of customer segments. Unlike the majority of government space programmes, Unlocking Space aims to intervene in the demand-side, working directly with the customer base to help resolve some of the commercial challenges faced by space companies. The four intervention areas identified for Unlocking Space are: Unlocking Space for Business, Unlocking Space for Government, Unlocking Space for Dual Use, and Unlocking Space for Investment.

We have identified that a common barrier across all these areas is one of knowledge and understanding about space. Each of the programmes will also aim to educate and upskill stakeholders to understand the benefits and merits of space services – contributing to our championing space objectives alongside our innovation priority.

As part of our Unlocking Space for Investment programme, the UK Space Agency has invested an initial £8m to set up the new Space Portfolio sub-fund as part of UKI2S. Managed by Future Planet Capital, this fund will provide equity investments of £100k to £500k in promising businesses, aiming to catalyse additional private capital into high-growth potential space companies.

Learn more about ***Unlocking space*** *for business.*

Learn more about ***Unlocking space*** *for investment.*

UNLOCKING SPACE

FOR BUSINESS

- Identifying and addressing the barriers to adoption of space products and services by non-space businesses.
- Demand-side interventions, working directly with new customers.
- Piloting a range of different commercial tools alongside traditional grants.

FOR DUAL-USE

- Understanding and addressing barriers to adoption of space technologies developed in the civil space programme by the UK and global defence communities.
- Collaborating with UK defence partners to deliver key technology prioirites serving both civil and defence objectives.

FOR GOVERNMENT

- Understanding the challenges across government to the adoption and procurement of space services, aiming to improve UK government as an intelligent anchor customer within our sector.
- Understanding the government value and supply chain, and the potential to aggregate demand.

FOR INVESTMENT

- Catalysing investment into the UK space sector by removing the barriers to investment in the UK space sector.
- Upskilling companies to get them investor-ready
- Upskilling investors to understand the space sector and its investment potential.
- Introduction of a new seed-stage space equity fund.

DISCOVERY

The UK leads the world in answering big questions about the Universe.

The UK Space Agency is a leader in scientific discovery. We are involved in space missions exploring subjects from the origin and present structure of the Universe to our immediate surroundings in the inner solar system looking for signs of life on Mars and further knowledge through research on the International Space Station.

July 2023 was marked by the launch of Euclid, a six-year ESA mission to investigate the fundamental nature of the Universe by seeking evidence of dark matter and dark energy across the cosmos. The UK's Mullard Space Science Laboratory has led on one of its two instruments, a camera to image distant galaxies in the hunt for dark matter. Its findings will help us to understand why the expansion of the universe is accelerating.

Fundamental knowledge of the universe is also the objective of LiteBIRD, a mission scheduled for launch in 2032 and led by our colleagues at JAXA, the space agency of Japan. It will be looking for evidence of inflation, the proposed mechanism causing an extremely rapid expansion of the universe in the first second of its existence. The UK is supplying sophisticated optics from Cardiff University, the product of unique manufacturing skills whose development the Agency has supported. Two of LiteBIRD's three telescopes will use this technology to examine the Cosmic Microwave Background. This work is being funded as part the Agency's Science & Exploration Bilateral Fund.

In addition, past scientific missions involving the Agency continue to provide new knowledge. ESA's Gaia satellite was launched in 2013 to make a 3D map of more than 2 billion stars in our own galaxy. The data from Gaia has already produced a record-breaking number of papers and citations, with UK scientists taking a leading role.

The technologies used in these science areas also have wider applications. Cambridge University and Cancer Research UK have adapted data processing methods developed for Gaia for use in tumour analysis and cancer diagnosis – recognising specific types of cell as well as stars.

TO JUPITER AND GANYMEDE

Another highlight point of the year was the launch of JUICE, the Jupiter Icy Moons Explorer, from the ESA launch site at Kourou in French Guiana in April 2023. It will arrive at Jupiter in July 2031.

A key aim of the mission is to study the huge, salty ocean believed to be below the icy surface of Ganymede, one of the four large moons of Jupiter, seeking evidence of habitability. It will be complemented by NASA's Europa Clipper, which will carry out a similar mission at the moon Europa. With Agency funding the UK led the development of the magnetometer instrument, JMAG, at Imperial College, London and contributed to two other JUICE instruments, the JANUS camera (Open University in partnership with Teledyne e2v in UK) and the Particle Environment Package (University College London's Mullard Space Science Lab and Aberystwyth University). Through this we are supporting wider applications in magnetometry, sensors, electronics, mechanical and radiation hardness modelling.

TO MARS

The UK has been heavily involved in modifying ESA's Rosalind Franklin Mission including a Mars rover for its delayed launch after the Russian departure from the project. The Rover will search for evidence of past life on Mars in the form of organic chemicals termed biomarkers. It can drill as deep as 2m into the Martian surface, where possible organic materials from life processes billions of years in the past may be preserved. Alongside funding much of the technology required to bring RFM to the Martian surface, its mast will now carry a UK-built camera, replacing a planned Russian instrument joining other UK built instruments already built. This will speed the choice of possible drilling sites by providing higher-resolution and truer-colour images than were available to previous missions. Called Enfys, the Welsh for Rainbow, it was largely built in Wales, and will operate in tandem with PanCam, another UK built instrument already installed on the Rover.

To learn more about Euclid scan the code.

JUICE sets off on its 8-year journey to Jupiter and its icy moons.

Juice Launch.

©NASA, ESA, J. DePasquale (STScI), A. Simon (NASA-GSFC).

Jupiter.

Discovery – Priority
Manage frequent national and international space missions, short and long term, that strengthen UK capability in space science and engineering, and that offer opportunities for the UK to lead global discovery.

TO THE SUN

The Agency is active too in studies of the Sun itself, and of its interaction with Earth systems. Through the Science & Exploration Bilateral Fund we are partners with the University of New Hampshire, USA on HelioSwarm, a NASA mission to send nine satellites into the solar wind between Sun and Earth. This unique group of satellites will map the solar wind on a range of scales, providing basic science to improve our understanding of space weather. The UK is developing the magnetometers on all the satellites for NASA, further demonstrating world demand for the UK's specialist space hardware skills.

TO THE MOON

A UK built instrument headed for the Moon in January 2024. The Exospheric Mass Spectrometer, built by scientists at The Open University and RAL Space, and funded by the UK through the European Space Agency, was the key technology in the Peregrine Ion Trap Mass Spectrometer (PITMS). Whilst the Peregrine mission was not able to land on the moon due to issues with the propulsion system, PITMS was able to be operated in space, with in-flight validation of all key functions and collecting scientific data. Future versions of the instrument are already in development for upcoming ESA and ISRO/JAXA missions, where the hardware will study the release and movement of volatile species throughout the lunar day, contribute to an improved knowledge of the abundance and behaviour of volatiles on the Moon and improve our understanding of the spatial and temporal nature of the lunar exosphere.

In February 24, the Agency announced £50m in funding towards ESA's Moonlight programme for UK companies to develop communication and navigation services for missions to the Moon. ESA Moonlight aims to launch a constellation of satellites into orbit around the Moon, from 2028. This will allow future astronauts, rovers, science experiments and other equipment to communicate, share large amounts of data including high-definition video, and navigate safely across the lunar surface.

CEO Dr Paul Bate and Libby Jackson at the Belfast Space Conference.

Libby Jackson interview about the Rosiland Franklin Mars rover.

Euclid will change the way we see the universe.

SUSTAINABILITY

Ensuring the long-term viability of UK space activity.

*Learn more about the **IOSM Conference** scan here.*

As they grow in scale and importance, space actors must be responsible users of the environment in which they operate. Space sustainability is central to our approach, and is integrated into activities across the Agency.

The Agency's work on sustainability highlights the development and design of future space systems which are more efficient, economical and safe than those we know today.

In the current three-year spending period, we are investing £92m into sustainability projects.

Our Active Debris Removal (ADR) initiative aims to remove two redundant, UK-registered satellites from orbit and ensure they burn up safely in the atmosphere. This will involve new technology for robotic operations in orbit and may open the door to a large commercial market. This year we completed two Phase B mission studies led by Astroscale and Clear Space. Both recently passed their Preliminary Design Review (PDR) phases.

We also focus on making satellites refuellable and renewable. In the longer term, putting a satellite into orbit without being able to refuel it will seem like buying a car with a full tank of petrol and abandoning it when the tank is empty. We have launched four feasibility studies, designed to complement our national ADR mission. These are led by Astroscale, Clear Space, Orbit Fab and Thales Alenia Space and are all due to complete in 2024.

We invested in upgrades to the Satellite Applications Catapult In-Orbit Servicing and Manufacturing (IOSM) Test Facility at Westcott to support our national ADR mission and the wider UK space sector. The facility will provide unique capabilities in the UK where companies can verify, validate and demonstrate a range of in-orbit operations, including manufacturing, servicing, inspection, repair and assembly.

We also launched a study call to assess the potential impact of satellites burning up in the Earth's atmosphere (atmospheric ablation).

Spending in this area includes £5m for in-orbit debris removal, £2m for a study of in-orbit refuelling, £1.5m for space sustainability studies and £2m for ground-based test facilities.

In July 2023, our commitment to responsible space activity was underlined by our signing of the Astra Carta, an agreement binding its signatories, mainly from the private sector to sustainable approaches to space. Run by the Sustainable Markets Initiative, the idea of the Astra Carta was initiated by King Charles III. It runs in parallel to Terra Carta, a commitment to responsible business on Earth. Its ambitions include sustainable space activity from Earth orbit to the Moon and the planets of the solar system, and onwards to the wider Universe.

*Space Debris interview – **Ray Fielding (Clear Space)** Space sustainability.*

Artist impression of ClearSpace

Sustainability – Priority
Deliver capabilities to track objects in orbit and to reduce and remove debris, lead global regulation and standard-setting to make space activities more sustainable.

Understanding Earth's winds.

King Charles III at the signing of the Astra Carta.

Artists impression of space debris.

MAKING SPACE SAFER RIGHT NOW

The Agency leads several critical missions that contribute to the UK's space surveillance and protection capabilities. During 2023 we tracked the uncontrolled re-entry of dozens of pieces of space debris every month including rocket bodies, defunct satellites, and other objects, to protect the UK and UK Overseas Territories. Our in-space collision avoidance service – Monitor Your Satellites – protects UK licenced satellites from collisions with other objects in space by issuing collision warning notifications to operators. This year we enhanced the accuracy of this service which currently protects 92% of all UK licenced satellites and 100% of those in the most congested LEO orbit. We lead on monitoring fragmentation incidents in space and support other parts of Government including the Civil Aviation Authority in the delivery of their departmental objectives. With the Ministry of Defence we have installed a new overseas sensor to bolster our capabilities.

Throughout 2023 we worked with the Ministry of Defence, the Met Office and other departments and agencies to develop the National Space Operations Centre (NSpOC).

NSpOC (which launched in May 2024) is the organisation that delivers Space Domain awareness and space warning and protection services to UK Government, Industry and other stakeholders. NSpOC is the result of several years of interagency planning. It will have a budget of about £20m in year one and has co-located civil and military operations teams at RAF High Wycombe in Buckinghamshire.

Interview with Julie Black – Summit for space sustainability in New York.

Paul Bate interview in Scotland about funding in the UK Space economy.

LEVELLING-UP

Building a space economy that benefits us all.

A GROWING SPACE ECONOMY

With a global space industry expected to nearly triple over the next decade, it is important that the UK continues to invest in our capabilities to capture an even larger share of this opportunity. And vitally, we want to ensure that this economic growth benefits all of us across the country, capitalising on our industrial and academic strengths right across the United Kingdom wherever they may be, making best use of the diversity of skills offered in every region, levelling up the whole UK in the process.

The global space economy is growing rapidly, with the UK punching above its weight. UK government spend on space is 1% of global government spend, yet we capture 5% share of the global space market. UK space is worth £17.5bn a year, underpinning £370bn of UK GDP – approximately a fifth of the UK economy. Private investment in the UK is also healthy, attracting more mobile investment in the space arena than any other nation bar the United States. In this context, supporting our emerging start-ups through acceleration and access to private capital is vital.

The National Space Strategy aims to grow and level up the space economy. The UK Space Agency is committed to supporting the levelling up agenda by strengthening the space economy through the national delivery of the Space Clusters and Infrastructure Fund (SCIF), the Space Ecosystem Development (SED) and the Accelerating Investment programmes.

This year, the Agency committed grant funding of £6.5m under the SED programme and nearly £50m in funding for SCIF projects across the UK. This investment is to enable the UK space sector to grow world class space clusters, enable businesses to form and scale, develop regional capabilities, and catalyse investment in the space sector across England, Wales, Scotland, and Northern Ireland.

John Mc Fall at the Belfast Space Conference.

UK Space Agency CEO Dr. Paul Bate speaking at the Belfast Space Conference.

LEVELLING UP THROUGH INFRASTRUCTURE INVESTMENT

Access to the right test facilities and infrastructure, at the right time, is very important in the race to grow our space economy. Companies the length and breadth of the UK report that having to wait or go overseas to access facilities has a large negative impact on their competitiveness.

This year saw the launch of the Space Clusters Infrastructure Fund (SCIF) that was designed to address this challenge, offering in excess of £49m to industry wishing to develop and invest in new R&D infrastructure. With industry co-investment alongside our funding, a total project value of nearly £92m is now under contract. Over 60% of this investment is made outside of the Southeast. In total, 13 companies were awarded SCIF contracts.

One beneficiary of SCIF funding is Space Forge, a company in South Wales with a mission to develop unique materials in the microgravity conditions of Earth orbit. Space Forge is using SCIF to design and build a National Microgravity Research Centre, creating a world-class, and unique facility for advanced material research and production, with an initial focus on growth of inorganic crystal structures in microgravity. Alongside the development of centre tooling and open access facilities for customers, the centre will create a space hub for the growing Welsh space sector.

Another award was made to Smiths Interconnect, which received £1.9m towards new facilities in Dundee. The project will develop and open-up infrastructure for rapid engineering, qualification, and digital fabrication to dramatically reduce time-to-market for key space craft components.

Open Cosmos, a company based on the Harwell Campus in Oxfordshire, will put in place a state-of-the-art facility to expand its manufacturing and R&D capability for microsatellites and constellations. They aim to use this new capability to grow their business, including new export contracts around the world.

UKSEDS Student Space Conference.

Signing the agreement between Axiom Space and the UK Space Agency.

The Rt Hon. Lord David Willetts FRS at the Belfast Space Conference.

Belfast Space Conference.

LEVELLING UP THROUGH SPACE ECOSYSTEM DEVELOPMENT

This year, the UK Space Agency invested £500,000 to establish five Space Cluster Partnerships. We work with partners across the UK to build and strengthen a collaborative operating environment, driving sector growth and resilience. By investing in areas of the UK where there is existing concentrated space capability – or a significant sector growth opportunity – we have supported locally-led space clusters to create vibrant communities of businesses and academia, helping them to catalyse investment by exploiting shared strengths, unlocking new markets, and tackling local barriers to growth.

The UK's network of space clusters were supported to strengthen ties with their geographic neighbours – including the formation of Space North, which is a collaboration between the three space clusters in Northern England focused on their shared capability in secure and resilient communications, and the South West Space Partnership, which is generating inward investment leads across Cornwall and the West of England space sectors – and to form cross-cluster partnerships where areas of the UK share and can deepen their specific space capabilities. In addition, we were lead sponsors and coordinators of the UK Space Conference in Belfast in November 2023. The event attracted 1,750 delegates from across industry, academia and government, all of whom had the opportunity to learn more about the Northern Irish Space Sector and its unique capability in spacecraft design, testing, manufacture, and analysis of space data. This conference generated a direct economic impact for Belfast of £1.7m in visitor spend alone.

*Learn more about the **Space for everyone tour** Southampton.*

*Learn more about the **Space for everyone tour** Glasgow.*

Northern Ireland Minsiter (Steve Baker) and DCEO Annelies Look at the Belfast Space Conference.

LEVELLING UP THROUGH ACCELERATING INVESTMENT

UK Space Agency Accelerator

This year, we continued to deliver our UK Space Agency Accelerator, building on the success of the pilot programme which supported 88 entrepreneurs, who raised £8.8m in investment as a result. The Accelerator provides world class early-stage business support to innovative space entrepreneurs. It is delivered by a consortium led by Entrepreneurial Spark and Exotopic, supporting new space business across the country. The Northwest of England stands out for its involvement in the Accelerator, accounting for 16% of participants, despite only having 6% of space sector companies.

According to the latest Size and Health of the UK space industry report, almost 90% of the UK space industry is made up of SMEs, each generating income under £5m. Nearly 41% of businesses who contributed to the space sector Size and Health report are based in London and the Southeast. This reflects the size of the opportunity to level up the UK space industry by supporting SME businesses across the UK space ecosystem, while also ensuring a pipeline of exciting investment opportunities for the growing space angel and VC investment communities.

Fusion: Connect with Capital

In January 2024, the Fusion: Connect with Capital pilot was launched, an initiative that accelerates early-stage space startups to raise funding from angels and stage-appropriate funds. It is an intensive, high-value programme supporting entrepreneurs to raise their first investments. The programme brings new investors to the table by providing credible deal flow. The pilot selected 15 candidates, matching them with an investment expert who works with their entrepreneur to prepare them to pitch at two demo days in London and Leeds. The programme has seen early success, with £750k raised by participants as a direct result of the connections and opportunities provided by Fusion, prior to the first pitch event being held.

Accelerating Investment

In September, the Agency introduced Accelerating Investment, a programme offering to co-fund investment-focused programmes delivered by existing or new third-party accelerators. The four projects selected came from Seraphim Space Camp, a partnership between UK Business Angels Association and Type One Ventures (Venture into Space), a partnership between University of Surrey, SETSquared and Space South Central (Cosmic Capital) and Mandala Space Ventures UK delivering a SoCal-UK Space Accelerator. These projects began this year and will run until March 2025.

INSPIRATION

Making space an ambition for young people.

The potential of any space activity to inspire people, especially young people, is a consideration when we plan a new project or programme.

Among the most visible sources of space inspiration is a UK astronaut in orbit. The three UK astronauts selected by ESA last year have been in training, as well as working as ambassadors for ESA, this Agency, and space at large, and one, Rosemary Coogan, qualified as an astronaut in March 2024.

We are working with the US company Axiom Space to identify commercial sponsors for a potential all-UK space mission later this decade. This will conduct science and technology demonstrations, as well as an outreach programme before, during and after the flight.

The UK's first – uncrewed – launch took place in Cornwall in January 2023, just before the period on which we are reporting here. We used it as an opportunity to grow interest in space throughout 2023, and across the whole of the UK. Called Space for Everyone, the Agency's programme of launch-related events had specific audiences in mind. It was directed at young people at all stages of education and engaged with about 160,000 of them during its UK tour. The space sector will need a full range of skills if it is to remain successful and sustainable. Our message is that the space sector requires a diverse range of skills well beyond rocket scientists, astronauts and astrophysicists, and that there are many routes into it, especially apprenticeships, alongside the university option.

We made a conscious decision to take this message to places where it might be an unfamiliar one. Some of the venues for its 13 shows, held from spring to October, were in towns and cities with lower levels of educational achievement and progression to higher education, and where the idea of space as a career might seem unattainable.

Association for Science and Discovery Centres

Space for everyone tour Aberdeen. Scan the code.

*Learn more about the **Stem outreach event**, scan here.*

Belfast Space Conference.

OUR DEDICATED SPACE EDUCATION AND FUTURE WORKFORCE PROGRAMME

We fund activities across the UK which support both formal and informal learning – short and extended duration and differentiated for specific audiences whether in school, at science centres, clubs and organisations, or at home, and in 2023-24 we have delivered over 4 million interaction hours with young people through this programme. Our Space to Inspire activities help young people to realise the importance of space as the context for everyday living.

Space to Learn is our activity programme for teachers and school students, delivered with our partner organisations such as the National Space Academy and the Jon Egging Trust for tens of thousands of students directly in schools around the country each academic year. It is targeted at areas of the greatest need for support. It works through a range of activities from full-day masterclasses to careers conferences and week-long holiday school programmes each academic year. Its outstanding teachers use contexts from space science to help boost student attainment and understanding, to add space-related interest to chemistry or geography lessons, to help students understand how their smartphone depends on space, the value of learning trigonometry, or why we need space to protect the Earth. Through the Agency funding, the National Space Academy reached over 400 local students at the UK Space Conference in Belfast last year, igniting their curiosity with interactive activities and facilitating a question-and-answer session with our UK astronauts, John McFall and Tim Peake.

Space for all.

Association for Science and Discovery Centres

*Learn more about the **Stem education**, scan here.*

*Learn more about the **Space for All – Geological Society.***

Interview with Rosemary Coogan, scan here.

*Learn about UK Space Agency Placements in Industry **(SPIN)**.*

Working with the European Space Agency, we maximise the use of space to inspire and engage young people into STEM careers, including linking up 850,000 young people with real space professionals through our Space Inspirations project.

Finally, Skills for Space helps people to get their first space industry job or move into the sector from other STEM industries. Our flagship employment initiative is the "Spintern" programme, which funds university students to spend eight weeks with a space-oriented employer. In the summer of 2023, we funded 52 Spinterns, with employers paying for a further 21. The Spinterns are paid the National Living Wage. We aim to double their numbers to a target of 150 per year.

The scheme began in 2013, and surveys of past Spinterns have found two-thirds of them working in the space sector. A growing percentage come from fields such as finance rather than space hardware or software.

Across Government, we have been developing the first UK policy on space workforce growth, to be published in summer 2024. This has drawn important input from across the whole sector, stretching the breadth of the country to understand the barriers preventing growth and proposing innovative solutions to overcome them.

Belfast Space Conference.

Belfast Space Conference.

COMMUNICATIONS AND ENGAGEMENT

The UK Space Agency's Communications and Engagement team sits at the heart of the Championing Space Directorate, with a focus on influencing, informing and inspiring key audiences about the work of the Agency and the achievements of the UK space sector.

We use media and digital channels, strategic engagement activity and internal communications to amplify the impact of the Agency's projects and programmes, helping to catalyse investment, promote the delivery of missions and capabilities and to champion space.

Key milestones for external communications included the launches of the ESA JUICE and Euclid missions, the announcement of the Space Clusters Infrastructure Fund, the Memorandum of Understanding signed with Axiom Space, and the unveiling of the new UK Space Agency office locations.

Over the course of the year we arranged more than 230 media interviews and responded to almost 500 queries from journalists. We produced 96 videos and grew our audience on social media channels by 50,000. Unique visits to the UK Space Agency website increased by 17% in 2023-24, compared to 2022-23.

The Communications and Engagement team oversaw the delivery of the UK Space Conference in Belfast in November 2023 (see previous section), as well as the Agency's presence at Space Comm Expo in June 2023 and March 2024, while planning for the next Farnborough international Airshow in July 2024. The team also developed the Agency's international events presence at Space Symposium 2024 in Colorado Springs, USA and began planning for the International Aeronautical Congress (IAC) in Milan, Italy in 2024.

The External Affairs team has engaged stakeholders to support the Agency's announcements, including those outside the sector to amplify our communications further and reach new audiences both in the UK and internationally. In 2023-24, the team held 94 stakeholder bilateral meetings and amplified the reach of 43 communications announcements through stakeholders. In the first three months of 2024, we secured 61 supportive public statements, such as quotes and social media posts, from stakeholders welcoming Agency activities. We also leveraged communications opportunities with high-profile organisations, including hosting a lecture alongside the historic Royal Institution, which generated high engagement.

Internal Communications has kept Agency colleagues connected, informed, and engaged throughout a period of significant change for the organisation. Using a wide range of channels, we have helped bring to life the UK Space Agency Story, our Values, and Transformation Goals, while communicating our new geographical footprint as a truly national space agency. Across the year we have delivered 68 staff events, including our weekly huddles, 49 staff bulletins, 250 SharePoint articles and 126 Teams posts. These platforms have helped to increase both employee engagement (65%, up 4 percentage points compared to 2022) and understanding of organisational objectives and purpose (86%, up 6 percentage points), as outlined in the 2023 People Survey results.

*Interview with **Anu Ojha** (Asia-Pacific space agency forum).*

*UK Space Agency 2023-24 **Wrapped.***

*Interview with **Paul Bate** at space com expo – **Farnborough**.*

CEO Dr Paul Bate at the Belfast Space Conference.

OUR PEOPLE

We are committed to ensuring that we are an inclusive, diverse Agency. We are building a positive and respectful workplace culture so that our staff feel safe and motivated and are empowered to deliver our priorities.

The 2023 Civil Service People Survey (CSPS) ran from 19-09-23 to 23-10-23. As in previous years, we were measured as an Agency in our own right.

The UK Space Agency participation rate was 81%, an increase of 4 percentage points over the previous year, and significantly higher than the overall Civil Service response rate of 65%.

The Agency had an Employee Engagement Index (EEI) score of 65%, an increase of 4 percentage points over the previous year. The EEI is shaped by five individual questions as well as measuring responses to nine key themes as shown in the table below.

People Survey results	DSIT 2023	Civil Service 2023	UKSA 2023	UKSA 2022	UKSA Change +/- %	UKSA vs CS average
My work	78%	78%	80%	77%	+3	+2
Organisational objectives and purpose	80%	84%	86%	80%	+6	+2
My manager	78%	79%	78%	75%	+3	-1
My team	84%	83%	82%	84%	-2	-1
Learning and development	57%	56%	53%	44%	+9	-3
Inclusion and fair treatment	81%	82%	79%	73%	+6	-3
Resources and workload	74%	75%	69%	66%	+3	-6
Pay and benefits	25%	33%	25%	25%	-	-8
Leadership and managing change	52%	52%	53%	49%	+4	+1
EEI index	60%	64%	65%	61%	+4	+1

Overall, the results reflected a positive upwards trend with 7 out of 9 key theme scores improved, including significant improvement in the Learning & Development and Bullying & Harassment scores. Whilst the scores are encouraging, we have further to go to achieve our ambition of creating an Agency which is a great place to work for our staff.

We will continue to focus on 5 identified priority areas in 2024:

- Resources & Workload
- Leadership & Management
- Culture & Values
- Learning Culture
- Pay & Benefits

We believe that continuing with the same priority areas as 2023-24 recognises the intertwined nature of these themes and their potential to reinforce each other's success and enable us to continue to build on the positive increases we have seen in the Civil Service People Survey results of 2024-25.

Feedback in the People Survey highlighted that getting transformation done and doing it well was important to our people. In response, the People Survey Action Plan is now aligned with the Agency Transformation Goals and our new UK Space Agency People Strategy 2024-2029.

We are committed to fostering a safe and inclusive workplace, where everyone feels valued and respected. Bullying, Harassment, and Discrimination (BH&D) and all other forms of inappropriate behaviour have no place in our Agency.

Since the 2022 Civil Service People Survey, we've made significant progress in reducing these issues. By fostering a culture where employees feel empowered to speak up, we've achieved an 8%-point decrease in reported bullying and harassment, and a 2%-point decrease in reported discrimination. Our ranking for reporting cases has jumped to second place across Government, an improvement of 85 places. Additionally, we now rank as the best organisation in Government for stopping cases of Bullying and Harassment. This demonstrates a crucial shift: not only do employees feel safe reporting incidents, but they can also see action being taken. While bullying, harassment and discrimination remains a priority, we're confident we're on the right track and remain committed in continuing our interventions to encourage and empower staff to report inappropriate behaviour, and in ensuring policies are in place to support people and teams to take necessary action.

OUR LOCATIONS

Creating a truly national space agency.

The UK Space Agency has been delivering its office locations plan, supporting the government's 'Levelling Up' and 'Places For Growth' initiatives. The Agency opened new offices in Cardiff and Leicester, followed by Edinburgh in June 2024, reducing its concentration in the South of England. The Agency also moved its new headquarters from Swindon to the Harwell Science and Innovation Campus in June 2024. We will be part of, and at the heart of, the UK's space ecosystem.

Leicester's Space City is at the centre of the Midlands space cluster. It is home to the National Space Centre and the University of Leicester's Space Park. The new UK Space Agency office will co-locate our staff with 20 organisations from the space sector as well as cutting-edge laboratories and workshops.

The Agency's new offices in Cardiff and Edinburgh are based in government hubs and mean the Agency is better placed to support the space sector in the devolved administrations, boosting growth and creating jobs. Space-based businesses in these regions will benefit from the opportunity for greater engagement and involvement with the Agency and its staff.

Moving the Agency's headquarters to Harwell represents a commitment to supporting the space sector. Harwell has the biggest concentration of space organisations in the United Kingdom, including the European Space Agency's ECSAT building and the National Satellite Testing Facility; it is a major international space hub. Over time, Harwell will become the Agency's largest office, increasing the organisation's collaboration and support for the space sector.

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UK Space Agency new Headquarters in Harwell Science and Innovation Campus.

UK SPACE **ECO SYSTEM**

https://sa.catapult.org.uk/cluster-directory/

UK SPACE AGENCY

*Learn more about our **new** office in Wales.*

UK Space Agency office Edinborough – Queen Elizabeth House

NORTH COAST SPACE CLUSTER

Space Scotland

SPACE SCOTLAND

North West Space Cluster

SPACE NORTH EAST ENGLAND

SPACE NORTH

SPACE HUB YORKSHIRE

NI SPACE

UK Space Agency office Space Park Leicester

MIDLANDS SPACE CLUSTER

SPACE EAST CLUSTERS

HARWELL SPACE

SPACE EAST

SPACE WALES

SPACE WEST

Westcott Space Cluster

ARC FOR SPACE

SPACE WALES

UK Space Agency office Swindon – Polaris House

CORNWALL SPACE CLUSTER

UK Space Agency office Cardiff

SPACE SOUTH CENTRAL

OUR FINANCES

It has been a year of delivery for the Agency. We met our financial target set by DSIT and HM Treasury, diversified funding to the sector with the expanded NSIP programme and the rollout of the Space Clusters and Infrastructure Fund, continued funding for technologies, missions and capabilities through the European Space Agency, and saw previous investments bear fruit such as the Euclid spacecraft's successful launch.

The UK Space Agency has taken on 7.2% more than was initially included in the Corporate Plan refresh for 2023-24, with £643.1m of budget in total. This uplift reflects the additional funding the Agency received as a result of Earth Observation (EO) investment package.

A key Agency financial objective is to outturn between 0.0% and -1.0% of the financial target (Agency forecast at P6 i.e. 30 September 2023).

In compliance with the budgeting regime, the Agency was required throughout the year to advise DSIT of its total forecast net expenditure for the year end, in line with the requirements from HM Treasury to adhere as closely as possible to the forecast.

The Agency's financial objective only applies to Departmental Expenditure Limit (DEL) budget lines to recognise that the Annual Managed Expenditure (AME) budgets are more challenging to manage. Control totals are set for both DEL and AME that apply to the DSIT Departmental Group, which the Agency is part of.

The Agency's 2023-24 outturn against this objective was £1.6m underspend, equivalent to -0.2% (2022-23: -4.4%) below the agreed financial target, meaning the Agency has met its financial target.

The final AME outturn was £34.7m more than budgeted due to in-year revaluation losses of £45.0m on forward contracts for foreign exchange held. This has been absorbed by the wider DSIT AME budget. The AME budgets represent the revaluation movement as a result of the difference in the fair value of the forward exchange rate contracts on inception as compared to the fair value of the contracts at their settlement date or as at end of the financial year.

The table below includes the details of the budget, financial target agreed with DSIT and outturn against each budget line. It shows that there have been challenges through the year and risks materialising on individual budget lines, however that the Agency has managed the overall position well through regular reviews of forecasts and making decisions based on them. The reported variance is the difference between outturn and agreed financial target.

Table 1: UK Space Agency's Outturn 2023-24

	2023–24			
	Budget £000	P6 Agreed financial target £000	Outturn £000	(Surplus)/ Deficit £000
Discovery	241,409	245,993	247,274	1,281
Earth Observation	150,970	149,946	151,949	2,003
Innovation	163,991	168,563	167,781	(782)
Inspiration	11,649	6,837	6,988	151
Launch	3,907	3,866	4,545	679
Levelling Up	24,658	20,655	15,016	(5,639)
Sustainability	46,529	47,253	47,980	727
Total CDEL	**643,113**	**643,113**	**641,533**	**(1,580)**
AME – Pensions	1,501	1,501	1,501	0
AME – forward contract revaluations	10,300	10,300	45,014	34,714
Depreciation (non-IFRS 16)	598	598	295	(303)
Depreciation (IFRS 16)	637	637	558	(79)
Total Non-DEL	**13,036**	**13,036**	**47,368**	**34,332**
Total Outturn 2023-24	**656,149**	**656,149**	**688,901**	**32,752**

Please note there is no spend against LEO assets in 23-24, however there will be in 24-25 through the C-LEO programme.

FOREIGN EXCHANGE HEDGING IMPACT OF ESA COMMITMENTS

To aid budgetary certainty, the Agency manages a portfolio of foreign exchange forward contracts. In November 2022, at the ESA Council of Ministers meeting (CMin22), the Agency committed £1.6bn (excluding inflation) to ESA for the period of 2023 to 2028, with some commitments stretching to 2030. Approval was received from HM Treasury to secure further forward contracts to cover the obligations from CMin22 up to financial year 2027-28.

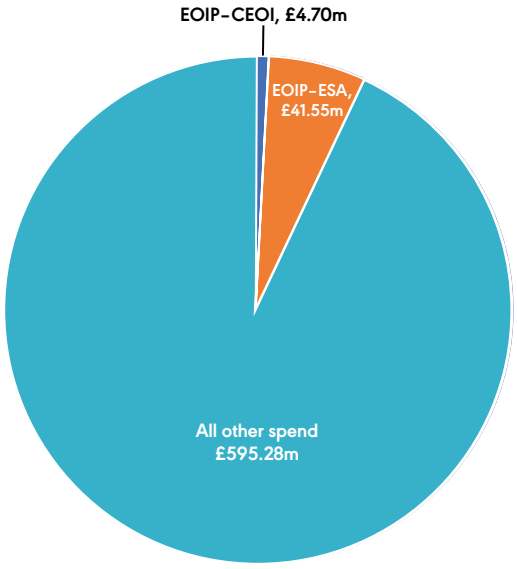
In December 2023, the Agency placed new forward exchange contracts covering the next four years to cover existing ESA payments within its portfolio. There are eighteen remaining contracts as at 31 March 2024. These financial instruments are subject to significant variances; their underlying fair value measured as at 31 March 2024 resulted in a recognised notional revaluation loss of £45m. These non-cash movements are outside the control of management and are therefore classified as AME.

Other financial assets and liabilities including more information about the forward exchange contracts can be found on page 99 in Note 9 to the Financial Statements.

RING-FENCES AND DISCRETIONARY SPEND

When spending restrictions are put against a particular budget line, this is referred to as a ring-fenced budget. In line with the HM Treasury consolidated budgeting guidance, the Agency is not permitted to switch funding between ring-fences. As at 31 March 2024, the only ring-fenced budget held by the Agency was for the Earth Observation Investment Package (EOIP) which had an outturn of £46.3m (2023: £123.1m). This EOIP spend for 2024-25 will reduce further given the UK has rejoined with full membership of Copernicus. The graph below details the 2023-24 outturn, split by ringfenced and non-ringfenced budgets.

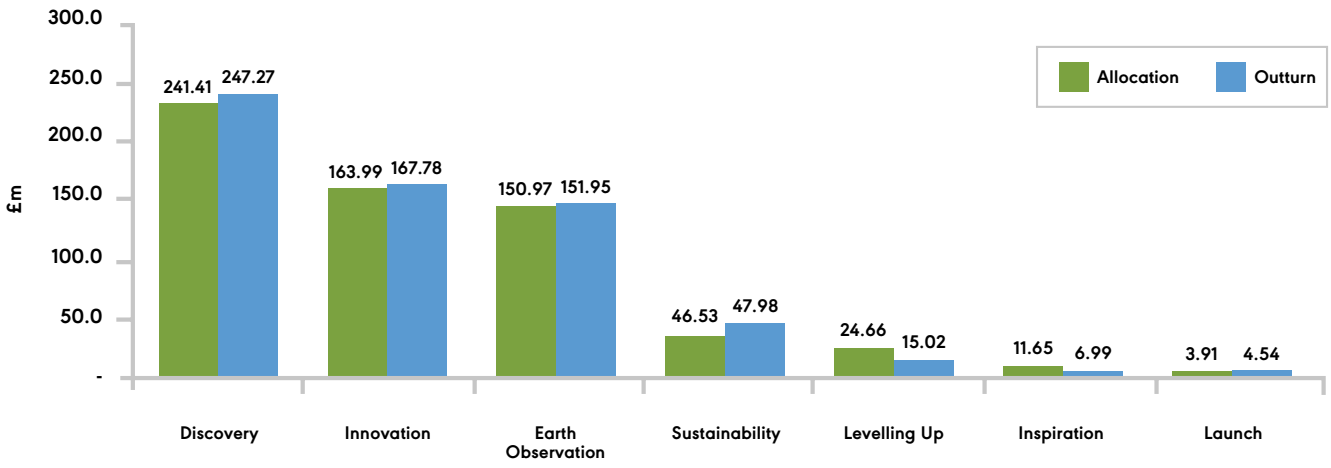
Graph 1: Breakdown of ring-fences



HOW WE SPENT OUR 2023-24 BUDGET

The table below includes delivery costs; therefore, the figures are not directly comparable to those in the Note 4 to the Financial Statements, Total Expenditure, on page 96.

Graph 2: Our 2023-24 allocation and how we spent it (excluding depreciation and AME)



DETAILED SPENDING BREAKDOWN

1. European Space Agency (ESA)

During the reporting period, the Agency subscriptions to ESA totalled £482.2m. This includes additional funding from HM Treasury to fund Earth Observation programmes as part of a £41.6m Earth Observation (EO) investment package.

The Agency's commitments to ESA are agreed at Council of Ministers (CMin) meetings, scheduled every two to four years. The most recent meeting was held in November 2022 (CMin22) where the UK announced it will invest £1.6bn to deliver international space programmes over the next 5 years. This investment secured UK involvement in international space missions and the development of new technologies, including:

- UK leadership of the Rosalind Franklin mission to search for signs of life below the surface of Mars;
- A new satellite, TRUTHS, to calibrate climate measurements from space;
- Bolstering space safety through improving forecasting and resilience from dangerous space weather via the VIGIL mission;
- Three new UK astronauts including the world's first astronaut with a disability;
- Research in telecommunications to enable faster 5G and future 6G connectivity, and to support constellations of Low Earth Orbit satellites;
- Strengthening space sustainability via satellite management, maintenance and removal.

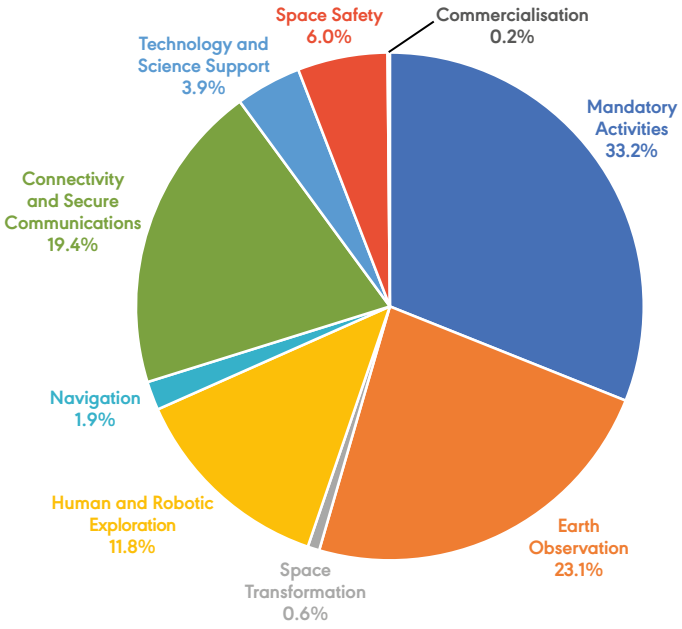
During this reporting period, the UK's investment at CMin22 has led to the following highlights:

- ESA's latest interplanetary mission, JUICE (JUpiter ICy moons Explorer), began its journey to Jupiter in April, where it will study in detail the gas giant planet's three large ocean-bearing moons: Ganymede, Callisto, and Europa;
- ESA's latest astrophysics mission, Euclid, lifted off in July. Euclid is designed to explore the dark Universe, shedding light on dark matter and dark energy;
- The Draft Memorandum of Understanding (MoU) between ESA and NASA concerning Cooperation on the Rosalind Franklin Mars Rover Mission was approved at ESA's December Council meeting;
- After the formal association of the UK with Copernicus on 1 January 2024, a series of events took place in the UK to highlight opportunities for industry and scientists in the programme;
- The TRUTHS system feasibility and pre-development studies are on track, as is work on the space segment. Activities aiming at promoting the mission to data user communities, including those of Copernicus, have been initiated and a TRUTHS event was organised by the UK Space Agency at COP28;
- ESA has concluded technical negotiations with Airbus Defence & Space UK for the VIGIL contract proposal. Financial/contractual negotiations are progressing well, with a contract signature due imminently.

The next CMin is due to take place in November 2025 (CMin25) and preparation for that within the UK Space Agency has already started.

The current obligations with ESA including CMIN22 subscriptions stood at 3.2Bn Euros and the portfolio can be summarised into nine key categories shown below.

Graph 3: ESA Subscription Portfolio 2023-24



The next Council of Ministers is expected to take place in November 2025.

2. Non-ESA Programmes

Graph 4. opposite details the 2023-24 outturn, split by the various programmatic expenditure carried out in 2023-24 outside the ESA subscription.

Please note this chart captures the areas of UKSA activities excluding ESA with the largest 2023-24 spend. This makes up 49% of total National Programme spend for 2023-24.

Graph 4: Programmatic spend outside the ESA subscription

Unlocking Space for Investment includes £7.9m of funding to UK Innovation & Science Seed Fund (UKI2S); Strategic Projects includes the Procurement of Methane Monitoring Data (£5.4m) and collaboration with DESNZ in part funding of the Space Based Solar Power programme (£0.9m).

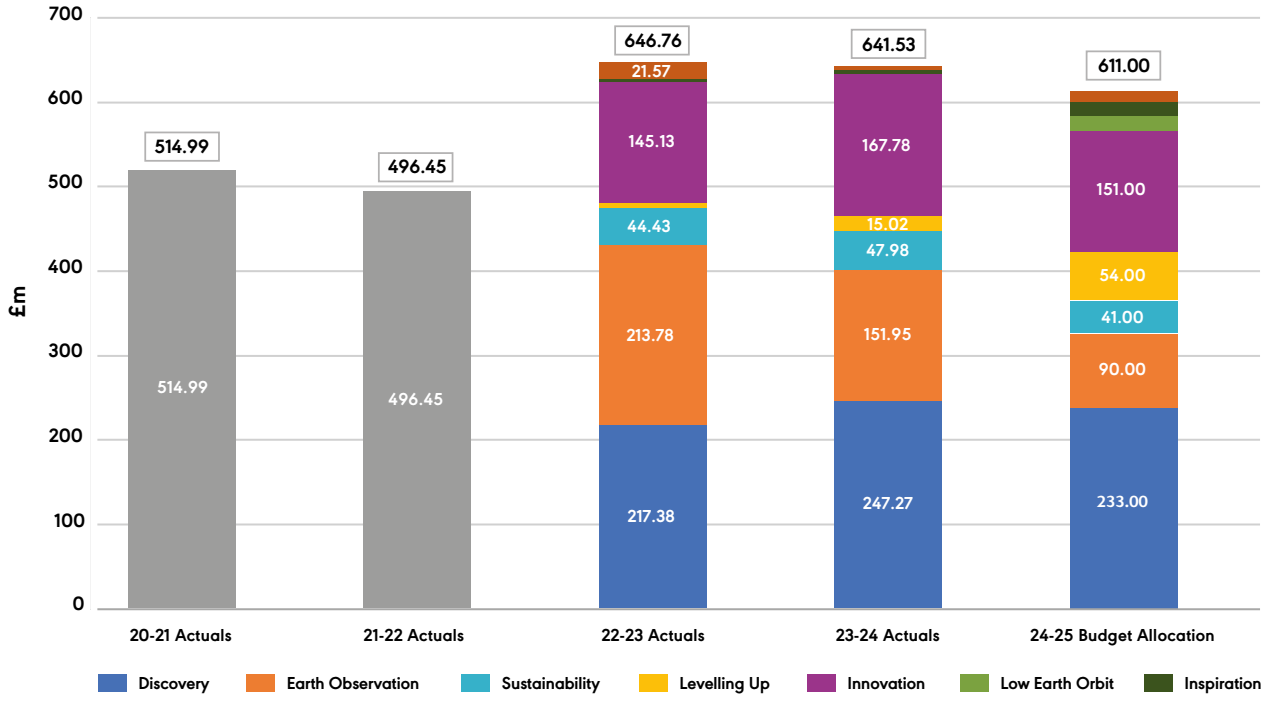
EXPENDITURE TREND

The Agency has seen a small decrease in CDEL outturn of £5.23m, following the large increase the year before, as shown in Graph 5 below. The additional funding since April 22 has allowed the Agency to expand its subscriptions to ESA whilst increasing its funding to the national programmes.

Due to the nature of space missions, expenditure on such programmes are managed across multi-year profiles. Graph 5 below shows the historic expenditure trend from 2020-21 to 2023-24 (before AME) and budget allocation for 2024-25 as included in the published corporate plan priorities. The decreased spend this year reflects lower ring-fenced funding in relation to the Earth Observation (EO) investment package compared to 2022-23. The EOIP value was £123.1m in 2022-23 and £46.3m in 2023-24.

The 2024-25 budgets reflects the Corporate Plan, confirmed as part of the BEIS Spending Review 21 settlement concluded in the first quarter of 2022. This has been refreshed and was published in Quarter 1 24-25. Prior year spend was not aggregated into the priority level of spend as the Agency's chart of accounts was only aligned to the Priorities from April 2022.

Graph 5: Spend trends over the last 4 years with 2024-25 per the Corporate Plan



HOW WE HAVE PERFORMED

At the UK Space Agency, our commitment to bringing the benefits of space down to Earth is unwavering. We continuously assess our progress to achieve our purpose to boost UK prosperity, understand the universe, and protect our planet and outer space.

OUR PROGRESS

The Agency has successfully met or surpassed 23 out of 27 active performance metrics in FY 2023-24, a 23 percentage point improvement on our performance in FY22-23:

Table i: Performance Metrics categorised by RAG status and year.

Key:	Financial Year 22-23	Financial Year 23-24
On Target	14	20
Close to Target	3	4
Not on Target	6	0
Non-Active	10	8
Delivered	2	3

Our significant improvement in green targets reflects particular progress in our Championing Space and Organisational Health metrics. We have achieved significant stakeholder engagement with the Agency's championing space activities, while our Civil Service People Survey results and year-end outturn show our strong work in this reporting year to support our staff and spend our money well.

Table ii: Performance metrics categorised by RAG status and theme.

Key:	Agency-wide	Priority-level Delivery	Organisational Health	Transformation	Total	%
Not on Target	0	0	0	0	0	0%
Close to Target	0	1	3	0	4	11%
On Target	2	14	3	1	20	57%
Delivered	0	1	0	2	3	9%
Non-Active	1	5	1	1	8	23%

AGENCY-WIDE METRICS

This sets out the value the UK Space Agency delivers to our stakeholders, taking into account our role in empowering our sector, delivering programmes, and raising awareness and support for space:

THEMES	METRICS	22-23	23-24
Agency-wide	**1. North Star – Catalysing Investment** Value (contract revenue and investment) in the UK space sector attributable to UK Space Agency activity (North Star Metric).	On Target	Non-active
	2. Delivering Space Capabilities and Missions Confidence that UK Space Agency programmes aiming to deliver capabilities/missions will realise their benefits.	On Target	On Target
	3. Championing Space Time spent participating in UK Space Agency-supported activities that aim to champion space.	Not on Target	On Target

COMMENTARY:
In FY23-24, the North Star Metric was rated as Green (On Target), as we were on track against our plan to gather evidence to baseline the value of investment the Agency had so far catalysed. Having now collected this evidence from across the Agency and sector, the RAG status has been updated to Blue (Non-Active) as we are now using this data to set targets for our future performance against this metric.

Our metrics show that in FY23-24 we have continued to deliver programmes that we are confident will lead to missions and capabilities that benefit the UK space sector – considering staff-reported progress to meet programme milestones, manage associated resources well, and address risks.

We have seen particular progress in our work to champion space. Interaction time with stakeholders and members of the public reached 7.2 million hours, surpassing our target of 3 million. This reflects a collective effort across the Agency to promote the value of the space sector, stimulate investment interest, enhance awareness of STEM education and career opportunities, and deepen understanding of how space products and services can fulfil customer needs. This success was backed by an increase in funding to support new outreach and engagement opportunities, including teacher masterclasses, primary school outreach, space internships, and engagement programmes for young people in challenging circumstances.

Having now collected this evidence from across the Agency and sector, the RAG status for the Agency-wide North Star Metric, as well as each UKSA priority's individual contribution to that metric, have been updated to Blue (Non-Active) while we use this data to set targets for our future performance against these metrics.

Each metric is assigned a status by metric leads as per the key below.

Key: On Target | Close to Target | Not on Target | Non-active | Delivered

PRIORITY-LEVEL DELIVERY

Our priorities describe the activities that we will put the most resource behind to deliver our Role. They form the basis for our budget and programme plans, and help us to design the structure, skills, and operating model we need. Additionally, they help us determine which activities to discontinue, allowing us to manage our time effectively and support our wellbeing. Some actions not listed as Priorities will continue to be part of the UK Space Agency's work, particularly those necessary for compliance with our legal, fiduciary, or Parliamentary duties.

THEMES	METRICS	22-23	23-24
Priority-level Delivery	**4. Launch – North Star metric** Contract revenue and investment in the UK space sector attributable to UKSA activity.		
	5. Launch – Annual TRL improvement Average annual improvement in Technological Readiness Level for UKSA-supported projects.		
	6. Launch – Pathfinder launches Completion of UK Space Agency-supported pathfinder launches.		
	7. Launch – Engagement Hours Engagement hours participants spent in promoting the UK space sector to champion space.		
	8. Innovation – North Star Metric Contract revenue and investment in the UK space sector attributable to UKSA activity.		
	9. Innovation – Improvement in TRL Average annual improvement in Technological Readiness Level for UKSA-supported projects.		
	10. Innovation – Engagement Hours Engagement hours participants spent in promoting the UK Space sector to champion space.		
	11. Earth Observation – North Star metric Contract revenue and investment in the UK space sector attributable to UKSA activity.		
	12. Earth Observation – Improvement in TRL Average annual improvement in Technological Readiness Level for UKSA-supported projects.		
	13. Earth Observation – EO capability and benefits derived from space technology Stabilisastion in number of EO jobs and capability, or increase in diversity of organisations able to benefit from EO space technology.		
	14. Earth Observation – Engagement Hours Engagement hours participants spent in promoting the UK space sector to champion space.		

PRIORITY-LEVEL DELIVERY

Deliver- Priorities' table continues.

THEMES	METRICS	22-23	23-24
Priority-level Delivery	**15. LEO – Completion of LEO mandate scoping** Completion of Lower Earth Orbit mandate scoping exercise.		
	16. Sustainability – North Star Metric Contract revenue and investment in the UK space sector attributable to UK Space Agency activity.		
	17. Sustainability – Improvement in TRL Average annual improvement in Technological Readiness Level for UK Space Agency-supported projects.		
	18. Sustainability – Percentage of UK-licensed satellite operators receiving UK timely Proportion of UK-licensed satellite operators receiving the UK's independent and timely warnings of orbital events.		
	19. Sustainability – Engagement hours Engagement hours participants spent in promoting the UK space sector to champion space.		
	21. Discovery – Number of leading UK roles in UK Space Agency-supported discovery activities Number of leading UK roles in UK Space Agency-supported discovery activities.		
	22. Discovery - Engagement Hours Number of hours participants spend engaging with the public about UKSA-supported activities.		
	23. Levelling up – North Star metric Contract revenue and investment in the UK space sector attributable to UK Space Agency activity.		
	24. Levelling up – Engagement Hours Engagement hours participants spent in promoting the UK space sector to champion space.		
	25. Inspiration – Engagement Hours Engagement hours participants spent in promoting the UK space sector to champion space.		

COMMENTARY:
This year, nearly all of our Priorities have met the targets for their contributions to the three elements of the Agency's role, with no metrics falling into the red category (not on target). For example, our work to drive innovation in space technologies has helped us to improve Technology Readiness Levels (TRL – how close technology is to market).

Each metric is assigned a status by metric leads as per the key below.

Key: On Target | Close to Target | Not on Target | Non-active | Delivered

ORGANISATIONAL HEALTH

THEMES	METRICS	22-23	23-24
Organisational health	**26. Forecast outturn budget spend within target margin** Forecast outturn budget spend within +0/-1% of agreed target.		
	27. Staff engagement within UK Space Agency Employee Engagement Index within the UK Space Agency (provided through the Annual Civil Service People Survey).		
	28. Bullying and harassment in UK Space Agency Decreasing bullying and harassment at UK Space Agency, based on staff feedback in the Civil Service People Survey.		
	29. Discrimination in UK Space Agency Reducing discrimination and harassment in UK Space Agency, based on staff feedback in the Civil Service People Survey.		
	30. Stakeholder satisfaction with engagement with UK Space Agency Stakeholder Satisfaction with UK Space Agency engagement.		
	35. UK GEO-Return The UK-GEO return metric tracks UK industry contracts versus UK Space Agency's ESA contribution, with quarterly reports assessing progress and forecasts.		
	36. Staff Engagement - Confidence that Action will be taken Assessing whether senior managers at UK Space Agency will take action based on the results of the People survey.		

COMMENTARY:
Following underspend in previous years, this year the Agency has focused on ensuring we are spending all the money well: using our budget in full to deliver an impactful programme of work, while managing the delivery uncertainties inherent in high risk, high reward research and development. Our annual accounts (page 86) show that we have a draft outturn of £642m in FY23-24, bringing us well within our target to spend within +0% / -1% of the outturn we forecast at the half-way point in the year.

Our 2023 Civil Service People Survey results showed improvement across seven of the nine core themes, as described in the earlier section. This has led to positive progress against our targets, with an increase in staff engagement scores by 4 percentage points, and reductions in reported bullying and harassment by 8 percentage points and discrimination by 2 percentage points. To manage the risk that we over-survey the sector, we paused formal reporting on stakeholder satisfaction. However, we use frequent sector engagement to understand their views on our work.

TRANSFORMATION

THEMES	METRICS	22-23	23-24
Transformation	**31. Discovery Phase Delivery** Successfully completing the Discovery phase of the Integrated Transformation Programme (ITP) within the stipulated time, cost, and quality parameters.		
	32. UK Space Agency staff confidence in charge Strengthening staff trust in the Agency's leadership and its management of change processes.		
	33. Deliver financial benefits Delivery of Value for Money and financial returns from UK Space Agency activities, including transformation initiatives.		
	34. Designing and implementing a new organisational structure Developing and instituting a new framework for UK Space Agency through the integrated Transformation Programme (ITP), including Tier 1 and 2 organisational structures.		

COMMENTARY:
We are also making strong progress to transform the Agency into a delivery-focused organisation that prioritises its people and meets the needs of our stakeholders. Based on 2023 People Survey, the Agency achieved our target for staff confidence in change, which increased to 53% a 4-percentage point rise from the previous year. We have defined and quantified the financial benefits that our programme should deliver, which will enable us to start to monitor and report on progress against this metric in due course.

DELIVERY MILESTONES

Our Corporate Plan, published in July 2022, outlined delivery milestones that the UK Space Agency aimed to complete in each financial year from 2022 to 2025. During the Corporate Plan Refresh in November 2023, we were able to provide a revised list of milestones as well as an updated delivery timeline for the upcoming years.

During financial year 2022-23, the Agency completed 23 (72%) of the 32 milestones baselined in the Corporate Plan[1]. We demonstrated an improvement in milestone delivery in financial year 2023-2024, with the Agency completing 51 (78%) of 65 milestones, as shown in the tables below.

PRIORITY	MILESTONE NAME	Achieved: YES or No
Discovery	Launch of UK built Magnetometer instrument, on ESA's JUICE mission to study Jupiter's moons	YES
Discovery	Completion of Ariel payload module Preliminary Design Review	YES
Discovery	Critical Design Review for MSR (Mars Sample Return) Earth Return Orbiter	No – Delayed
Discovery	Adoption of ESA gravitational wave mission LISA (Laser Interferometer Space Antenna), finalisation of BC (business case) for UK mission leadership roles	No – Delayed
Discovery	Launch of UK build VIS instrument on ESA's Euclid dark matter mission	YES
Discovery	Assembly of flight model of UK built Soft X-Ray Imager for SMILE mission	No – Delayed
Discovery	Funding agreed for UK teams to compete in study phases of new ESA Science mission candidates	No – Delayed
Discovery	1st UK instrument on the Moon[2]	YES
Discovery	Annual Exploration Science Call undertaken	YES
Discovery	Completion of the Particle Vibration Experiment for the ISS	YES
Earth Observation	National Call for ESA InCubed Proposals and selection of projects	YES
Earth Observation	Championing UK Earth Observation activities at COP28 with colleagues from ESA Climate Space and UK EO sector	YES
Earth Observation	GLOC (Global Space Conference on Climate Change) conference showcasing UK Space and Climate Action	YES
Earth Observation	Copernicus participation decision taken following new EU negotiations	YES
Earth Observation	Agreement of system consortium for TRUTHS	YES
Earth Observation	ESA FEO (Future EO) programme to select ESA Earth Explorer 11 Candidates to Phase A	YES
Earth Observation	CEOI (Centre for Earth Observation Instrumentation) Earth Observation Mission Capabilities Review	YES
Earth Observation	CEOI Project - Full funding allocated for this FY	YES
Earth Observation	Climate Services Call completed (call 2)	YES
Earth Observation	Completion of MicroCarb Assembly, Integration & Test (AIT) in Harwell, UK	YES
Innovation	Assessment and award of the Partnership Call, planned funding calls (General x4, 5G x2, Scylight x1)	No – Delayed
Innovation	ARTES BASS – Refresh evaluation and update complete	YES
Innovation	ARTES BASS – Four proposal decision making panels held	YES
Innovation	Moonlight – Assessment and award of the Partnership Call	No – Delayed
Innovation	NSIP (National Space Innovation Programme) Full Business Case approved	YES
Innovation	NSIP 1st funding calls opened and downselection process complete	YES
Innovation	NSIP Monitoring and Evaluation starts	YES

Note: (1) Correction in 22-23 milestone completion data, noting that that the 22-23 Annual Report listed milestone completion as 23 out of 31 (74%) instead of 23 of 32 (72%).

(2) Whilst the payload did not make it to Lunar surface, the Peregrine Lunar Lander mission did launch, with the UK instrument onboard successfully demonstrating operation in orbit.

PRIORITY	MILESTONE NAME	Achieved: YES or No
Innovation	NSIP 2nd funding call opened	No (No longer required)
Innovation	ETP (Enabling Technologies Programme) – combined with NSIP, early-stage/low TRL calls released under NSIP following BC approval	YES
Innovation	GHGSat – SatAppsCatapult contract to create user community for GHGSat archive and new data	YES
Innovation	GHGSat – Procurement of data archive access for UK Govt, including Ordnance Survey, via SatAppsCatapult	YES
Innovation	SCF (Space Catalyst Fund) SOBC (Strategic Outline Business Case) PIC/HMT approval of Procurement process for education aspects of SCF for investor partners and companies[3]	YES
Innovation	SCF market engagement to test preferred option	YES
Innovation	Terms and conditions agreed for education providers for SCF	YES
Innovation	Business Engagement Project BC Approved	YES
Innovation	Business Engagement Project Implementation (Awareness and Education)	YES
Inspiration	Remaining Space to Learn funded projects commence	YES
Inspiration	Space to Inspire Full Business Case written and approved	YES
Inspiration	Skills for Space Full Business Case written and approved	YES
Inspiration	International Bilateral Programme – Phase 1 funding call and project delivery	YES
Inspiration	International Bilateral Programme – Phase 2 call and start of delivery	YES
Launch	Inspiration Tour (LauncherOne) completed	YES
Launch	OMV (Orbital Maneuvering Vehicle) Build Completed	No – Delayed
Launch	D-Orbit Launch of InOrbitNow service	No – Delayed
Launch	Space Forge Demonstration of reusable on-demand microgravity service	No – Delayed
Launch	CSTS (Boost!) – Further contract awards expected as a result of CMIN22 funding.	YES
Launch	Orbex demonstration of responsive payload integration	No (No longer required)
Launch	HyImpulse rocket engine testing	YES
Launch	Gravitilab ISAAC suborbital launch vehicle readiness for prototype	YES
Launch	SmallSpark hybrid rocket propulsion demonstration	YES
Launch	SaxaVord launch rail completion	No – Paused
Levelling Up	Fund Space Cluster development projects, through Local Growth Programme	YES
Levelling Up	UK Space Accelerator 3rd programme area open for applications, and annual repeat of all 3 programme area open calls	YES
Levelling Up	SCIF (Space Cluster Infrastructure Fund) Outline Business Case approved	YES
Levelling Up	SCIF Full Business Case approved	YES
Levelling Up	SCIF Funding call launched and grants signed	YES
Sustainability	NSpOC (National Space Operations Centre) Full Business Case approved	No – Delayed
Sustainability	SST (Space Surveillance and Tracking) OBSERVE Pillar: commence installation of enhanced sensor capabilities including Troodos and assessments of UK OSTs (Overseas Territories)	YES
Sustainability	SST ANALYSE Pillar: commence procurement for enhanced AURORA analysis software (with MoD)	YES
Sustainability	SST ALERT Pillar: commence upgrades to MYS (Monitor Your Satellites) service	YES
Sustainability	Complete ADR (Active Debris Removal) Phase B studies	YES
Sustainability	Downselect between Astroscale and Clearspace design studies	No – Delayed
Sustainability	Commence ADR/ IOSM (In-Orbit Servicing and Manufacturing) interopability workstrands	YES
Sustainability	Commence Sustainability underpinning studies activity	YES
Sustainability	Deliver four Space sustainability conferences/events	YES

Sustainability report

Greening Government Commitments

The Greening Government Commitments (GGCs) provide a framework for government departments to reduce their impacts on the environment. The current framework is for 2021-25, with targets to be achieved by March 2025.

Overall GGC performance targets by March 2025	
Overall emissions	**62% reduction**
Direct emissions	**30% reduction**
Domestic flights	**reduce emissions by 30%**
Overall waste	**15% reduction**
Overall emissions	**reduce to less than 5% of overall waste**
Landfill	**62% reduction**
Recycling	**62% reduction**
Paper use	**62% reduction**
Usage	**62% reduction**

This is the first year we have reported on GGCs. In future years we will measure figures year on year and provided comparable data where it is available. Evaluation of sustainability targets and their achievement will be arranged in the next reporting year, to ensure they align with the new Corporate Plan.

Emissions scopes for public sector reporting

The GHG Protocol introduces three scopes, as follows:

- Scope 1: Direct GHG emissions – These occur from sources owned or controlled by the organisation. Examples include emissions as a result of combustion in boilers owned or controlled by the organisation and emissions from organisation-owned fleet vehicles
- Scope 2: Energy indirect emissions – As a result of electricity consumed which is supplied by another party, for example, electricity supply in buildings or outstations. Government has advised that this should also include other purchased indirect emission sources such as heat, steam and cooling.
- Scope 3: Other indirect GHG emissions – All other emissions which occur as a consequence of activity, but which are not owned or controlled by the accounting entity. This includes, for example, emissions:
  - as a result of staff travel by means not owned or controlled by the organisation (e.g., public transport or commercial airlines). It should be noted that this includes the requirement to include international air and rail travel in line with GGC;
  - resulting from work done on the organisation's behalf by its supply chain;
  - embodied in assets (i.e., as a result of raw materials extraction, manufacturing and transportation);
  - the emissions associated with the use of an organisation's products and services.

The UK Space Agency does not own or lease any building in its entirety, we are tenants in all the buildings we work within, along with other organisations. The Agency reports back to our sponsor department – DSIT as a % of the floor space we occupy. However, where the landlord is able to supply the data for the GGC, we have provided the details below.

Waste

Our landlords are responsible for waste collection and are committed to more environmentally friendly methods of disposal such as EfW (Energy from Waste). EfW is a facility where non-recyclable waste is burned, with the resulting steam powering a turbine, which generates electricity. Some EfW plants are also able to provide direct heating for local properties. The waste going to an EfW

Table A.	2023-24		2022-23	
	London 10 Victoria Street	Swindon Polaris House	London 10 Victoria Street	Swindon Polaris House
% of occupancy within the building	12.5	1.385	17	1.9
Apportioned kWh electricity	181785	32925	235021	45707
Apportioned kWh gas	154375	16048	201535	27366
Apportioned m3 water	377	152	794	255
Apportioned general waste tonnes	1.6	0.3	1.2	0.6
Disposal route for general waste	EfW	EfW	EfW	EfW
Apportioned recycled waste tonnes	5	0.8	6.3	0.9
Apportioned compost waste tonnes	0	0.1	0	0.3

Note: i. figures not available for Westcott or Harwell for previous years. ii. Cardiff, Leicester, Edinburgh offices were not open in 2022-23 or 2023-24.

would otherwise have been disposed of in a landfill site. We continue to encourage colleagues to reduce the amount of waste produced.

Water & Energy

We continued to urge our landlords to invest in water-reduction techniques and to consider newer energy technologies as they become available.

Consumer-single use plastic and re-use schemes

As an organisation we provide minimal catering services and we supply reusable crockery for our employee's use. Our use of single use plastics is minimal, and we have specialist recycling in place to mitigate this use.

Paper Usage

Whilst our paper usage appears to have increased overall by 5 reams since last year, we must take into account the larger numbers of staff employed by the Agency in 23-24, and the government's drive to increase staff attendance in the office after Covid. Paper usage has decreased per person.

Paper reams		
Size:	**23-24**	**22-23**
A3	**0**	**6**
A4	**90**	**74**
A5	**0**	**5**
Total	**90**	**85**
Staff numbers	**311**	**275**
Reams per person	**0.28**	**0.31**

Travel

We launched our sustainable business travel policy in 2023. Our policy encourages colleagues only to travel for business when necessary, and to travel by train rather than plane when possible to reduce emissions from aircraft.

Official business travel has increased globally each year since the COVID-19 pandemic. The UK's international influence in space is growing, and it is vital for the UK Space Agency to collaborate with partners around the world to address global challenges and seize new opportunities to boost UK prosperity.

As the Agency adopts a new locations strategy to meet the Cabinet Office's 'Places for Growth' criteria, domestic travel will increase.

Table B. Emissions produced in tonnes CO2e		
(**Note:** Figures rounded up)	**23-24**	**22-23**
UK National Rail	**24**	**15**
Eurostar	**2**	**1**
Domestic flights	**29**	**6**
Short haul flights	**44**	**22**
Long haul flights	**238**	**114**

Climate change adaptation strategy

2023-24 was a year of transition for the UK Space Agency, with significant changes to our geographical footprint as we prepared to open new offices in support of our commitment to wider government priorities, including net zero, levelling up, and our ambition to be accessible to the Space community right across the UK.

Climate change adaptation

Sustainability and energy efficiency was at the centre of our new locations strategy, with new offices in Cardiff and Leicester both in highly rated buildings. Harwell and Edinburgh offices are also highly rated and later in 2024, we hope to complete a move into more efficient and sustainable office in London.

Nature recovery plan

The aim of the nature recovery plan is to protect, and where possible enhance the biodiversity on our estate. Our landlords have produced nature recovery plans for some of our locations and we have signed up to participate in those where they exist.

Sustainable construction

The Agency undertook no construction in 2023-24 however work did commence on preparing the new office locations in readiness for occupation. Leicester and Cardiff were opened in late 2023-24, with Edinburgh and the new Harwell HQ opened in June 2024. For the fit out of all the locations, desktop hardware and furniture was re-used from the closure of 1 Victoria Street.

Reducing environmental impacts from ICT and Digital

UK Space Agency Technology is supplied and supported by Integrated Corporate Services (ICS), formerly BEIS Digital, which is now part of the Department of Energy Security and Net Zero (DESNZ). The Agency follows the approach of our main department DSIT and sources any bespoke equipment from approved Government suppliers. Disposals are also conducted through recycling companies that recover components and reuse.

Sustainable Procurement

The Agency continues to ensure that sustainable practices are included within its tendering process, including assessment against the Modern Slavery Act 2015 and compliance with Public Procurement Notice (PPN) 8/16.

We aim to develop a new Procurement policy, in alignment to the implementation of the Procurement Act 2023. This will include embedding compliance to Government Buying Standards (GBS) for in scope procurements. The policy will seek to follow the Flexible Framework to further embed sustainability into procurement decisions.

The Agency does not directly procure food or catering services.

The Agency's prompt payment statistics are included within the Governance Statement.

Dr Paul Bate
Chief Executive and Accounting Officer
12 July 2024

Accountability report

ESA/Hubble & NASA, J. Dalcanton, Dark Energy Survey/DOE/FNAL/DECam/CTIO/NOIRLab/NSF/AURA. Acknowledgement: L. Shatz

Audit Committee
Chair report

It has been my pleasure to act as interim Audit and Risk Assurance Committee (ARAC) Chair throughout this financial year whilst recruitment for a new permanent Chair is ongoing. As part of this role, I attended every UK Space Agency Board meeting and provided a report on the work of the Committee. The Committee has oversight of the risk management and assurance framework, the internal and external audits, UK Space Agency governance and financial reporting of the Agency.

The GIAA internal audit programme for 2023-24 is detailed on page 66. GIAA have awarded an overall opinion of moderate for the year. There was 1 substantial opinion, six moderate opinions and 1 limited opinion for project delivery pay enhancement. The review found there were limitations in record keeping, review and analysis of the enhancement as well as a lack of clarity around eligibility criteria. We take limited opinions very seriously and we will ensure the recommendations are implemented promptly. The Committee has monitored progress against audit actions and have seen positive changes in areas including financial management, counter fraud, and contract management. We encourage the Agency to respond to audit recommendations in a timely manner as this has sometimes slipped past the proposed time frame this year.

External audit opinion can be seen on pages 80-82.

The Committee has reviewed the Senior Information Risk Owner (SIRO) dashboard regularly which was updated to include a greater focus on health and safety matters this year. On cyber security, a capabilities audit gave an overall substantial rating and there were high levels of compliance against the Departmental Security Health Check. The Committee commended the security team for the excellent outcome on both these activities.

We continued to monitor closely the controls in place to manage the Agency's budget following the missed target in 2022-23. We remained concerned around the level of accruals and magnitude of spend in the last quarter. However there have been steps to be more forward thinking and flexible in the levers available to manage the financial position. We received updates at every meeting about the Agency's financial management and progress against budget. The Committee offered advice on routes to avoid underspend and achieve timeliness of interventions and were pleased that the Agency came within -0.20% of its budget as per target.

The Committee has seen evidence of progress on assurance management in the Agency with the production of the integrated assurance map, improvements made to the DAASIC process, and high levels of compliance against functional standards.

The Agency has continued to mature its risk management processes, including a change in approach to risk scoring to provide a more accurate picture. The risk appetite statement was reviewed this year and the Committee were pleased with the approach taken and endorsed the revised statement.

The Committee commissioned deep dives on the following risks this year: transformation, resourcing and retention, and the North Star Metric. We were pleased with the information presented and the opportunity to scrutinise and understand these risks in greater detail. The other main risks for the Agency throughout 2023-24 were: launch capacity in Europe, delivery performance and underspend, and affordability in the next Spending Review period.

I am content that the Agency is approaching these issues in the right way and is continuing to develop its risk, assurance and financial management capabilities.

Keira Shepperson
Interim Chair of the Audit Committee

Keira Shepperson
Interim Chair of the Audit Committee
12 July 2024

Director's report

As Chief Executive and Accounting Officer, I am required to produce an annual report and accounts which includes a detailed governance statement. I have signed this statement after satisfying myself that the information provided is a fair and accurate description of our governance structures, and there are no material ongoing issues affecting the Agency that I should declare within this statement.

In last year's report, we committed to several goals and I am pleased that the Agency has made substantial progress in achieving these. For example:

- We continue to progress our Integrated Transformation Programme (ITP). As the Agency transforms into a delivery-focused organisation, we are developing the operating model to best deliver our corporate plan and government ambitions. During 23-24, we:
- Moved to a new Organisational Design, based on our Role, which became operational on 1 April 2023.
- Introduced a new governance structure, introducing Delivery Priority Boards based on the Agency's eight strategic priorities, to help us make better informed decisions.
- Aligned with the government's Levelling Up strategy, resulting in a wider UK footprint that will enable the Agency to collaborate closely with the UK's space sector, while promoting regional skills and job opportunities to deliver increasingly ambitious missions and capabilities and attract investment.
- Planned for a new HQ at Harwell, which opened in June 2024, alongside offices at William Morgan House (Cardiff) and Space Park Leicester which opened in April 2024. Our office at Queen Elizabeth House (Edinburgh) also opened in June 2024.
- We have established regular and improved reporting and management of Public Sector Equality Duty, Counter-Fraud, Risk Management and Functional Standards. Updates on these are included as part of the Governance Statement.
- We also committed to the finalisation of a new Governance Framework and committed to the maturity of Project & Programme Assurance functions. They are now part of ITP workstreams and will be developed though service design work, for implementation in 2024-25.

Dr Paul Bate
Chief Executive and Accounting Officer
12 July 2024

National space centre, Leicester.


SPACE CENTRE

CORPORATE GOVERNANCE

OUR LEADERSHIP

The UK Space Agency Board has continued to provide strategic leadership for the Agency in delivering its objectives through scrutiny, advice and challenge provided by the Board's non-executive members.

NON-EXECUTIVE MEMBERS

The Rt Hon. Lord David Willetts FRS

Lord Willetts was appointed Chair of the UK Space Agency Board in April 2022. Lord Willetts is the President of the Resolution Foundation. He served as the Member of Parliament for Havant (1992-2015), as Minister for Universities and Science (2010-2014) and previously worked at HM Treasury and the No. 10 Policy Unit. He has held a range of Chair and Board positions across the space and science sector. He sits as the current Chair of the Foundation for Science and Technology, and was formerly Chair of the British Science Association, Non-executive director on the Board of Surrey Satellites, member of the Space Policy Advisory Board for the EU External Action Service and of the ESA Expert Group on the Future of Space in Europe. He served on the Board of UKRI from 2017-2023. He is an Honorary Fellow of Nuffield College, Oxford.

Keira Shepperson CPFA

Appointed Interim Chair of the Audit Committee in December 2022 and member of Audit Committee since May 2018. She is currently Director, Regional Funds at the British Business Bank, which is a government-owned business development bank dedicated to making finance markets work better for smaller businesses. Formerly Director, Future Fund which was set up to invest in companies who were struggling to raise finance during the Coronavirus pandemic and provided funding to 1190 companies. Keira has also worked in the change and finance teams during her eight years at the Bank. She previously held several finance roles at the Foreign and Commonwealth Office, the Department for International Development and Audit Scotland and is a Chartered Accountant.

Dr Kevin Shaw MBE

Kevin Shaw was appointed in June 2021. With 34 years of military service, Kevin brings experience in senior leadership and building effective teams. With expertise in space technology, satellite operations and exploitation of space-derived data, he considers himself a well-rounded space systems engineer. More recently, he has delivered major change programmes for Defence. Kevin now supports MOD's space community, advising the teams delivering MOD's next-generation satellite communications programme. Kevin is a Chartered Company Director, advising organisations on security and multi-disciplinary resilience of critical infrastructure. He also mentors boards in the third sector and is a STEM Ambassador.

NON-EXECUTIVE MEMBERS

Dr Fiona Rayment OBE FREng
Fiona was appointed to the Agency Board in June 2021. Throughout her career she has actively engaged in the development of technical and business strategies and led on effective stakeholder engagement with government and commercial entities. Fiona enjoys a plural career through several non-executive director, trustee and advisory roles and is the current President of the Nuclear Institute. Fiona has chaired and participated on a variety of boards and advisory committees nationally and internationally. She was awarded an OBE in the 2017 Queen's Birthday Honours and Chevalier of the Legion d'Honneur from the French Republic in 2019.

Peter Watkins CB CBE
Peter joined the UK Space Agency Board in June 2021 after over three decades in government service working on defence and national security issues. From April 2014 to November 2018, he was the Director-General in the Ministry of Defence (MOD) responsible for strategic defence policy and planning, covering key multilateral and bilateral defence relationships as well as space, cyber and prosperity. Peter has several affiliations to universities and think-tanks, including as a Visiting Professor at King's College London and as an Associate Fellow of Chatham House. He is a Member of the Council (and of the Audit Committee) of Cranfield University.

CORPORATE GOVERNANCE

EXECUTIVE TEAM

Our Executive team provides day-to-day leadership and management, ensuring that we operate efficiently and effectively, regularly reviewing performance, managing risks, and monitoring business delivery and financial performance. The Agency moved to a new SCS leadership structure in April 2023.

EXECUTIVE COMMITTEE MEMBERS

Dr Paul Bate, Chief Executive

Paul Bate has been CEO of the UK Space Agency since September 2021, following a career in the health sector. He ran global sales at Babylon Health, which floated on the New York Stock Exchange in 2021. He was on the Board of the Care Quality Commission as Executive Director for Strategy and Intelligence, and served as senior health adviser in the No 10 Policy Unit, working directly for the Prime Minister and Deputy Prime Minister during the Coalition. He previously led on health targets and finances in Tony Blair's Delivery Unit. Paul helped build a public sector consultancy business as one of the three original owners. He started his career at McKinsey & Co, and holds a PhD in Particle Physics from the University of Manchester. He is a trustee of the National Space Centre and is a Council Member of the Foundation for Science and Technology.

Chris White-Horne and Annelies Look,
Chief Delivery Officers and Deputy Chief Executives (Job share)

Annelies and Chris jointly lead the delivery of the Agency's portfolio of programmes, missions and capabilities, the Agency's transformation programme and provide professional leadership to the offices of the chief engineer, regulation and programme management.

Prior to joining the UK Space Agency, Annelies and Chris were the Senior Responsible Owner (job share) for the Rail Transformation Programme in the Department for Transport, building the programme to deliver a simpler and better railway for Britain.

Annelies has spent the majority of her career in the Ministry of Defence specialising in transformation, capital and digital project delivery stepping out of the civil service for 2 years in 2016 to be the KMPG UK P3M lead in Aerospace, & Defence. Annelies was the Programme Director for COVID-19 Testing and Build Director for the COVID-19 Managed Quarantine Service in the Department for Health and Social Care. Annelies is a Chartered Engineer and Chartered Project Professional.

Chris has a 25-year career in defence and aviation, was Programme Director and Chief Engineer in the international programme office for the Typhoon aircraft in Munich and a diplomat in Washington DC. Chris lives in Gloucestershire on a smallholding. He is a trombone teacher, trustee of a youth music charity, runs a swing band and is Non-Executive Director of a multi- academy school trust.

Claire Barcham, Corporate Services Director

Claire qualified as a solicitor before joining the Civil Service in 2009 and has led policy and programme delivery in the Department for Health, Home Office and HM Revenue & Customs. Claire joined the UK Space Agency in 2016 to lead the programme to enable space launch from the UK. In April 2023, Claire was appointed as Director of Corporate Services, and leads the Agency's strategy and planning, analyst, portfolio management, corporate performance and finance teams.

Chloe Sowter, People Director
Chloe joined the Agency in June 2022 and has worked for Civil Service HR since 2010 and been a member of the SCS since 2018. A CIPD qualified career HR Business Partner, she specialises in large Transformation projects and delivery of HR Programmes, most notably during Brexit for BEIS.

Dr Craig Brown, Investment Director
Craig joined in December 2022 as the Agency's Investment Director and is responsible for our innovation and Levelling-Up priorities, forging strong relationships with space investors, suppliers and customers to create opportunities to bring new investment and revenue into the sector. Craig leads the delivery of a number of Agency programmes across both the national and ESA portfolio, and has responsibility for the Agency`s Commercial team. Prior to joining the Agency, Craig worked at SatixFy UK, where he helped grow the company from an SME to a public firm, spent five years as Innovation Lead for Space at Innovate UK, and six years at Airbus Defence and Space. Craig holds a PhD from Leicester University.

Professor Anu Ojha OBE, Championing Space Director
Anu joined the Agency in May 2023 as Director for Championing Space having previously been a Director of the National Space Centre where he led on the inception and growth of the UK National Space Academy since 2008. In 2014, he was awarded an OBE for services to science education. Anu has worked on a range of space missions, including holding Co-Investigator roles on a planetary geotechnics sampling tool and nuclear power applications for space, both through his ongoing academic role at the University of Leicester. He has served on the Council for the Science and Technology Facilities Council (STFC) and has been a member of the ESA Human Spaceflight and Exploration Science Advisory Committee and the UAE Space Agency Global Space Congress Advisory Board.

DELIVERY BOARD MEMBERS IN ADDITION TO EXCO MEMBERS

Harshbir Sangha MBE, Missions & Capabilities Director: EO & LEO
Harshbir joined the UK Space Agency in December 2018 to lead the Copernicus Programme. Through the UK-EU Trade Negotiations, Harshbir negotiated an agreement in principle for the UK to continue its participation in the programme. In June 2021, Harshbir became Director of Growth at the Agency, leading the UK Space Agency's work to deliver the innovation and business environment that enabled growth and sustained national capabilities required to meet the UK's space ambitions. Since April last year, Harshbir has been Director of Missions and Capabilities where he leads on Earth Observation, Low Earth Orbit (ensuring UK is able to maximise the potential offered through LEO) and Space Security and Resilience, including safety and security of space critical national infrastructure.

Matthew Archer, Missions & Capabilities Director: Launch, and Security, Information and Risk Officer (SIRO)
Matthew is the Director of Launch at the UK Space Agency, which incorporates his role as Programme Director for the UK Spaceflight Programme. He is responsible for delivering HMG's ambition of creating a safe and sustainable commercial market for small satellite launch in the UK by 2030, including enabling the first commercial launch from Europe.
As of November 2023, Matthew is the SIRO for the Agency.

Julie Black, Missions & Capabilities Director: Discovery & Sustainability
Julie joined the Agency in April 2023 as new director for Discovery and Sustainability. Julie joins us from the National Crime Agency, where she has been Chief Portfolio Officer since 2020 leading on a Transformation Programme to deliver technology, estates and the capabilities to fight against serious and organised crime. Previously, Julie was Programme Director for the Gas and Electricity Network Price Controls at Ofgem, having set up Ofgem's portfolio office and business insights function in 2014. Julie also led the portfolio at the Bank of England and worked across agencies of the Department for Education in programme delivery roles.

Catherine Banks, Interim Finance Director
Catherine joined the Agency in April 2023 and having worked in the Government Finance Function since 2020 progressing to SCS on temporary promotion the following year. She is qualified as a Chartered Accountant (ACA), has provided technical financial advice and support on the COVID-19 interventions and cost of living crisis for BEIS, leading her teams to prepare two sets of annual reports and accounts for the Department.

LEAVERS

Ian Annett, Deputy CEO for Programme Delivery
Ian left the Agency in August 2023 and was succeeded by Chris White-Horne and Annelies Look.

Lucy Shirodkar, Transformation Director
Lucy left the Agency in October 2023.

Sarah Boyall, International Director
Sarah remains in the Agency as head of regulation.

Statement of Accounting Officer's responsibilities

Under the Government Resources and Accounts Act 2000, the Secretary of State with the consent of HM Treasury has directed the Agency to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the UK Space Agency and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and, in particular, to:

- observe the Accounts Direction issued by the HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going-concern basis; and
- confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements.

The Department for Science, Innovation and Technology (DSIT) has appointed the Chief Executive as Accounting Officer of the Agency. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and safeguarding the Agency's assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Agency's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Dr Paul Bate
Chief Executive and Accounting Officer
12 July 2024

Governance statement

1. CORPORATE GOVERNANCE

This statement sets out the governance, risk management, and internal control arrangements for the UK Space Agency. It refers to the Financial Year of 1 April 2023 to 31 March 2024 and up until the approval date of the Annual Report and Accounts. I am supported in my role as Accounting Officer by a governance framework which includes the Agency's Boards, Committees and Senior Management. In forming my assessment, I have examined:

- The Board and Executive Committee's assessment of the management of material risk.
- The policies and procedures in place impacting our risk governance framework.
- The work of internal audit and programme assurance, the Infrastructure & Projects Authority (IPA) gateway reviews, and opinions expressed by external audit.
- The inputs from the Audit and Risk Assurance Committee (ARAC).
- The assessments of my individual directors in the Director's Annual Assurance Statements of Internal Control (DAASIC).

2. LEGAL STATUS

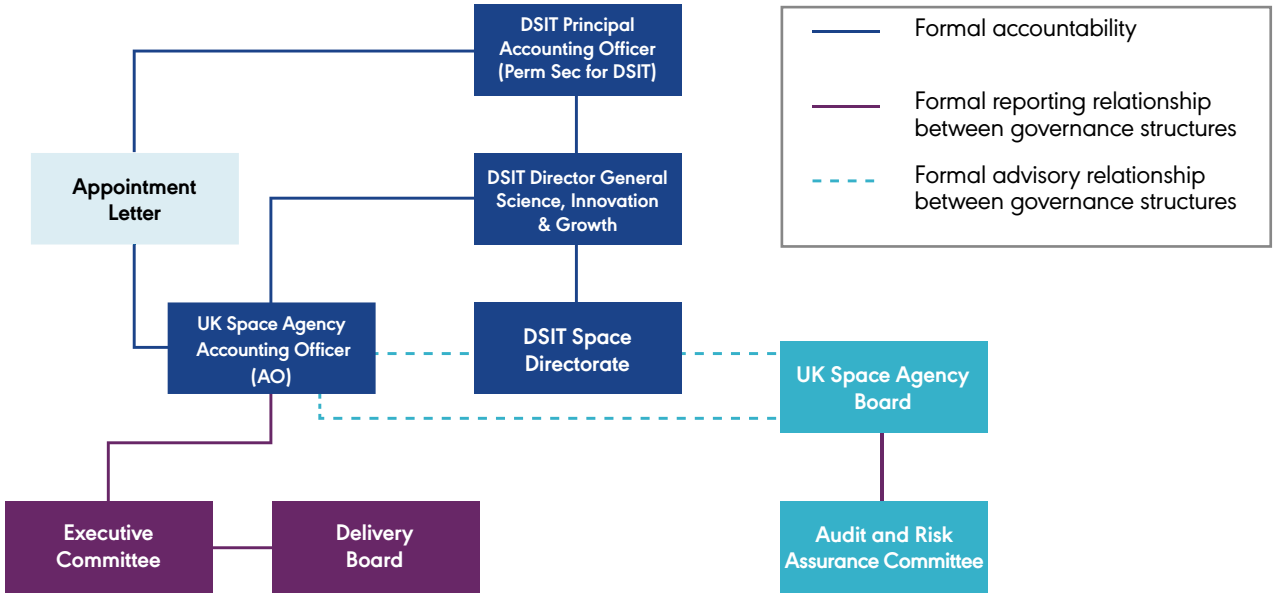
The Agency is an Executive Agency of the Department for Science, Innovation, and Technology (DSIT), and does not have separate legal status outside of DSIT. Therefore, to enter contractual arrangements, delegated powers are conferred on the Agency by the Permanent Secretary. In the event of a contract being entered into, the Agency is a 'Contracting Authority' on behalf of the Secretary of State for DSIT, who is the 'Authority'.

3. GOVERNANCE STRUCTURE

The Agency is accountable to Parliament for the funds it expends through the Agency's sponsor department, DSIT. Parliament monitors and influences the Agency through its Select Committees and the Parliamentary Ombudsman. The Agency's working relationship and lines of accountability with DSIT are defined in its Framework Document, the Corporate Plan, Allocation Letter(s), and Letter(s) of Delegated Authority made to the Chief Executive as Accounting Officer. These documents are subject to periodic review. The Corporate Plan sets out the strategy and activities the UK Space Agency will deliver throughout the period of 2022 to 2025 and is updated annually. The Agency is also held to account through regular performance reviews with the DSIT sponsor team. These reviews help ensure active engagement and a transparent relationship with the sponsor department.

The graphic opposite shows the governance structure of the Agency, formal accountability hierarchy, and reporting relationships, which are also set out in the Framework Document. The governance structure enables efficient and effective decision making and management of activities. Internally, the Executive Committee and Delivery Board have complementary responsibilities: the Executive Committee is responsible for monitoring and improving the overall performance of the Agency; the Delivery Board is responsible for overseeing the prioritisation and progress of the portfolio that comprises all UK Space Agency delivery initiatives, whilst ensuring their alignment with the Corporate Plan.

UK Space Agency Governance structure



4. UK SPACE AGENCY BOARD

The UK Space Agency Board's purpose is to support the long-term success of the UK Space Agency, ensuring strategic aims and objectives are aligned to those set by the Responsible Minister, that leadership and resources are in place to meet these aims, and to challenge and support management performance. It is an advisory board, providing strategic guidance to the Chief Executive and the senior executive team, advising Ministers and the Sponsor Department as to whether the Agency is equipped to perform its functions and deliver its strategy.

The Board regularly discusses reports provided by DSIT, the Agency's Chief Executive Officer (CEO), and ARAC. It discusses Corporate Governance and Agency development, including Civil Service People Survey results and the Agency's Integrated Transformation Programme. The Board has specific responsibility for agreeing the Agency's Corporate Plan, describing its business and resourcing plans each year including its key performance indicators and budget allocations.

Further responsibilities and details on the role of the Board are set out in the Terms of Reference. The members of the UK Space Agency Board, its Terms of Reference, and a summary of topics discussed are accessible on the Agency's website: **www.gov.uk/government/organisations/uk-space-agency/about/our-governance**

During 2023-24 the UK Space Agency Board met four times. All meetings were quorate (i.e., three or more of the members were in attendance, including the Chair, a Non-Executive Member, a representative from DSIT, and the Chief Executive or an authorised deputy). The Chair, Lord David Willetts, attended all meetings.

All non-executive members of the Board received a full induction on appointment and were appointed according to Civil Service good practice. Non-Executives each have an annual appraisal regarding their contribution to the Board's responsibilities and any areas for development.

The Board underwent an externally facilitated Board Effectiveness Review, which concluded in April 2023. The review concluded that the Agency and its Board are in transition and work remains in order to be fully effective, however there had been considerable improvement in the past year and Board meetings were effective and constructive. The review made several recommendations for continuous improvement and supported the Chair's proposals to recruit additional non-executives to broaden the scope of the skills represented on the Board, and to strengthen its collective effectiveness. Many of the recommendations have been implemented in 2023-24. One recommendation, regarding diversity and skills on the Board, is ongoing. An internally led Board Effectiveness Review was completed in May 2024.

5. AUDIT AND RISK ASSURANCE COMMITTEE

The Audit and Risk Assurance Committee (ARAC) supports the Chief Executive in their role as Accounting Officer. The Committee's functions are to ensure the propriety and accountability of public funds through monitoring and promoting financial reporting and discipline. The Chair of the Committee reports to the UK Space Agency Board.

The Committee met five times during 2023-24 and all meetings were quorate, with two non-executive members in attendance. Standing attendees include a DSIT representative, the Chief Executive, the Deputy Chief Executive, Corporate Services Director, Interim Finance Director, and the Agency's Senior Information Risk Owner (SIRO). Meetings are attended by representatives from the Government Internal Audit Agency (GIAA) and the NAO. Meetings are open to other Board members to attend.

ARAC regularly reviews the Corporate Risk Register, Agency financial position, Senior Information Risk Owner (SIRO) report, the NAO External Audit Plan, the GIAA Audit Plan, and progress against actions arising from Internal Audit Reports. Key discussions in 2023-24 included risk deep dives on the North Star Metric, resourcing, and transformation, and progress to mature the Agency's corporate risk management and assurance capability, including reviewing its Risk Appetite Statement.

The Committee generally meets on a quarterly basis but may meet more frequently to deal with exceptional matters.

The Terms of Reference of the Audit and Risk Assurance Committee set out the role and responsibilities of the Committee, encompassing the assurance needs of the Board and the Accounting Officer, oversight of financial reporting, and engagement with the NAO and GIAA. Members of the Committee have a good understanding of the objectives and priorities of the organisation. The Committee has the appropriate skills mix to allow it to carry out its function, including recent and relevant financial experience. This will be strengthened in 2024-25 with the appointment of additional members who will receive full induction as per Civil Service best practice. Training opportunities are regularly offered to ARAC members.

Members and attendees of both the UK Space Agency Board and ARAC are requested to declare any conflicts of interest in relation to the business of each meeting. Declarations of interest are also requested annually, and members are expected to proactively declare any conflicts arising in year from changes to their personal circumstances.

Board and Committee attendance (1 April 2023 to 31 March 2024)

Board/Committee Member	UK Space Agency Board	Audit & Risk Assurance Committee
Lord David Willetts (Chair)	4 / 4	N/A
Keira Shepperson (ARAC Chair and Independent member)	4 / 4	5 / 5
Fiona Rayment (NEM)	3 / 4	N/A
Kevin Shaw (NEM)	3 / 4	5 / 5
Peter Watkins (NEM)	4 / 4	N/A
Paul Bate (CEO)	4 / 4	4 / 5[1]
Claire Barcham (Executive)	4 / 4	4 / 5[1]
DSIT Representative	4 / 4	5 / 5[1]

1. Only Non-Executives are formal members of ARAC. Others noted here are standing attendees.

6. EXECUTIVE COMMITTEE

The Executive Committee (ExCo) provides strategic leadership of the Agency through effective and timely decisions on Agency strategic and corporate matters, supporting the Chief Executive in their Accounting Officer duties. The Committee's main responsibilities are to set the overall strategic direction for the Agency, to monitor and improve the overall performance of the Agency, to champion the Agency's People agenda to promote the right culture across the organisation, and to shape the approach to the Integrated Transformation Programme (ITP) to ensure it delivers the benefits envisaged.

ExCo is responsible for making fundamental and overarching decisions to support the Agency on topics that have an impact on its long-term governance, operation, and reputation, and for which ExCo has collective accountability.

The Committee met 11 times in 2023-24. In months without a formal ExCo meeting, a paper on Agency performance was shared by correspondence with the Committee for awareness, and to escalate any immediate issues for attention. A senior qualified finance professional was present at every formal ExCo meeting.

7. DELIVERY BOARD

The purpose of the Delivery Board is to manage and prioritise the Agency's portfolio of activities and to assure its successful delivery. It focuses on the delivery of the strategic priorities in the Corporate Plan and their associated milestones, metrics, and benefits. The Delivery Board delegates governance of activities to the responsible and accountable owners and their Programme and/or Project Boards. The Delivery Board is the escalation point for these Programme and Project Boards.

The Delivery Board was chaired by the Deputy CEO until August 2023, and the Chief Delivery Officers thereafter. Although its agenda and membership changed to meet its new Chairs' requirements, its overall purpose remained unchanged. The Delivery Board met seven times in 2023-24. In months without a formal meeting, a paper on portfolio performance was shared by correspondence with the Board for awareness, and to escalate any immediate issues for attention.

Executive Committee attendance (1 April 2023 to 31 March 2024)

Executive Committee Member	Meetings attended
Paul Bate (CEO & Chair of ExCo)	11 / 11
Ian Annett (Deputy CEO)[1]	3 / 4
Annelies Look (Chief Deliver Officer – Jobshare)[2]	7 / 7
Chris White-Horne (Chief Delivery Officer – Jobshare)[2]	6 / 7
Claire Barcham	11 / 11
Chloe Sowter	10 / 11
Lucy Shirodkar[3]	5 / 6
Craig Brown	7 / 11
Anu Ojha[4]	8 / 11

1. Ian Annett left the Agency in August 2023
2. Annelies Look and Chris White-Horne joined the Agency in September 2023
3. Lucy Shirodkar left the Agency in October 2023
4. Anu Ojha joined the Agency in May 2023

8. COMPLIANCE STATEMENT – TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURES (TFCD)

Space is integral to global efforts to monitor and tackle climate change. The UK Space Agency has invested in missions and capabilities that support climate science and protect our planet.

We are committed to integrating climate-related risks and opportunities into our governance and decision-making structures. We have updated the Terms of Reference for our Executive Committee meetings and our Risk Appetite Statement to reflect this. The overall appetite will be set by our Chief Delivery Officers, as the Agency's new climate-related risk owners. This will enable the Agency to have an organisation-wide view of climate-related risks and opportunities, and ensures they are escalated and discussed at the correct level.

The UK Space Agency has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance, which interprets and adapts the framework for the UK public sector. The Agency has complied with the TCFD recommendations and made all recommended disclosures about our governance.

Next year, the Agency aims to set meaningful performance targets and update our risk management structures, to inform how we monitor climate-related activities and mitigate risks. We will make further disclosures about these in future reporting periods, in line with the central government implementation timetable.

9. ANNUAL REVIEW OF EFFECTIVENESS OF INTERNAL CONTROLS

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Agency's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally accountable. This is done in accordance with the responsibilities assigned to me in HM Treasury's 'Managing Public Money', and the requirements set out in my appointment as the Agency Accounting Officer, including the delegation of financial authority from DSIT. My review is informed by the Agency's Risk Appetite Statement, and a range of outputs from key processes, including: Directors' Annual Assurance Statements of Internal Control; the annual internal audit programme; the Agency's assurance framework and internal procedures; and the external audit Management Letter.

10. OPENNESS AND TRANSPARENCY

As with all public bodies, the Agency has obligations to deal with requests for information under the Freedom of Information (FOI) Act 2000 and the Environmental Information Regulations 2004. We have a dedicated team responsible for ensuring the Agency's responses to these requests comply with the relevant legislation and are reviewed and approved at an appropriate level.

Actions are currently underway to enhance record management practices, ensuring compliance with Section 46 of the FOI Code of Practice as part of our Information Governance Strategy.

In 2023-24, we responded to 55 FOI Act requests, 54 (98%) of which were answered within the 20-working day statutory time limits. Where it would not be possible to meet the deadline, we advised the applicant of the delay and set a revised response date no more than one week later, which was met.

We received three requests for Internal Reviews of our FOI Act decisions. One upheld our original decision in full and one was upheld in part. Following the third review, the original decision was overturned and some information was released.

We were not notified of any complaints made to the Information Commissioner's Office (ICO) during the reporting year 2023–2024. One appeal was raised with the First Tier Tribunal following a complaint to the ICO in the reporting year 2022–2023. The ICO had previously upheld our decision to withhold the information. The First Tier Tribunal also found in our favour and the appeal was dismissed.

11. UK GENERAL DATA PROTECTION REGULATION (UK GDPR)

Training and awareness are key to supporting improved knowledge of data protection amongst staff. To set high standards for privacy and to promote a positive attitude and personal accountability of data protection across the Agency, all Agency staff and contractors are required to complete and pass mandatory biennial UK GDPR E-learning training. Training completion is monitored and reported at senior level.

No personal data breaches were assessed to have met the ICO's reporting requirements in 2023-24.

12. INFORMATION MANAGEMENT & SECURITY

In support of the Government's Transforming for a Digital Future Strategy: 2022-2025, the Agency established a formal Digital, Data and Technology function (DDaT) in May 2023 to ensure we use digital tools and data more efficiently. This has matured throughout the year to provide a single authority to drive and manage all digital and technology-related activity across the Agency.

Our Security Advisor and Chief Digital Information Officer (CDIO) work collaboratively with Government Security and the UK National Technical Authorities to harden our systems to cyber-attack and improve our resilience to known vulnerabilities and attack methods in support of the Government Cyber Security Strategy: 2022–2030. We maintain a security culture through mandatory annual e-learning training for all staff in Security & Data Protection, with emphasis on classifying and sharing information correctly, identifying phishing emails and smishing texts, social engineering, asset protection and reporting incidents. All new staff undergo 1-2-1 security inductions on joining the Agency and the Security Team run phishing exercises to test and embed staff understanding of the threat posed.

The Agency's Information Asset Management approach is maturing, with the establishment of Information Asset Owners to embed accountability and responsibility for information management and governance in accordance with the Agency's Information Asset Management policy. To support the implementation of the Agency's Information Governance Strategy, a comprehensive compliance gap analysis has been conducted using cross-government standards and frameworks to inform future improvement activity across all elements, including data protection and information and records management. The DDaT Compliance Policy has been published to provide clarity to all staff on applicable information governance policy, procedure and guidance.

The Government Internal Audit Agency (GIAA) carried out an audit of Agency Cyber Security capabilities in line with the National Cyber Security Centre (NCSC) 10 Steps to Cyber Security. This audit gave the Agency a substantial rating, assessing our framework of governance, risk management and control as adequate and effective. The audit recommendations have informed an action plan to further strengthen our capabilities.

13. GRANT ADMINISTRATION

Non-academic grant funding that is disbursed through the Agency's national programmes is managed by grant managers who are supported by the Agency's Commercial Team. Academic grants are administered by UKRI on the Agency's behalf as part of the UKRI grants system. The governance of Agency-managed grants is carefully structured to include:

- Fair and open themed calls for applicants to bid for funding in accordance with the Agency's Corporate Grant Policy and the Government Standards for General Grants.
- Advisory panels to provide financial, technical and impartial scrutiny and advice on which applications to fund, in accordance with the published evaluation criteria.
- Due diligence undertaken on proposed grant funded projects including their value for money assessment, eligibility, financial standing, and technical and commercial viability in accordance with the Agency's Corporate Grant Policy and Subsidy Control Act 2022.
- Robust processes for approvals in accordance with the Grants Functional Standard and the UK Space Agency's scheme of delegations.
- Grant funding agreements executed for all grant awards, with the terms reflecting the scope, value and risk associated with the activity. Deliverables and acceptance criteria are defined for all grants, along with payment plans and risk management strategies.
- Programme staff monitoring milestone delivery and outputs, and scrutinising claims for grant funding, to ensure that grant funded projects remain on track, change is controlled and assured by Agency's Commercial Team, and sound financial controls are in place. An independent annual audit of accounts and an additional third-party audit of all high value grants are undertaken to provide assurance that funds have been expended in accordance with the terms of the Grant Funding Agreement.
- Lessons captured at close out and used to inform future activity.

The Agency continues to work in alignment with the Government Functional Standard for Grants.

14. COMMERCIAL AND PROCUREMENT

The Agency has responsibility for strategic sourcing, which covers all contract requirements that are not common goods or services that can be procured via existing government frameworks (with the exception of ICT). Procurement of ICT and common goods and services is the responsibility of UK Shared Business Services (UKSBS).

The Agency's Commercial team is responsible for ensuring that all of the Agency's strategic sourcing contracts (with the exception of ESA programmes) are placed and managed in accordance with the Government Commercial Functional Standard and Managing Public Money. Governance of strategic commercial activity is therefore structured to include:

- A Commercial spend pipeline to capture and report in line with Cabinet Office controls.
- Fair and open competition by default that follow the principles of the European Public Contracts Regulations.
- A Procurement Policy, ensuring procurement strategies are in place which sets out market position, route to market and extension provisions.
- Approvals at the appropriate levels, in accordance with the Agency's scheme of delegation.
- Due diligence undertaken on bid submissions including value for money assessment, financial standing, and technical and commercial viability.
- Robust conflict of interest and tender evaluation panel processes using clear criteria designed to deliver value for money.
- Robust contracts for all expenditure, determined by value and risk. Contracts set out: roles and responsibilities, deliverables, service level agreements and key performance indicators (as appropriate), and risk management plans.
- Monitoring of supplier performance against the contracts, including qualitative assessment of deliverables, scrutiny of the payments and assured change control via the Agency's central Commercial team.
- A contract management framework, along with contract management plans for gold, silver and bronze contracts utilising Cabinet Office templates and best practice guidance. Contracts have been tiered and operational contract managers and commercial contract managers assigned accordingly. Operational contract managers and commercial contract managers are to attend training in the next financial year.

15. PAYMENT POLICY

It is government policy to pay 90% of undisputed and valid invoices from SMEs within five days and for 100% of all undisputed and valid invoices to be paid within 30 days.

During 2023-24, UKSBS processed 3623 invoices (2,631 in 2022-23) on behalf of the Agency with 80.10% of payments made within five working days of UKSBS receiving the invoice (84.42% in 2022-23) and 95,86% within 30 days (96.73% in 2022-23). In line with guidance published by the Cabinet Office, the prompt payment calculation includes supplier invoices and individual Government Procurement Card (GPC) transactions.

There were a handful of issues that arose during the year which identified some areas of control weaknesses within our purchase to pay process resulting in payment delays to suppliers and costs to the agency. This has led us to work on our purchase order and invoice payment processes to improve process flow and staff handover eliminating delays. This is further supported by an app that is launching in 2024-25 to begin automating the process and facilitate more self- service.

16. INTERNATIONAL SUBSCRIPTIONS

The UK was one of the founding members when the European Space Agency (ESA) was established on 30 May 1975 and was a member of its predecessor organisations (ELDO and ESRO) from 1964. ESA is a non-governmental organisation which has European Union (EU) and non-EU members.

The Agency manages the UK's membership of ESA. By participating in ESA programmes, we help UK industry and academia to benefit from contracts awarded by ESA in proportion to the UK's overall subscription value (in a process called geo-return).

The Agency budget for ESA programmes is on average £452m per year for the 2022-25 spending review period. This is made up of a mandatory element (for the science programme and basic activities such as ground facilities and digital infrastructure) and a series of programmes where the UK chooses its participation levels.

These optional programmes were confirmed at Ministerial level in November 2022. They included funding for: innovation in satellite services such as telecommunications, navigation and Earth observation; participation in robotic and human space exploration; missions and capabilities to protect life on Earth (for instance from space weather); and commercial spaceflight technologies. We also made some additional subscriptions after the Ministerial Council, increasing investment in ESA's Earth observation programmes to give the sector opportunities to access high value contracts while the UK was not participating in the EU's Earth observation programme, Copernicus. This in effect sets ESA subscription levels for a period of five years, with another Ministerial Council expected in November 2025.

The Agency oversees spending from these subscriptions through our membership of all ESA governance committees and project oversight boards. In addition, ESA's financial accounts are subject to independent audit.

17. BUSINESS CONTINUITY AND DISASTER RECOVERY

The Agency has a bespoke Business Continuity Plan (BCP), which is regularly reviewed and updated. A major revision was completed in April 2023 to reflect recent organisational design changes.

Throughout the period, the Business Continuity team has engaged with providers of critical business systems in response to the last remaining action from a 2020 audit, when our plans for business continuity were reviewed. We have gained greater understanding of the BCP plans made by our key service providers, particularly their disaster recovery plans, and the potential impact on the Agency of a loss of service and given assurance to ARAC. The BCP will be tested in the next Financial Year.

18. REGULARITY AND PROPRIETY

The Agency is committed to establishing and applying appropriate regularity and propriety standards, including embedding appropriate cultures and behaviours, and does not tolerate any form of fraud, bribery or corruption. The Agency's key policies in this regard are:

- Counter Fraud Policy
- Anti-Corruption and Bribery policy and arrangements
- Gifts and Hospitality policy
- Whistleblowing policy
- Conflict of Interest policy

Counter Fraud
No cases of fraudulent activity were identified within the Agency in 2023-24.

The Agency remains committed to creating a transparent environment where staff understand and act on their responsibilities to counter fraud (incorporating bribery and corruption).

The Agency continues to align with the Cabinet Office Government Functional Standard for Counter Fraud (GovS 013) and has created a new Counter Fraud Strategy, which was approved by the Board this financial year.

To continue to raise awareness, all staff are required to complete mandatory counter fraud training each year. We have also created a dedicated centre of excellence, with information on fraud and how to report it, and a dedicated mailbox that is regularly monitored.
The Agency's counter fraud work was reviewed by the Government Internal Audit Agency (GIAA) in January 2024. It assessed the Agency's management of fraud risks as moderate, and identified some areas for improvement, including clarifying counter-fraud responsibilities and updating the Agency's Fraud Risk Assessment. An action plan to address these has been agreed. Progress to deliver this plan and our wider strategy is reported to ARAC bi-annually. A follow-up assessment by the GIAA is also planned for 2024-25.

Anti-Corruption and Bribery
No cases of bribery or corruption were identified within the Agency in 2023-24.

The Civil Service Code (https://www.gov.uk/government-publications/civil-service-code/the-civil-service-code) states that civil servants must not accept gifts or hospitality or receive other benefits from anyone which might reasonably be seen to compromise.

We have continued working with DSIT to maintain standards and implement best practice. The Agency fully adopted the DSIT policy on gifts, hospitality, bribery and corruption. The Agency maintains a gifts and hospitality register to record all gifts and hospitality and any reciprocal gifts received on a quarterly basis.

Conflicts of interest
All staff must comply with the Civil Service Code and DSIT standards of conduct. Any outside employment, business interests and financial interests or political activities must be declared and approved by a Director. The Agency's executives and non-executive members are required to provide declarations of private, professional and commercial interests, which are maintained on a register of interests. At each Board meeting the members are reminded to declare any potential conflict of interest in the business of the meeting. https://www.gov.uk/government/publications/uk-space-agency-register-of-board-members-interests/uk-space-agency-register-of-board-members-interests

Science and Technology Act 1965
HM Treasury have issued DSIT with delegated authority for grants issued under the Act, where these are below £20m. The UK Space Agency has also been delegated authority for grants issued under the Act. During the year we identified that our previously issued delegation from HM Treasury under the Science and Technology Act is not in line with the authorities that govern these grants, as HM Treasury does not have authority under the Act to delegate its approval to others. This affects both UK Space Agency and DSIT who have issued grants in accordance with our delegation from HM Treasury. For 2023-24 the value of grants affected by this administrative misunderstanding is £108.2m. Further information relating to DSIT's grants issued under the Act can be seen in their Annual Report and Accounts. We have worked with HM Treasury to correct this administrative misunderstanding over the course of the year and have obtained retrospective approval for £96.3m. This leaves a residual amount of £11.9m which does not conform to the authorities that govern these transactions and is therefore considered irregular. The Accounting Officer considers these amounts to be immaterial. Going forwards HM Treasury have issued a revised delegation that requires all grants using the Act to obtain HM Treasury approval.

19. TAX ARRANGEMENTS FOR PUBLIC SECTOR APPOINTEES

In line with the Alexander Review (2012) recommendations, all Senior Civil Servants and Non-Executive Members are paid through formal payroll resulting in appropriate tax and National Insurance contributions being deducted at source.

The Agency is required to determine the Employment Status for tax purposes of all off- payroll workers, typically contractors, to ensure full compliance with the IR35 legislation. If an off-payroll engagement is deemed in scope of IR35, the Agency ensures that tax and national insurance contributions are deducted at source.

The Agency continues to deploy a virtual contingent labour team to ensure IR35 assessments are completed consistently for all contingent labour assignments.

20. HEALTH AND SAFETY

The health and safety of all our employees, contractors and individuals affected by our work are of paramount importance. We are dedicated to fostering a culture of safety, ensuring compliance with all relevant regulations and continuously looking at ways to improve our health and safety performance.

The Agency Health and Safety Policy sets out our general approach to health and safety and explains how we will manage health and safety on the Agency. Key to this is ensuring that all levels of the organisation understand their health and safety responsibilities and risks are identified and managed appropriately.

We conduct risk assessments to proactively address potential hazards and implement control measures to mitigate risks, ensuring employee engagement through the support of the Trade Union Representatives. All Agency employees and contractors are required to complete mandatory annual e-learning training in Health and Safety, with additional training in First Aid at Work, Mental Health First Aid and Fire Warden duties also available. During 2023-24, there were no reportable injuries within the Agency under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013.

Display Screen Equipment (DSE) training, guidance and assessments are available to all employees to reduce the risks to them and encourage safe office and home working. Free eyesight tests and a contribution towards the cost of glasses are also provided.

21. PUBLIC SECTOR EQUALITY DUTY (PSED)

The Public Sector Equality Duty requires public bodies to consider how their policies or decisions affect people who are protected under the Equality Act 2010. Specifically, it requires public bodies to have due regard to the need to eliminate discrimination, advance equality of opportunity, and foster good relations between persons who share a protected characteristic and persons who do not share it.

At the Agency, we are taking steps to ensure compliance with the requirements of the Equality Duty and to integrate equality, diversity, and inclusion (EDI) into business processes and practices.

Some of the actions so far taken include:

- Training and upskilling staff to conduct Equality Impact Assessments, ensuring we consider and understand the potential adverse impact that policy decisions or change initiatives may have and that they are minimised or eliminated.
- Reporting on Gender Pay Gap and putting plans in place to address issues.
- Increasing representation of ethnic minorities and women at senior leadership level.
- Raising awareness through our Respect at Work and Wellbeing Speaker Series webinars, participating in National Inclusion Week and Speak Up Week national campaigns and promoting events on the EDI calendar.
- Consulting and engaging fully with our Staff Networks, supporting their goals and providing a voice for all in decision-making processes.
- Our Respect at Work Charter and team of trained Respect at Work First Responders, providing guidance and signposting to support all staff.
- Promoting Carers and Reasonable Adjustments Passports to accommodate the needs of colleagues with disabilities or other protected characteristics, ensuring equal access to facilities and opportunities.

Further information on the steps the Agency is taking to embed EDI in the organisation can be found in the UK Space Agency Corporate Plan 2022-25.

The Agency is making positive strides on EDI and, as part of the Cabinet Office Inclusive Practice Heads of Diversity/ Diversity Leads Working Group, we have access to the most up to date guidance and initiatives.

22. BOUGHT-IN SERVICES

See Annex 1.

23. IMPLEMENTATION OF THE MACPHERSON REVIEW OF QUALITY ASSURANCE (QA) OF GOVERNMENT ANALYTICAL MODELS

Quality assurance of UK Space Agency analysis and research follows The Aqua Book (guidance on producing quality analysis for government), which is the implementation of the Macpherson Review recommendations.

This year we asked the GIAA to conduct an advisory audit of our approach to quality assuring the quantitative modelling used in Agency business cases. The GIAA reported in September, recommending some improvements to our capability and tools. Our resulting action plan has been fully implemented, including commissioning experts in the Government Actuary's Department to review and develop a new model for Agency use.

24. RISK MANAGEMENT

The Agency is committed to robust and proportionate risk management. Our Risk Management Policy, Risk Management Process Guide and Risk Appetite Statement provide a framework to ensure staff follow a consistent process to identify and manage risks that may threaten the delivery of our plans. They align with the main principles of HM Treasury's Orange Book and the three lines of defence of our overarching assurance framework. They have been approved by the Executive Committee, endorsed by ARAC and audited by GIAA in 2022.

The Agency's current Risk Appetite Statement, published in January 2024, aligns with the Departmental Risk Appetite in DSIT. It sets our appetite for risk according to the categories that are most relevant to the Agency's work. It is reviewed annually, or more frequently if affected by organisational changes in the interim.

Corporate risks are managed by designated risk owners, supported by a dedicated Agency Risk Manager. The full register of corporate risks is reviewed at each Executive Committee meeting and reported to the UK Space Agency Board and ARAC each quarter, to ensure the right risks are captured and mitigating actions are appropriate and effective.

Senior leaders are responsible for managing the risks to their projects and programmes. Each directorate therefore also holds its own risk register and reviews its risks on a regular basis.

ARAC reviews the Agency's assurance and risk processes at every meeting to satisfy itself that we continue to take the right steps to identify and manage risks. It also commissions deep-dive reviews into key risks to test our risk assessment and mitigation plans.

	Secondary Risk Category	Risk Appetite
Strategy Delivery	–	High
	Governance	Medium
	Change	High
	Delivery outcomes	High
Financial Exposure	–	Medium
	Budget	Low
	Fraud and Compliance	Very Low
Policy	–	Medium
	Policy instability	High
Operations	–	Medium
	Process failures	Medium
	Current business-critical technology	Low
	Future technology	Medium
	Delivery partners	Medium
Commercial	–	Medium
	Defining and sourcing requirements	Medium
People & Culture	–	Medium
	People	Low
	Culture	Medium
Safety & Security	Health and Safety	Low
	Security	Low
	Information	Low
Reputation	–	Medium
	Codes of conduct	Low
Legal Compliance		Very Low
Legal Challenge		Medium

A full Risk Assessment is available on page 104 in Annex 2.

25. DIRECTOR'S ANNUAL ASSURANCE STATEMENTS OF INTERNAL CONTROL (DAASIC)

DAASIC is a self-assessment exercise to provide evidence for the effectiveness of the internal controls in each of our directorates. The DAASIC process was enhanced in 2021-22 with the introduction of a revised format to facilitate Subject Matter Expert (SME) feedback and to increase assurance against supporting evidence.

Directors were asked to ensure that within their areas of responsibility there are measures that:

- Underpin the reliability of financial and other information.
- Achieve compliance with internal policies, external legislation, and regulations.
- Ensure the development, implementation, and monitoring of controls which manage risks.

For this year, we streamlined our question list and adapted a weighted average model, based on our risk appetite statement, to score our overall ratings. This ensured weaker performance across low-appetite controls was not hidden by higher performance across high-appetite controls. Therefore, this year the Agency has scored a 'Substantial' assurance rating overall, but several control areas scored 'Moderate' compared to last year's assessment.

We are confident that this approach has given the Agency a more realistic assessment, rather than indicating a decline in performance. Next year, the Agency will provide further assurance of our Grant Management practices, to confirm the reliability of our DAASIC scoring.

During the DAASIC assessment, some compliance issues were found around Cabinet Office Controls, although they were deemed not in breach of the controls, pipeline processes were not followed correctly. We have now commissioned our transformation programme to develop better processes and guidance to help raise visibility and understanding of these controls across the Agency. The Agency also had to seek retrospective approval from DSIT for a business cases due to approval of a one-year extension as well as commitment on an approved business case that had slipped into the next Spending review. These were done without referral to DSIT and are both outside the Agency's delegation limit. The Delivery Board's terms of reference has been recently reviewed and included in the reserved matters is to 'Commission new Cat A, B or C business cases', this will enable more rigour from the start of the process and will help prevent a re-occurrence. This is addition to continued communication on seeking approval for commitments into the next SR from Delivery Board to ensure compliance with Agency delegation.

Control area	Overall rating
1. Financial Control	Moderate
2. Human Resources	Substantial
3. Safety and Security	Moderate
4. Programmes and Projects	Moderate
5. Comms and Promo Activities	Substantial
6. Planning and Performance	Substantial
7. Awarding and Managing Grant Funding	Substantial
8. Business Agreements	Substantial
9. Cabinet Office Controls	Substantial
10. Delegated Space Regulatory Functions	Substantial
11. Functional Standards	Moderate

26. FUNCTIONAL STANDARDS

In previous years, the Agency has conducted self-assessments against the functional standards and found that we were 98.2% compliant with mandatory requirements. This year, we used the DAASIC exercise to check compliance against mandatory criteria and ensure the Agency maintained a culture of continuous improvement. This has ensured that Directors with accountability for Functional Standards maintain their commitment to improving their use and adherence. We recently undertook a 'good, better, best' assessment of our DDaT function, which assessed our capability from 'developing' to 'best practice' across the different requirements of the functional standard. Being a new, immature function, this has highlighted some gaps between our ambitions and current maturity, but improving against these will be a priority for next year along with further good, better, best assessments of other functions.

27. ASSURANCE MATURITY AND INTEGRATION

As part of the Integrated Transformation Programme, we are reviewing our assurance function, to ensure we have robust practices which are in line with industry best practice and, importantly, proportionate to the size of the Agency.

28. INTERNAL AUDIT AND ASSURANCE

Internal audit was provided independently by the Government Internal Audit Agency (GIAA), which reports annually to the Accounting Officer. The internal audit assurance programme is managed by GIAA and developed annually in consultation with the Agency and ARAC. In agreeing the 2023-24 audit programme with GIAA, the following areas were considered:

- The Agency's objectives, priorities and corporate metrics.
- Risks to achievement of the Agency's objectives.
- Risk management arrangements.
- Risk areas where the effectiveness of controls could be improved.

The 2023-24 audit plan was then set by ARAC and the Executive Committee.

GIAA subsequently undertook ten audits in 2023-24, of which two were advisory assessments. Of the original programme, two audits were rescheduled due to changes in the internal priorities and were replaced with two additional reviews. The audit reports identified a number of areas where management controls could be further strengthened. No misappropriation, or risk of misappropriation, of funds was identified by GIAA as part of any of these audits.

The Agency takes all audit recommendations seriously. Action plans are developed to address the findings of all audits where the Agency received and accepted recommendations, and the Agency is committed to implementing these. Further details can be found in the table below.

Overall, the Agency received a Moderate assurance from GIAA in its audit conclusion.

The cost of internal audits undertaken during 2023-24 was £125,575 (2022-23: £103,520). The Agency did not purchase any non-audit services from GIAA in 2023-24 (2022-23 was also £nil).

Summary of internal audit work undertaken in 2023-24

Audit scope	Audit opinion
Review of contract management (Advisory)	Not applicable
Review of UK Space Agency quantitative modelling controls (Advisory)	Not applicable
Review of annual planning and budgeting	Moderate
Review of integrated Transformation Programme	Moderate
Review of cyber security	Substantial
Review of HR processes – Respect at Work Review	Moderate
Review of Counter Fraud / Fraud investigations	Moderate
Review of key financial controls – e.g. Payroll, Cash Management, Purchase to Pay	Moderate
Project delivery Pay enhancement	Limited
Space and Exploration Grant management/tracking	Moderate

Outstanding audit recommendations from previous financial years

	Prior year	2023-24
Recommendations cleared in 2023-24	24	10
Number of audits with outstanding actioins	0	6
Recommendations still to be actioned	0	23
Audits with recommendations still outstanding		Counter Fraud
		Project Delivery Pay Enhancement
		Science and Exploration Grant Management
		Key Financial Controls – Payroll
		Respect at Work Programme
		Financial Planning and Budgetting

29. PROJECT DELIVERY

The UK Space Agency Project Delivery Profession has over 100 members, making up approximately one third of the Agency's workforce. The profession has access to digital tools, technical guidance and career and development support. Members can make use of the Government Online Skills Tool (GOST) and in turn can use this to gain accreditation under the IPA. The UK Space Agency has undertaken a small initial pilot of accreditation and will continue to encourage as many professionals as possible to undertake the assessment.

The profession runs a monthly Project Delivery Forum. Over the last 12 months this has hosted external speakers, internal presentations about delivery in the Agency and is a key forum for highlighting cross-Whitehall delivery profession activity. The focus on delivery goes beyond this and the Agency's next away day will focus on the theme of 'Delivering Together' to further integrate project delivery with other functions in the organisation.

30. EXTERNAL AUDIT

The National Audit Office (NAO) is the Agency's external auditor. No significant internal control issues were identified during the year.

31. BUSINESS APPOINTMENT RULES

The Business Appointment Rules (BAR) are included in the Agency's leavers' checklist for the processing of any member of staff leaving the Civil Service. Any applications are processed and managed within the Agency's HR Operations team. In 2023-24 there was one Senior Civil Service leaver who was at SCS Pay Band 2, and subsequently one BAR application was received from this person and was approved.

The Agency is compliant with the Business Appointment Rules, and is transparent in the advice given to individual applications for senior staff. The Agency also comes within the BAR policy and guidance of the Department for Science, Innovation & Technology: https://www.gov.uk/government/collections/dsit-business-appointment-rules-advice

32. ACCOUNTING OFFICER'S CONCLUSION

As Chief Executive, I am assured that the Agency has appropriate levels of internal control and governance to manage the business, consistent with my responsibilities as the Accounting Officer. I have been provided with evidence of:

- Board and committee effectiveness in managing risks, finance and operational performance.
- The policies in place impacting on risks such as counter-fraud, bribery and whistleblowing.
- The work of internal audit, which in 2023-24 awarded the Agency an overall Moderate assurance.
- The assessments of my individual directors in the DAASIC providing an overall rating of Substanial.
- Equally, I am confident from the evidence provided by my Interim Finance Director and the assurance from the external auditors that the accounts for the year ended 31 March 2024 are a true and fair reflection of the organisation and accord with Treasury guidance. I conclude that the Agency has satisfactory governance and risk management systems in place to safeguard public money.

My review has identified the following internal control and governance improvements that the Agency will address during 2024-25:

- Embedding new ITP service and organisation designs in our Finance, Risk, Assurance and Corporate Performance functions.
- Updating the terms of reference for our governance boards, ensuring alignment with the TFCD recommendations and recommendations from our Board Effectiveness Review.
- Completing implementation of outstanding actions to improve our approach to counter-fraud, financial planning and respect at work, in line with recommendations made by the GIAA.
- Continuing to mature our information management and grant management approach and processes.
- Improving awareness of Cabinet Office controls and processes through new guidance to staff.
- Undertake a review of our Project Pay enhancement scheme and implement the recommendations from GIAA.

Dr Paul Bate
Chief Executive and Accounting Officer
12 July 2024

Remuneration and staff report

SENIOR CIVIL SERVICE REMUNERATION POLICY

Remuneration Policy

The remuneration arrangements for Senior Civil Servants (SCS) are set by the Prime Minister following independent advice from the Senior Salaries Review Body (SSRB).

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at:

https://www.gov.uk/government/organisations/review-body-on-senior-salaries

Performance and reward

The Senior Civil Service pay system consists of relative performance assessments. The highest performing individuals in DSIT were awarded a non-consolidated performance reward for their performance against objectives in 2022-23 which was paid in 2023-24.

In 2023-24, government departments continued to have discretion to make in-year non-consolidated award payments to recognise outstanding contribution. These performance awards varied in amount within an overall cost envelope of 3.3% of the departmental SCS pay budget (2022-23: 3.3%).

Pay increases for the SCS in 2023 saw increases of 5.5% across the board, with a further 1% available for pay anomalies to be directed at pay progression for those lower in the pay ranges delivering in role and demonstrating expertise.

Further information about the performance and reward arrangements for Senior Civil Servants can be found at: https://www.gov.uk/government/collections/senior-civil-service-performance-management-and-reward

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit based on fair and open competition. The Recruitment Principles published by the Civil Service Commission also specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. The notice period for all Senior Civil Servants covered by this report is in line with the Civil Service terms and conditions.

Further information about the work of the Civil Service Commission can be found at: www.civilservicecommission.org.uk

AUDITED INFORMATION

Salary and pension entitlements

The following table shows the remuneration of Executive Committee members during 2023-24, including the details of their salary and pension entitlements. All Board members are Senior Civil Servants.

Accrued pension benefits for directors are not included in this table for 2023-24 due an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

Table 1: Remuneration of Executive Board members 2023-24[vii]

Name	Salary[i] in bands of £5,000		Performance reward payments[ii] in bands of £5,000		Benefits in kind to nearest £100		Pension benefits[iii] to nearest £1,000		Single total figure of remuneration in bands of £5,000	
	2023-24	2022–23	**2023–24**	2022–23	**2023–24**	2022–23	**2023–24**	2022–23	**2023–24**	2022–23
Paul Bate	**160-165**	150-155	**-**	-	-	-	**-**	59	**160-165**	210-215
Craig Brown	**90-95**	25-30	**-**	-	-	-	**-**	11	**90-95**	35-40
Anu Ojha[iv]	**85-90**	Not in post	**0-5**	Not in post	-	Not in post	**-**	Not in post	**90-95**	Not in post
Chloe Sowter	**85-90**	65-70	**0-5**	5-10	-	-	**-**	26	**90-95**	95-100
Claire Barcham	**80-85**	75-80	**0-5**	-	-	-	**-**	31	**85-90**	110-115
Annelies Look[v]	**55-60**	Not in post	**-**	Not in post	-	Not in post	**-**	Not in post	**55-60**	Not in post
Chris White-Horne[vi]	**55-60**	Not in post	-	Not in post	-	Not in post	**-**	Not in post	**55-60**	Not in post
Ian Annett [vii]	**50-55**	120-125	**0-5**	-	-	-	**-**	-	**50-55**	120-125

Notes:

(i) Salary levels disclosed have been recorded on an actual basis.

(ii) Performance rewards are non-consolidated payments.

(iii) The value of pension benefits accrued during the year is calculated by MyCSP as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increase excludes increases due to inflation or any increases or decreases due to a transfer of pension rights.

(iv) Anu Ojha joined the Agency as Director of Championing Space on 8 May 2023. His annualised salary would have been £100-105k.

(v) Annelies Look joined the Agency on a 6 month loan from Department for Transport on 1 September 2023 on a 0.8FTE jobshare basis with Chris White-Horne as Interim Deputy CEO, Missions and Capabilities. Her annualised FTE salary would have been £120-125k.

(vi) Chris White-Horne joined the Agency on a 6 month loan from Department of Transport on 1 September 2023 on a 0.8FTE jobshare basis with Annelies Look as Interim Deputy CEO, Missions and Capabilities. His annualised FTE salary would have been £120-125k.

(vii) Ian Annett left the Agency on 31 August 2023 his annualised salary would have been £125-£130k.

(viii) Officials covered in this table were members of the Executive Committee during 2023-24. All other executive directors are standing attendees who hold no voting rights and, on that basis, are therefore not included in the above table.

Salary

Salary includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowances or payments to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Agency and thus recorded in these accounts. The payment of legitimate expenses is not part of the salary.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Agency and treated by HM Revenue and Customs as a taxable emolument. No Senior Civil Servant covered by this report received any benefits in kind during the year.

Bonuses

Bonuses are non-consolidated award payments, based on performance levels attained and are made as part of the appraisal process. The bonuses reported in 2023-24 relate to performance in 2022-23 and the comparative bonuses reported for 2022-23 relate to performance in 2021-22.

Single total figure of remuneration

Single total figure of remuneration includes salary, non-consolidated performance-related pay, benefits in kind, compensation payments and pension benefits accrued during the reporting period. It does not include severance payments; employer pension contributions; the cash equivalent transfer value of pensions; and the payment of legitimate expenses.

Fair pay disclosure

The Agency is required to disclose the relationship between the remuneration of the highest-paid director in the Agency and the median remuneration of the Agency's workforce.

	2023–24	2022–23	Change
Band of Highest Paid Director's Total Remuneration[i]	**£160 - 165k**	£150 - 155k	6.6%
Median Total Pay and Benefits of the workforce [ii]	**£50,644**	£48,586	4.2%
Ratio	**3.21**	3.12	2.8%

Notes:

(i) The highest paid director in 2023-24 was Paul Bate, Chief Executive Officer (2022-23: Paul Bate, Chief Executive Officer).

(ii) The median calculation is based on the full-time equivalent staff at 31 March 2024 on an annualised basis.

The banded remuneration of the highest paid director in the Agency in the financial year 2023-24 was £160,000-£165,000 (2022-23: £150,000 to £155,000).

3.21 times (2022-23: 3.12 times) the median remuneration of the workforce, which was £50,644 (2022-23: £48,586). The 50th percentile pay for the salary component only was £48,757 (2022-23: £48,366);

3.76 times (2022-23: 3.76 times) the 25th percentile of total remuneration which was £43,216 (2022-23: £40,508). The 25th percentile pay for the salary component only was £42,014 (2022-23: £40,083);

2.61 times (2022-23: 2.67 times) the 75th percentile of total remuneration which was £62,295 (2022-23: £57,149). The 75th percentile pay for the salary component only was £59,947 (2022-23: £56,788).

The increase in remuneration across all percentiles from 2022-23 to 2023-24 is because of recruitment of lower-level staff and recruitment of permanent employees during the year. There was a 4.2% increase in median employee pay for 2023-24. There were no bonuses or benefits for the highest paid director in either year. The median pay ratio is consistent with the pay, reward, and progression policies in the Agency. The average percentage change from previous financial year in respect of the employees of the entity taken as a whole was a 8.0% increase.

In 2023-24, no employee received remuneration in excess of the highest-paid director (2022-23: no employee). Remuneration in the Agency ranged from £28,750 to £162,295 (2022-23: £25,650 to £151,980). Total remuneration includes full year equivalent salary, non-consolidated performance related pay, benefits in kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

PENSION BENEFITS

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which is divided into a few different sections – classic, premium, and classic plus provide benefits on a final salary basis, whilst nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, joined the new scheme.

The PCSPS and alpha are unfunded statutory schemes. Employees and employers make contributions (employee contributions range between 4.6% and 8.05%, depending on salary). The balance of the cost of benefits in payment is met by monies voted by Parliament each year. Pensions in payment are increased annually in line with the Pensions Increase legislation. Instead of the defined benefit arrangements, employees may opt for a defined contribution pension with an employer contribution, the partnership pension account.

In alpha, pension builds up at a rate of 2.32% of pensionable earnings each year, and the total amount accrued is adjusted annually in line with a rate set by HM Treasury.

Members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004. All members who switched to alpha from the PCSPS had their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha.

The accrued pensions shown in this report are the pension the member is entitled to receive when they reach normal pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over normal pension age. Normal pension age is 60 for members of classic, premium, and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. The pension figures in this report show pension earned in PCSPS or alpha – as appropriate. Where a member has benefits in both the PCSPS and alpha, the figures show the combined value of their benefits in the two schemes but note that the constituent parts of that pension may be payable from different ages.

When the Government introduced new public service pension schemes in 2015, there were transitional arrangements which treated existing scheme members differently based on their age. Older members of the PCSPS remained in that scheme, rather than moving to alpha. In 2018, the Court of Appeal found that the transitional arrangements in the public service pension schemes unlawfully discriminated against younger members.

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The public service pensions remedy is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".

For members who are in scope of the public service pension remedy, the calculation of their benefits for the purpose of calculating their Cash Equivalent Transfer Value and their single total figure of remuneration, as of 31 March 2023 and 31 March 2024, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS. Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

The partnership pension account is an occupational defined contribution pension arrangement which is part of the Legal & General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member). The employee does not have to contribute but, where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Table 2: Pension benefits of Executive Committee members 2023-24[i].

All Executive Committee Members are SCS.

Accrued pension benefits for directors are not included in this table for 2023-24 due an exceptional delay in the calculation of these figures following the application of the public service pension remedy.

Name	Accrued pension at pension age as at 31/3/2024 and (if applicable) related lump sum in bands of £5,000	Pension increase in real terms and (if applicable) related lump sum at pension age in bands of £2,500	CETV at 31/3/2023 to the nearest £1,000	CETV at 31/3/2022 to the nearest £1,000	Real increase in the CETV as funded by the employer, to the nearest £1,000	Employer contribution to partnership pension account to the nearest £100
Paul Bate	-	-	-	64	-	-
Craig Brown	-	-	-	6	-	-
Anu Ojha	-	-		Not in post	-	-
Chloe Sowter	-	-	-	132	-	-
Claire Barcham	-	-	-	193	-	-
Annelies Look	-	-	-	Not in post	-	-
Chris White-Horne	-	-	-	Not in post	-	-
Ian Annett[ii]	-	-	-	-	-	7,800

Notes:

(i) The pension figures quoted show pension earned in PCSPS and CSOPS (alpha) as appropriate. Where the official has benefits in both the PCSPS and CSOPS the figure quoted is the combined value of their benefits in the two schemes but note that part of that pension may be payable from different ages.

(ii) Ian Annett opted to have a partnership pension account rather than join the Civil Service pension scheme.

Real increase in pension and lump sum

Real increase in pension and lump sum represents the increase in the value of the pension over the year after considering the effect of inflation.

Cash Equivalent Transfer Values

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

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

Real increase in CETV

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

Remuneration of Steering Board and Audit Committee Non-Executive Members

Appointments to the Agency's Steering Board and Audit Committee are made by DSIT Ministers, in accordance with the Commissioner for Public Appointments' Code of Practice for Ministerial Appointments to Partner Organisations.

Non-executive members are also reimbursed for any legitimate expenses incurred on behalf of the Agency which are not disclosed in the below table. Their remuneration is subject to tax deductions at source.

Table 3: Remuneration of Steering Board and Audit Committee Non-Executive Members 2023-24

Non-Executive Member	Position	Period of Appointment	Honoraria	
			2023–24 £000	2022–23 £000
Lord David Willetts[(i)]	Chair of Steering Board	April 2022 - March 2025	**20-25**	20-25
Keira Shepperson[(iii) (iv)]	Interim Chair of Audit Committee and Non-Executive Audit Committee member	May 2018 - July 2024	**Nil**	Nil
Kevin Shaw[(v)]	Non-Executive Steering Board and Audit Committee member	June 2021 - May 2024	**5-10**	5-10
Peter Watkins[(vi)]	Non-Executive Steering Board member	June 2021 - May 2024	**5-10**	5-10
Fiona Rayment[(vi)]	Non-Executive Steering Board member	June 2021 - May 2024	**5-10**	5-10

Notes:

(i) Lord David Willetts was appointed as Chair of Steering Board with effect from 1 April 2022 for a period of three years.

(ii) On 1 October 2023 Lord David Willetts honorarium increased from £20-25k to £25-30k pa to reflect an increase in renumerated days

(iii) Keira Shepperson initially joined the Audit Committee as an independent member with effect from 1 May 2018 for a period of 3 years. She was re-appointed 1 October 2022 as Interim Chair of Audit Committee. She is an employee at the British Business Bank. She is not remunerated for her work as honorarium is not payable to members who are civil servants, employees of the UK Space Agency or full-time employees of organisations whose funds are derived from Votes of Parliament.

(iv) Keira Shepperson was extended from 1 October to 31 July 2024.

(v) Kevin Shaw was appointed as Non-Executive Steering Board member and Non-Executive Audit Committee member from 1 June 2021 for a period of three years.

(vi) Fiona Rayment and Peter Watkins were appointed as Non-Executive Steering Board members from 1 June 2021 for a period of three years.

Staff Report

The Agency's employees are eligible to be members of the Principal Civil Service Pension Scheme (PCSPS) and Public Service (Civil Service and Others) Pension Scheme (CSOPS) known as alpha which came into force from 1 April 2015. The PCSPS is now closed to new members.

In this document, the term 'Scheme' covers both PCSPS and CSOPS arrangements.

The Scheme is unfunded, defined benefit, contributory, public service occupational pension scheme in which the UK Space Agency is unable to identify its share of the underlying assets and liabilities.

The Scheme is subject to periodic actuary valuations. Contributions are paid both by employers and employees at a combined level, determined by the scheme actuary, sufficient to meet the liabilities being built up by the active membership (as adjusted to reflect any surplus or shortfall in the Scheme). The scheme actuary reviews employer contributions every four years following a full scheme valuation.

The last full actuarial valuation was carried out as at 31 March 2020 and determined that from 1 April 2019 the average employer contribution will increase to 27.3% of pensionable earnings. In the previous year, the average employer rate of 21.1% was maintained in line with the recommendations made in the actuarial valuation as at 31 March 2012. The contribution rates are set to meet the cost of the benefits accruing during 2022-23 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

More information can be found at the Civil Service Pensions website at: https://www.civilservicepensionscheme.org.uk/

During 2023-24, employer contributions of £3,961,043 were payable to the Scheme (2022-23: £3,397,363) at one of four rates in the range 26.6% to 30.3% of pensionable earnings (2022-23: 26.6% to 30.3%) based on salary bands.

Under the Partnership scheme employees have the option of opening a partnership pension account with Legal & General. Stakeholder pensions are a type of personal pension with employer contributions which are age related and from 1 October 2015 range from 8% to 14.75% of pensionable earnings (3% to 12.5% up to 30 September 2015). Employee contributions are voluntary, and unlimited, and are matched by employer contributions up to 3% of pensionable earnings (the maximum possible employer contribution therefore is 17.75%). During 2023-24, employer contributions of £37,897 were payable to partnership pension provider (2022-23: £17,744). There were no prepaid contributions at 31 March 2024.

In addition, employer mini-ASLC contributions of £1455.65 (2022-23: £601.50), from 1 October 2015 set at 0.5% of pensionable pay regardless of salary bands (0.8% up to 30 September 2015), were payable to the Scheme during 2023-24 for provision of risk benefits to those employees opting for partnership pension arrangements. These contributions cover the cost of the future provision of lump sum benefits on death in service or ill-health retirement of these employees.

No members of staff retired early on ill-health grounds (2022-23: none).

There were no other departure costs paid during the year (2022-23: none). No redundancy costs were paid in 2023-24 and 2022-23.

Table 4: Analysis of staff costs and average number of persons

The Agency has continued to grow in order to deliver on its projects and programmes which is reflected in the tables below.

	2023-24			2022-23		
	Permanently employed £000	**Other £000**	**Total £000**	Permanently employed £000	Other £000	Total £000
Wages and salaries	15,222	-	15,222	12,673	-	12,673
Social security costs	1,740	-	1,740	1,502	-	1,502
Other pension costs	3,982	-	3,982	3,415	-	3,415
Subtotal	**20,944**	**-**	**20,944**	**17,590**	**-**	**17,590**
Add cost of inwards secondments/loans	-	83	83	-	52	52
Less recoveries in respect of outward secondments/loans	-	(175)	(175)	-	(13)	(13)
Total staff costs	**20,944**	**(92)**	**20,852**	**17,590**	**39**	**17,629**
	FTE	**FTE**	**FTE**	FTE	FTE	FTE
Average number of persons employed[(i)(ii)]	**309.3**	**1.4**	**310.7**	**259.2**	**2.0**	**261.2**

Notes:

(i) There have been on average 2.4 FTE outward secondees during the year (2022-23: 1.0 FTE) when the Agency's staff have been seconded to other organisations.

(ii) There have been on average 1.4 FTE inward secondees (2022-23: 2.0 FTE).

Unaudited information on recruitment policies

Recruitment position for UK Space Agency – 2023-24

Number of recruitment campaigns run in 2023-24			159
Total number of applicants:			3034
Civil Service Internal:	465	External:	2567

Potential posts available:	171	Total posts filled: 117		
	UKSA Internal on Promotion:	UKSA Internal on Lateral Transfer:	From OGDs:	External:
	12	28	34	43

Time to hire:	
On average we fill our posts within:	63 working days
The average target for Civil Service to fill is:	88 working days

Notes: figures provided by GRS (Government Recruitment Service) - some of the campaigns/posts available relate to duplicate campaigns which initially were not successful.

Off payroll engagements

The table below and top right present data on our off-payroll engagements. Off-payroll engagements refer to workers who are paid off-payroll, without deducting tax and national insurance at source, typically contractors.

Highly paid off-payroll worker engagements as at 31 March 2024, earning £245 per day or greater.	
Number of existing engagements as of 31 March 2024	31
Of those < 1 year (1 April 2023 to 31 March 2024)	25
Between 1 and 2 years (1 April 2022 to 31 March 2023)	5
Between 2 and 3 years (1 April 2021 to 31 March 2022)	0
Between 3 and 4 years (1 April 2020 to 31 March 2021)	0
4 or more years (earliest date to 31 March 2020)	1

All highly paid off-payroll workers engaged at any point during the year ended 31 March 2024, earning £245 per day or greater at UK Space Agency	
No, of all off-payroll workers engaged during the year ended 31 March 2024	67
Of which, not subject to off-payroll legislation	0
Of which, subject to off-payroll legislation and determined as in-scope of IR35	67
Of which, subject to off-payroll legislation and determined as out-of-scope of IR35	0
No. of engagements reassessed for compliance or assurance purposes during the year	0
Of which: Number of engagements that saw a change to IR35 status following review	0

Consultancy costs of £12,647k were incurred during 2023-24 (2022-23: £5,230k).
The cost of contingent labour during the year was £5,731k (2022-23 £4,610k).

For any off-payroll engagements of board member and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024 at UK Space Agency	
No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Total No. of individuals on payroll and off-payroll that have been deemed "board members and/ or senior officials with significant financial responsibility", during the financial year. This figure should include both on payroll and off-payroll engagements	12

Renumeration policy

The remuneration policy adopted by the UK Space Agency is in line with the DSIT departmental policy. The Agency implemented the 2023 pay award in line with the increases approved. This was effective from 1 August 2023. The BEIS 2022 pay award had given the majority of staff a 2.75% increase with revalorization of the pay ranges. The DSIT 2023 pay award gave the majority of staff a 4.5% increase with revalorization of the pay ranges.

The Agency operates an In-Year Award Scheme which is a cash and non-cash bonus scheme for individual payments recommended by line managers and colleagues for specific projects or outstanding pieces of work. These are managed by Directors and awarded quarterly following directorate panels. These payments are non-consolidated and the maximum amount available is capped to 0.9% of the total annual pay bill (excluding SCS pay). During 2023–24 we issued 321 awards at a cost of £149,375 (in 2022–23 we issued 281 awards totaling £153,625).

Staff composition

The internal Workforce Resourcing Group plays a key part in ensuring that the Agency has both the capacity and capability to deliver the aims and objectives of the Agency.

We have continued to source specialist skills where necessary to support frontline delivery and fill business critical posts whilst maintaining the Agency's headcount at a sustainable level.

UK Space Agency grades	**2023-24**		2022-23	
	Actual number	**% of workforce**	Actual number	% of workforce
Administrative Assistants and Administrative Officers	1	0.32	1	0.36
Executive Officers	8	2.57	12	4.36
Higher Executive Officers and Senior Executive Officers	155	49.84	129	46.91
Grade 7/6	137	44.05	124	45.09
Senior Civil Servants[(i)]	10	3.22	9	3.27

Notes: (i) These are substantive grades, two of our SCS members were on temporary promotion.

Equality, diversity and inclusion

The Agency is fully committed to having a truly diverse workforce and a culture of openness and inclusivity to help us deliver better outcomes for the community we serve. Our aim is to mainstream into business as usual the delivery of equality, diversity and inclusion and our refreshed wellbeing standards through delivery of our new Responsible Pioneers People Strategy.

In delivering our People Strategy we will harness the power of difference to enhance our culture, where diverse perspectives are welcomed and encouraged so that our people can thrive and continue to make the Agency a great place to work.

We have a dedicated Employee Experience Team focusing on delivery of our wide ranging equality, diversity and inclusion agenda for the whole Agency. As members of the Cross Government Heads of Diversity and Diversity Leads Group we are committed to being at the forefront of initiatives and best practice creating a forward thinking, diverse and truly inclusive UK Space Agency.

Over 2023-24 we have continued to focus on initiatives to support our people. We have delivered IT and Building Accessibility Audits to drive compliance with legislative requirements and to build a supportive environment where our people can thrive, feeding into our ambitious Integrated Transformation Programme across the entire estate.

We continue to build on our Respect at Work Campaign and have rolled out our successful inaugural Respect at Work and Wellbeing Speaker Series; a series of 9 webinars covering issues our colleagues have told us they want support with.

We have delivered a comprehensive programme of wellbeing initiatives and services, updating our Wellbeing Standards in line with Cabinet Office recommendations and in support of the Thriving at Work campaign.

We participated fully in National Inclusion Week and Speak Up Week; led by our CEO Paul Bate and supported by our SCS, Staff Networks and Unions showcasing our refreshed Reasonable Adjustments and Carers Passports and demonstrating clear leadership and support for our colleagues.

We have active Staff Networks led by proactive and dedicated Chairs and SCS Champions who are committed to influencing policy for the better and in support of colleagues. Together they support engagement and knowledge sharing of staff experiences and provide invaluable insights so the Agency is seen and experienced as a visibly inclusive employer.

Our trained teams of Respect at Work First Responders and Mental Health First Aiders provide signposting to the support options we have available to all our colleagues.

The Agency additionally holds a corporate membership of Women in Aerospace which is dedicated to expanding women's opportunities for leadership and increasing their visibility in the aerospace community worldwide.

As we move forward we will continue to collaborate closely with all our stakeholders, to help advance staff skills and capability in delivering our continued commitment to equality, diversity and inclusion and wellbeing in their teams for the benefit of all.

Workforce Statistics	2023–24		2022–23	
	Actual number	**% of workforce**	Actual number	% of workforce
Gender Male	167	53.7	144	52
Gender Female	144	46.3	133	48
Working Pattern Full-time	289	92.93	255	92
Working Pattern Part-time	22	7.07	16	6
Disability Yes	32	10.29	21	8
Disability No	131	42.12	123	44
Disability Prefer Not to Say/Undisclosed	148	47.59	133	48
Ethnicity White – English	140	45.02	126	45
Ethnicity White – Irish	< 10	< 3	< 10	< 3
Ethnicity White – Welsh	< 10	< 3	< 10	3
Ethnicity White – Scottish	< 10	< 3	< 10	< 3
Ethnicity Black – African	< 10	< 3	< 10	< 3
Ethnicity Black – Black, Black Scottish, Black British	< 10	< 3	< 10	< 3
Ethnicity Asian – Indian	< 10	< 3	< 10	3
Ethnicity Asian – Bangladeshi	< 10	< 3	< 10	< 3
Ethnicity Asian – Pakistani	< 10	< 3	< 10	< 3
Ethnicity White and Black Caribbean	< 10	< 3	< 10	< 3
Ethnicity Other White Background	15	4.82	14	5
Ethnicity Other Asian Background	< 10	< 3	< 10	3
Ethnicity Mixed – Any other mixed background	< 10	< 3	< 10	< 3
Ethnicity Prefer Not to Say/Unknown	98	31.51	89	32

Workforce diversity (Executive Board only)	**2023–24** % declared	2022–23 % declared
Black and ethnic minorities	20	10
Women	40	20
Disabled	10	0
Working pattern – part-time	20	0

Sickness absence

In the 12-month period April 2023–March 2024 the average working days lost though recorded sickness absence was 8.82 days per employee. In the same period April 2022–March 2023 average working days lost through recorded sickness absence was 6.79 days per employee.

Parliamentary accountability and audit

These pages present information about the Agency that is useful to readers for accountability and decision-making purposes that is not covered elsewhere in the report.

Our Chief Executive is personally accountable to Parliament for our performance. Our financial statements are subject to audit by the Comptroller and Auditor General, who heads up the National Audit Office and is responsible for scrutinising public spending and safeguarding the interests of taxpayers on behalf of Parliament. The Comptroller and Auditor General's audit certification is presented on page 80.

REGULARITY OF EXPENDITURE FEES AND CHARGES INCOME (AUDITED)

The Outer Space Act 1986 is the basis for the regulation of activities in outer space carried out overseas by organisations or individuals established in the United Kingdom, or in one of its overseas territories or Crown dependencies.

It confers licensing and other powers on the Secretary of State for the Department for Science, Innovation and Technology to oversee licensing, which is now carried out by the UK Civil Aviation Authority.

In 2023-24, the UK Space Agency, which previously managed the collection of fees for licences issued wholly under the Outer Space Act 1986, reported no revenue (2022-23: £788k) from these fees. This indicates a transition in the licensing process, with the UK Civil Aviation Authority taking over the role of issuing licences for space activities.

SCIENCE AND TECHNOLOGY ACT 1965

HM Treasury have issued DSIT with delegated authority for grants issued under the Act, where these are below £20m. The UK Space Agency has also been delegated authority for grants issued under the Act. During the year we identified that our previously issued delegation from HM Treasury under the Science and Technology Act is not in line with the authorities that govern these grants, as HM Treasury does not have authority under the Act to delegate its approval to others. This affects both UK Space Agency and DSIT who have issued grants in accordance with our delegation from HM Treasury. For 2023-24 the value of grants affected by this administrative misunderstanding is £108.2m. Further information relating to DSIT's grants issued under the Act can be seen in their Annual Report and Accounts. We have worked with HM Treasury to correct this administrative misunderstanding over the course of the year and have obtained retrospective approval for £96.3m. This leaves a residual amount of £11.9m which does not conform to the authorities that govern these transactions and is therefore considered irregular. The Accounting Officer considers these amounts to be immaterial. Going forwards HM Treasury have issued a revised delegation that requires all grants using the Act to obtain HM Treasury approval.

LOSSES AND SPECIAL PAYMENTS (AUDITED)

During the reporting period, the Agency incurred notional losses of £7,025k which represent total cumulative unrealised losses for the six disposed contracts previously recognised in the revaluation reserve and removed on completion. More information can be found in Note 4 and Note 9 to the Financial Statements, Total operating expenditure and Other financial assets/liabilities, on pages 96 and 99 respectively.

Other losses incurred during the year include £600k in relation to a specialist software for Position Navigation and Timing (PNT). This decision follows the determination that the software will not be brought into use in the future. Consequently, this intangible asset has been removed from the Agency's Statement of Financial Position (see Note 7).

There were no special payments in the period.

REMOTE CONTINGENT LIABILITIES (AUDITED)

Under the UN Space Treaties (the Outer Space Treaty and the Convention on International Liability for Damage Caused by Space Objects (the 'Liability Convention'), the UK Government is ultimately liable to pay compensation to third parties for damage caused by its space objects. For damage arising on the surface of the earth, or to an aircraft in flight the liability is absolute (meaning that the claimant is not required to prove fault), whereas damage arising in space is a fault-based regime.

To manage the risk to the Government, the Outer Space Act 1986 (which regulates spaceflight activities carried out by UK entities overseas) and the Space Industry Act 2018 (which regulates spaceflight activities in the UK) requires licensees to indemnify HMG against any claims made by third parties against HMG. The Space Industry Act also requires the licensee to indemnify claims made by third parties against the licensee with respect to damage arising in the UK. Limits of operator liability are to be included as licence conditions in all licences issued under both Acts.

The UK Space Agency and DSIT holds the contingent liability arising from satellite operations and procuring a launch under both the Space Industry Act and the Outer Space Act. In the event that a contingent liability crystallises, the UK Space Agency will in the first instance assess

whether it can meet the level of claim. If this is not the case, it is expected that the sponsor department, DSIT, will fund this liability. The Department for Transport holds the contingent liability for launch activities taking place from the UK.

For satellite operations, an operator's limit of liability for licenses issued under either the Outer Space Act and the Space Industry Act is currently set at €60m for standard missions licensed and can be increased for higher risk missions. For procuring a launch, the limit of liability is currently set at €60m for launches taking place overseas and the limit of liability for the procurement of a UK launch will be set in licences at the same level as the limit of liability applying to the launch vehicle. There is a requirement on licensees to obtain third party liability insurance to the level of the limit of liability set out in the licence for the duration of the licensed activity, with the UK Government a named beneficiary.

These requirements are currently under review as part of a wider review of insurance requirements and liability limits and the Government launched a consultation on proposals to apply a new variable approach to setting operator limits of liability for satellite operations with a focus on the sustainability of the missions (https://www.gov.uk/government/consultations/consultation-on-orbital-liabilities-insurance-charging-and-space-sustainability). The consultation closed on 5 January and the Government expects to issue its response by the Autumn.

The UK Government is therefore exposed to a potential liability for third party costs which are not recoverable from the licensee. It is not possible to definitively quantify the extent of the contingent liability given the uncertainty around the nature and extent of any damage and that the risk of crystallisation is considered to be remote (less than 1%). For accounting purposes and to reflect the current limits of operator liability, a maximum potential exposure has been set at £1m.

CROWN DEPENDENCIES AND OVERSEAS TERRITORIES (CDOTS)

In conjunction with the contingent liabilities stemming from the Space Industry Act 2018 and the Outer Space Act 1986, a contingent liability relevant to the Crown Dependencies and Overseas Territories (CDOTs) also exists for historic and extant licences issued under the Outer Space Act 1986. This pertains to scenarios where the UK Government has agreed to address any claims directed at a CDOT concerning licensed activities within that jurisdiction where a licence has either been issued through the Civil Aviation Authority or by the jurisdiction itself. In the event that a claim is made against a licensee licensed through these jurisdictions, in the first instance the authorities of these jurisdictions must cover any losses in excess of the operator's limit of liability / insurance requirement, with the UK Government covering any losses which cannot be accommodated by those authorities. The UK Government has stated in the letters of agreement and memorandum of understanding with a number of the jurisdictions that the UK Government would not be seeking a level of contribution to any claim from these jurisdictions which would destabilise their economies. This contingent liability is accounted for by UKSA on behalf of the UK Government as per the arrangements above. The liability agreements between the UK government and each CDOT, managed through individual Outer Space Act extensions, letters of agreement and Memorandums of Understanding, is different for each CDOT. The UK Space Agency is actively collaborating with the CDOTs to ensure their regulatory frameworks and insurance provisions continue to effectively mitigate the risk of this contingent liability becoming a reality. As above, the liability remains unquantifiable, but a reasonable worse-case loss could be anticipated.

Dr Paul Bate
Chief Executive and Accounting Officer
12 July 2024

The certificate and report of the Comptroller and Auditor General to the House of Commons

OPINION ON FINANCIAL STATEMENTS

I certify that I have audited the financial statements of the UK Space Agency for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise the UK Space Agency's

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the UK Space Agency's affairs as at 31 March 2024 and its net operating expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

OPINION ON REGULARITY

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

BASIS FOR OPINIONS

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2019. I am independent of the UK Space Agency in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, I have concluded that the UK Space Agency's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the

UK Space Agency's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the UK Space Agency is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

OTHER INFORMATION

The other information comprises information included in the Performance Report and Accountability Report but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives

rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

OPINION ON OTHER MATTERS

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

MATTERS ON WHICH I REPORT BY EXCEPTION

In the light of the knowledge and understanding of the UK Space Agency and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- adequate accounting records have not been kept by the UK Space Agency or returns adequate for my audit have not been received from branches not visited by my staff; or

- I have not received all of the information and explanations I require for my audit; or

- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or

- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or

- the Governance Statement does not reflect compliance with HM Treasury's guidance.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;

- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such a records, documentation and other matters;

- providing the C&AG with additional information and explanations needed for his audit;
- the C&AG with unrestricted access to persons within the UK Space Agency from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;

- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;

- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and

- assessing the UK Space Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the UK Space Agency will not continue to be provided in the future.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the UK Space Agency's accounting policies and performance incentives.

- inquired of management, UK Space Agency's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the UK Space Agency's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the UK Space Agency's controls relating to the UK Space Agency's compliance with the Government Resources and Accounts Act 2000, the Science and Technology Act 1965 and Managing Public Money;

- inquired of management, UK Space Agency's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,

- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the UK Space Agency for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the UK Space Agency's framework of authority and other legal and regulatory frameworks in which the UK Space Agency operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the UK Space Agency. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2023, , the Science and Technology Act 1965 and relevant employment law and tax legislation.

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;

- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;

- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and

- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and significant component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

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

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

REPORT

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General
16 July 2024

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

Godrevy, lighthouse, Cornvall ©Dreamstime images.

Godrevy lighthouse, Cornwall.

Accounts

Exoplanet VHS 1256 b and its stars (illustration)

Our annual report and accounts **2023-24**

Our Annual Report and Accounts are presented to Parliament following certification of our financial statements by the Comptroller and Auditor General to the House of Commons (see pages 80-82). The cost of the audit was £70,000. No remuneration was paid to the external auditors in respect of non-audit work in 2023–24.

Our Chair of the Audit and Risk Assurance Committee endorsed this report on 12 July 2024. Our Annual Report and Accounts is prepared in accordance with the Government Financial Report Manual (FReM), Managing Public Money and any applicable HM Treasury (HMT) instructions.

I believe that the information we have presented in our Performance Report (pages 32-37) provides a fair, balanced and understandable analysis of our performance. As required, I have signed and dated my Directors' Report on page 42, as well as signing here our Accountability Report, which meets our key accountability requirements to Parliament.

Our fully audited financial statements follow in the rest of this document, which give a true and fair view of the Agency's state of affairs and of its comprehensive net expenditure, changes in taxpayers' equity and cash flows. I have signed our Statement of Financial Position on page 87.

Dr Paul Bate
Chief Executive and Accounting Officer
12 July 2024

Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Note	2023-24	2022-23
		£000	£000
Income from operating activities	5	(1,086)	(1,293)
Total operating income		**(1,086)**	(1,293)
Staff costs	3	20,852	17,629
International subscriptions, grants and other funding	4	588,415	609,531
Technical contracts and contract management	4	21,818	10,550
Depreciation and impairment	6, 7 & 8	1,453	745
Finance lease interest – unwinding of discount		63	25
Other operating expenditure	4	10,803	10,837
Total operating expenditure		**643,404**	649,317
Net operating expenditure		**642,318**	648,024
Other comprehensive net expenditure			
Items which will not be reclassified to net operating costs			
Net (loss)/gain released on the disposal of cash flow hedges[i]	9	(7,025)	1,682
Items which may be reclassified subsequently to net operating costs:			
Net loss/(gain) on revaluation of cash flow hedges[ii]	9	45,014	(10,103)
Net loss/(gain) on revaluation of tangible assets[iii]	8	-	(2,996)
Total comprehensive net expenditure for the year ended 31 March		**680,307**	636,607

Notes:

(i) The reported losses on disposal of cash flow hedges are notional losses which represent the total cumulative unrealised losses for the disposed contracts previously recognised in the revaluation reserve. More information can be found in Note 4 – Total operating expenditure and Note 9 – Other financial assets and liabilities.

(ii) The reported losses on revaluation of forward exchange contracts in 2023-24 are notional losses caused by a decrease in the fair value of the contracts held at 31 March 2024 compared to the fair value of contracts initial value on inception. The UK Space Agency abides by the HM Treasury and DSIT group rules relating to hedging. More information can be found in Note 9 – Other financial assets and liabilities.

(iii) The reported gain on revaluation of tangible assets in 2022-23 are notional gains caused by the increase in the fair value of the asset held at 31 March 2022 compared to the fair value of the asset held at 31 March 2023.

The notes on pages 90 to 104 form part of these financial statements.

Statement of Financial Position as at 31 March 2024

	Note	31 March 2024	31 March 2023
		£000	£000
Non-current assets			
Right of use assets	6	2,102	2,095
Intangible assets	7	-	600
Tangible assets	8	3,591	3,314
Other financial assets	9	-	5,718
Total non-current assets		**5,693**	11,727
Current assets			
Trade & other receivables	10	61,931	65,739
Cash & cash equivalents	11	25,532	20,612
Other financial assets	9	-	2,703
Total current assets		**87,463**	89,054
Total assets		**93,156**	100,781
Current liabilities			
Trade & other payables	12	51,502	41,506
Lease liabilities	15	472	596
Other financial liabilities	9	8,970	-
Total current liabilities		**60,944**	42,102
Total assets less current liabilities		**32,212**	58,679
Non-current liabilities			
Lease liabilities	15	1,701	1,529
Provisions	17	385	385
Other financial liabilities	9	20,598	-
Total non-current liabilities		**22,684**	1,914
Total assets less total liabilities		**9,528**	56,765
Taxpayers' equity and other reserves			
General fund		36,100	45,348
Revaluation reserve		(26,572)	11,417
Total equity		**9,528**	56,765

The notes on pages 90 to 104 form part of these financial statements.

Dr Paul Bate
Chief Executive and Accounting Officer
12 July 2024

Statement of Cash Flows for the year ended 31 March 2024

	Note	2023–24	2022–23
		£000	£000
Cash flows from operating activities			
Net operating expenditure for the year	SoCNE	(642,318)	(648,024)
Adjustment for non cash transactions - depreciation and impairment	6, 7 & 8	1,453	745
Adjustments for non cash transactions - auditor's remuneration	4	70	53
Adjustments for non cash transactions - other		53	-
Decrease/(Increase) in trade and other receivables	10	3,808	(9,152)
(Decrease)/Increase in trade and other payables	12	9,996	(6,550)
Decrease in finance lease receivables		-	(203)
Interest on lease liabilities	SoCNE	63	25
Net cash outflow from operating activities		**(626,875)**	(663,106)
Cash flows from investing activities			
Capital expenditure	8	(628)	(466)
Net cash outflow from investing activities		**(628)**	(466)
Cash flows from financing activities			
Net parliamentary funding - drawn down	SoCTE	633,000	672,000
Payment of lease liabilities		(577)	(616)
Net cash flow from financing activities		**632,423**	671,384
Net increase in cash and cash equivalents in the period		**4,920**	7,812
Cash and cash equivalents at the beginning of the period	11	**20,612**	12,800
Cash and cash equivalents at the end of the period	11	**25,532**	20,612

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2024

2023–24	General fund[i]	Revaluation reserve[ii]	Total
	£000	£000	£000
Balance at 1 April 2023	45,348	11,417	56,765
Net Parliamentary Funding – drawn down	633,000	-	633,000
Net operating expenditure for the year	(642,318)	-	(642,318)
Non-cash adjustments:			
Non-cash charges – auditor's remuneration	70	-	70
Movements in reserves:			
Additions	-	(1,798)	(1,798)
Disposals	-	7,025	7,025
Revaluations[iii]	-	(43,216)	(43,216)
Balance at 31 March 2024	**36,100**	**(26,572)**	**9,528**

2022–23	General fund[i]	Revaluation reserve[ii]	Total
	£000	£000	£000
Balance at 1 April 2022	21,319	-	21,319
Net Parliamentary Funding – drawn down	672,000	-	672,000
Net operating expenditure for the year	(648,024)	-	(648,024)
Non-cash adjustments:			-
Non-cash charges - auditor's remuneration	53	-	53
Movements in reserves:			
Additions	-	(187)	(187)
Disposals	-	(1,682)	(1,682)
Revaluations	-	13,286	13,286
Balance at 31 March 2023	**45,348**	11,417	56,765

Notes:

(i) The general fund is used to support the on-going operations of the Agency and represents the investment made by the Agency or sponsor department.

(ii) The Revaluation reserve represents the increase in value of tangible assets of £2,996k in 2022-23 (for more information see Note 8) and the balance represents the net decrease in value of financial derivatives in relation to the cashflow hedge instruments (see note 9).

(iii) Revaluations include movement on cash flow hedges (on initiation and at year end).

The notes on pages 90 to 104 form part of these financial statements.

Notes to the financial statements

1. Statement of Accounting Policies

1.1 Basis of accounting

These financial statements have been prepared in accordance with the 2023-24 Government Financial Reporting Manual (FReM), as set out in a statutory Accounts Direction issued pursuant to section 7(2) of the Government Resources and Accounts Act 2000.

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

Following the machinery of government changes announced on 7th February 2023, the UK Space Agency (UKSA) is now an executive agency of the Department for Science, Innovation and Technology (DSIT). The transition of accounting officer responsibilities to DSIT was completed on 1st April 2023.

1.2 Going concern

The financial statements cover the activities of the UK Space Agency and are prepared on a going concern basis. In line with the 2023-24 FReM guidance on IAS 1 interpretation of going concern for the public sector non-trading entity, the Directors are satisfied that the 2023-24 financial statements have been prepared on a going concern basis. The Directors have assessed the financial position as at 31 March 2024, giving consideration to the anticipated continuation of the statutory basis of the Agency's services, and are content not to doubt the Agency's continuing existence for 2024-25 and beyond. The UK Space Agency is an Executive Agency of the Department for Science, Innovation and Technology (DSIT), and the Department has agreed 2024-25 budget for the Agency. Moreover, the Department's estimates and forward plans include provision for the Agency's continuation beyond 2024-25. It has therefore been considered appropriate to prepare these accounts on a going concern basis.

1.3 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of financial assets and financial liabilities.

1.4 Presentational currency

The financial statements are presented in pounds sterling and all values are rounded to the nearest thousand pounds (£'000). The functional currency of the Agency is pounds sterling.

1.5 Intangible non-current assets

Intangible non-current assets are capitalised if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the capitalisation threshold of £10,000. Where there is an active market, the valuation is derived from the active market. Where there is no active market, intangible non-current assets are valued at depreciated replacement cost as Agency's intangible non-current assets are not income-generating and do not therefore have value in use. They are amortised on a straight-line basis over the following periods:

Patents, licences and royalties	7-15 years

1.6 Tangible non-current assets

Tangible non-current assets are capitalised if they are intended for use on a continuing basis and their original carrying value, on an individual or asset pool basis, exceeds the capitalisation threshold of £10,000. Where there is an active market, the valuation is derived from the active market. Where there is no active market, tangible non-current assets are valued at depreciated replacement cost. They are depreciated on a straight-line basis over the following periods

Plant and machinery	4-24 years

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank. Cash is held with the Government Banking Service and the credit risk is therefore assessed as low.

1.8 Financial instruments

The Agency recognises and measures financial instruments in accordance with IFRS 9 Financial Instruments as interpreted by the FReM for public sector.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Agency becomes a party to the contractual provisions of an instrument.

The fair value of financial instruments is determined by reference to quoted market prices where an active market exists for the trade of these instruments. The fair value of financial instruments which are not traded in an active market is determined using generally accepted valuation techniques, including estimated discounted cash flows.

Financial assets are de-recognised when the rights to receive future cash flows have expired or are transferred and the Agency has transferred substantially all the risks and rewards of ownership. Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.8.1 Financial assets

In accordance with IFRS 9 Financial Instruments, the Agency classifies financial assets into the following categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVTPL).

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The impairment model is forward looking and is based on expected credit loss (ECL) model which applies to the following financial assets:

- Financial assets measured at amortised cost;
- Trade receivables, contract assets and lease receivables.

1.8.2 Financial liabilities

In accordance with IFRS 9 Financial Instruments, the Agency classifies financial liabilities as either:

- Amortised cost, or
- Fair value through profit or loss (FVTPL).

Financial liabilities are measured at amortised cost unless either:

- The financial liability is held for trading (i.e. it is held with principal purpose of selling or repurchasing it in the near term), therefore it must be measured at FVTPL; or
- The Agency elects to measure the financial liability at FVTPL.

1.9 Hedge accounting under IFRS 9 Financial Instruments

Derivative financial instruments comprise forward exchange contracts held to hedge the Agency's exposure to foreign currency risk. They are designated as cash flow hedges. The effective portion of change in the fair value is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Comprehensive Net Expenditure. Amounts accumulated in equity are recycled to the Statement of Comprehensive Net Expenditure in the periods when the hedged item affects the Statement of Comprehensive Net Expenditure.

Financial instruments held to hedge foreign currency risk exposures are designated as cash flow hedges if the criteria for applying cash flow hedge accounting under IFRS 9 are met. If the criteria are not met, such as when a forecast transaction is no longer expected to occur, the forward contract is accounted for as a financial instrument held for trading purposes and any cumulative gain or loss that was reported in taxpayer's equity is immediately transferred to the Statement of Comprehensive Net Expenditure.

The Agency does not hold or issue derivative financial instruments for trading purposes.

1.10 Operating income

Operating income is income that relates directly to the operating activities of the Agency as well as income generated from Agency assets and is measured at the fair value of consideration received or receivable and is shown net of trade discounts; value added tax and other taxes. It comprises, principally, statutory licence fees for activities covered by the Outer Space Act (OSA) 1986; co-funding income from other public sector bodies; grant funding from the EU; income from the hiring out of Agency assets and charges for services provided, on a full cost basis, to external customers. Operating income is recorded in accordance with IFRS 15.

1.11 Grants payable and receivable

Grants payable are recognised in the period in which the grant recipient carries out the activity that creates an entitlement to grant. Recognition of entitlement varies according to the details of individual schemes and the terms of the offers made. Unpaid and unclaimed grants are charged to the Statement of Comprehensive Net Expenditure on the basis of estimates of claims not received and are included in accruals in the Statement of Financial Position.

1.12 Contributions to UK Innovations & Science Seed Fund (UKI2S)

The UK Space Agency (UKSA) recognises contributions to the UK Innovation and Science Seed Fund (UKI2S) as an expense, reflecting the nature of the funding as support for research and development activities within the space sector. As a Limited Partner in the UKI2S Space Sub-Fund, UKSA's contributions are designed to be evergreen, continually reinvested to foster innovation and growth. These contributions, which are non-recoverable upon exit from the partnership, are expensed in line with the signed partnership agreement, ensuring transparency and alignment with our commitment to advancing the UK's space industry.

1.13 Ownership of equipment purchased by research grant

Equipment that has been purchased by an Institution with research grant funds supplied by the Agency belongs to that Institution. Through the Conditions of Grant applied to funded institutions, the Agency reserves the right to determine how such equipment shall be disposed of and how any disposal proceeds are to be utilised. Such equipment is excluded from these financial statements.

1.14 Insurance

As an Executive Agency of the Department for Science, Innovation and Technology (DSIT), the Agency, along with other public bodies of the Departmental group, do not generally insure. Insurance will only be obtained on items which, with the agreement of the Department, require it due to the risks involved. Insurance premiums are charged to the Statement of Comprehensive Net Expenditure. Staff travelling overseas on business are covered by the Department's insurance policy for any medical costs incurred abroad, but are expected to take out their own travel insurance policy to cover any loss or damage to personal property. Claims directly related to business property are considered under DSIT expenses policy guidelines.

1.15 Foreign exchange

Transactions that are denominated in a foreign currency are translated into pound sterling at the rate of exchange prevailing on the date of each transaction unless covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated at the rates of exchange ruling at that date. These translation differences are recognised in the Statement of Comprehensive Net Expenditure.

1.16 Pensions

The Agency's staff are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and Civil Servants And Others Pension Scheme (CSOPS) as described in the Remuneration and Staff Report. Defined benefit schemes are unfunded. The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS and CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS/CSOPS. In respect of the defined contribution elements of the Schemes, the Agency recognises the contributions payable for the year.

Contributions to the defined benefit pension scheme are charged to the Statement of Comprehensive Net Expenditure in accordance with actuarial recommendations so as to spread the cost of the pensions over the employee's expected working lives. Further details of the pension schemes can be found on the Civil Service Pensions website at www.civilservicepensionscheme.org.uk

1.17 Employee benefits

In accordance with IAS 19 Employee Benefits, the Agency is required to recognise short-term employee benefits when an employee has rendered service in exchange for those benefits. Included in the financial statements is an accrual for the outstanding employee holiday entitlement at 31 March 2024 on an undiscounted basis.

1.18 Taxation

The Agency, as an Executive Agency of DSIT, is exempt from income and corporation tax by way of its Crown exemption.

Value Added Tax (VAT) is accounted for in the financial statements, in that amounts are shown net of VAT except:

- irrecoverable VAT is charged to the Statement of Comprehensive Net Expenditure, and included under the relevant expenditure heading;
- irrecoverable VAT on the purchase of an asset is included in additions.

The net amount due to, or from, HM Revenue and Customs in respect of VAT is included within other receivables and payables in the Statement of Financial Position.

1.19 Leases

IFRS 16 represents a significant change in lessee accounting by removing the distinction between operating leases (off-statement of financial position financing) and finance leases (on-statement of financial position financing) and introducing a single lessee accounting model. IFRS 16 requires recognition of assets and liabilities for all leases in the Statement of Financial Position (SoFP), with exemption given to low value leases and short-term leases, i.e. those with lease terms of less than 12 months. The adoption of the standard results in the recognition of a right-of-use asset, representing a right to use the underlying leased asset and a lease liability, representing an obligation to make lease payments.

1.19.1 Agency as lessee

The definition of a contract is expanded under the FReM definition to include intra-UK government agreements where non-performance may not be enforceable by law. This includes, for example, the Memorandum of Terms of Occupation (MOTO) agreements.

Measurement of right-of-use asset on transition

On initial application, the right-of-use asset is measured at an amount equal to the lease liability.

Measurement of lease liability on transition

On initial application, the lease liability is measured at the present value of the remaining lease payments using the HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined.

Measurement of right-of-use assets

Initial measurement

At the commencement date, the Agency measures the right-of-use asset at cost, which comprises:

- The amount of the initial measurement of the lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs incurred
- An estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lease terms and conditions.

Subsequent measurement

Right-of-use assets are subsequently measured in line with the cost model for IFRS 16 which is used as a proxy for valuation except where:

- A longer term contract which lacks clauses for the reassessment of lease payments in response to fluctuations in market conditions.
- There is a significant period of time between these assessments
- The valuation of the underlying asset is likely to fluctuate significantly due to changes in market prices.

Depreciation of right-of-use assets
Right-of-use assets are depreciated on a straight-line basis from commencement date to the end of the lease term or the end of the asset's useful economic life, whichever is shorter.

Impairment of right-of-use assets

The Agency applies IAS 36 'Impairment of Assets' to determine whether a right-of-use asset is impaired and to account for any impairment loss identified.

Measurement of lease liabilities

Initial measurement
At the commencement date, the Agency measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments are discounted using the HM Treasury discount rate where interest rates implicit in the lease cannot be readily determined.

At the commencement date, lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the term not paid at the commencement date:

- Fixed payments, including any in-substance fixed payments less any lease incentives receivable
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date, for example, payments linked to a consumer price index or a benchmark interest rate
- Amounts expected to be payable by the Agency under a residual value guarantee
- The exercise price of a purchase option if the Agency is reasonably certain to exercise that option
- Payments of penalties for terminating the lease if the lease term reflects the Agency exercising the option to terminate the lease and the Agency is reasonably certain to exercise this option.

Subsequent measurement
The lease liability is remeasured to reflect changes to the lease payments. The Agency remeasures the lease liability by discounting the revised lease payments using a revised discount rate if there is a change in:

- Lease term
- The Agency's assessment of an option to purchase the underlying asset, assessed considering events and circumstances in the context of a purchase option. The Agency determines the revised lease payments to reflect the change in amounts payable under the purchase option
- Amounts expected to be payable by the Agency under a residual value guarantee
- Future lease payments resulting from a change in the index or rate used to determine these future lease payments, including a change to reflect changes in market rental rates following a market rent review. The Agency remeasures the lease liability to reflect those revised lease payments only when there is a change in the cash flows (this will be when the adjustment to the lease payments takes effect).

The amount of remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset, where there is a balance on the right-of-use asset. However, if the carrying amount of the right-of-use asset is £nil and there is a further reduction in the measurement of the lease liability, the Agency recognises the remaining amount of the remeasurement of the lease liability in the Statement of Comprehensive Net Expenditure.

1.19.2 Agency as lessor

Classification

The Agency classifies leases where it is lessor as either an operating lease or a finance lease. The Agency classifies a lease as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. If it does not, then the lease is classified as an operating lease.

Finance leases: recognition and measurement

At the commencement date, the Agency recognises assets held under a finance lease within the Statement of Financial Position and presents them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease. Initial direct costs are included in the net investment in the lease. Finance lease income is allocated over the lease term so as to reflect a constant periodic rate of return on the Agency's net investment outstanding in respect of the leases.

Operating leases: recognition and measurement

The Agency recognises lease payments from operating leases as income on a straight-line basis. The Agency recognises costs, including depreciation incurred in earning the lease income as an expense. Initial direct costs incurred in obtaining the operating lease are added to the carrying amount of the underlying asset and these are expensed over the lease term on the same straight-line basis as the rental income.

1.20 Contingent liabilities

The Agency discloses contingent liabilities in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Should a contingent liability crystallises, UKSA is to fund the obligation using agency budgets initially. In the event that UKSA's funds are insufficient, it is expected that the sponsor department, DSIT, will fund this liability.

1.21 Provisions
A provision is recognised when it is probable that an outflow of economic benefits will be required to settle a present obligation (legal or constructive) that can be reliably measured and which results from a past event. Where the time value of money is material the provision is measured at present value using discount rates prescribed by HM Treasury. No provision presented in these financial statements has been discounted as the impact of the time value of money was deemed to be immaterial.

1.22 Reporting by operating segment
Under HM Treasury guidance in the FReM, the UK Space Agency is expected to meet the requirements of IFRS 8 Operating Segments to report information concerning operating segments where the criteria under IFRS 8 are met.

Although the Agency considers that its activities contribute to an overall mission within the same business environment; nevertheless, there are separable operating segments on a geographical basis, namely National and International. See Note 2 Statement of operating costs by operating segment for further details.

1.23 Estimation techniques used and key judgements
The preparation of the Agency's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenditure. The estimates and associated assumptions are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying value of the asset or liability. Where applicable, these uncertainties are disclosed in the notes to the financial statements.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Accounting Policies, revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The estimates and assumptions that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are fluctuations in the fair value of financial assets/liabilities measured using forward market exchange rates (see Note 9 Other financial assets and liabilities for further information).

1.24 Changes in accounting policies
There has been no changes in accounting policies in the current period.

1.25 Changes to International Financial Reporting Standards (IFRS) and 2023-24 Financial Reporting Manual (FReM)

1.25.1 Changes to IFRS
In accordance with the FReM, these financial statements apply EU adopted IFRS and Interpretations in place as at 1 January 2024. The following new standards will be adopted by the Agency in full, when they are applied in the FReM, unless the requirements are interpreted or adapted by the FReM:

IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts becomes effective, subject to adoption into the FReM, for accounting periods commencing on, or after, 1 January 2025, which is two years after the private sector adoption date of 1 January 2023. It requires a discounted cash flow approach to measuring insurance liabilities. The Agency is currently assessing the impact of IFRS 17 adoption.

The Agency does not expect any other new, or revised standard, or interpretation to have a material impact.

1.25.2 Changes to the FReM
There were no changes adopted in the 2023-24 FReM.

2. Statement of operating costs by operating segment

The Agency has two main geographical segments namely, international and national, and it is on this basis that reportable segments have been identified.

Funding is received from DSIT to cover the cost of international subscriptions to the European Space Agency and the remainder of its programme work at a national level. National programme work includes being responsible for delivering aspects of specific project work in the UK as well as funding universities and companies to undertake various research and development activities.

The activities across both segments are reported on a monthly basis to the Executive Committee and Delivery Board. This is done through a management accounts framework that scrutinises budgetary constraints and ensures alignment with the allocated funding. This is further analysed at a directorate level enabling full financial control to be maintained.

The segments are separate for decision making purposes and there are no transactions between the two segments.

There have been no changes in segmental identification since the previous reporting period.

Statement of Financial Position analysis by segment is not reported to the Executive Committee and Delivery Board and, therefore, in accordance with IFRS 8 Operating Segments, is not disclosed in these financial statements.

	2023–24			2022–23		
	National segment	**International segment**	**Total**	National segment	International segment	Total
	£000	**£000**	**£000**	£000	£000	£000
Gross expenditure	157,224	486,180	**643,404**	89,942	559,375	649,317
Income	(1,086)	-	(1,086)	(1,293)	-	(1,293)
Net operating costs	**156,138**	**486,180**	**642,318**	88,649	559,375	648,024

Description of segments

The national segment mainly consists of expenditure on work undertaken within the UK either by the means of funding to research institutions or companies or expenditure on major national programmes.

The international segment mainly consists of expenditure with the European Space Agency in the form of subscriptions which are used to fund, along with subscriptions from other national governments, its various space programmes.

Central administrative and operational costs are reported under the national segment reflecting the way they are reported to the Executive Committee and Delivery Board.

3. Staff costs

	2023–24	2022–23
	£000	£000
Wages and salaries	15,222	12,673
Social security costs	1,740	1,502
Other pension costs	3,982	3,415
Subtotal	**20,944**	17,590
Add cost of inward secondments	83	52
Less recoveries in respect of outward secondments	(175)	(13)
Total staff costs	**20,852**	17,629

Further analysis of staff costs, average number of persons employed and other relevant disclosures can be found in the Remuneration and Staff Report.

4. Total operating expenditure[i]

	Note	2023-24	2022-23 Re-presented*
		£000	£000
International subscriptions			
European Space Agency	(ii)	475,429	555,158
Recognised loss/(gain) on forward exchange contracts		7,025	(1,682)
Net gain on foreign exchange spot rate (non-hedge)		(227)	(808)
Total ESA subscriptions		**482,227**	552,667
Other international subscriptions		39	32
Other international grants & payments			
ESA ECSAT2 development		-	3,762
French Space Agreement (CNES) bilateral agreements		2,136	1,521
ESA mandatory tax adjustment	(iii)	1,501	1,266
Other		276	127
National grants and other funding			
Academic grants	(iv)	30,807	28,164
National Space Innovation Programme		8,072	508
Spaceflight Programme		3,555	7,713
Spectrum charges		4,297	4,297
SABRE		-	473
International Partnership Programme		-	171
National Space Technology Programme		(66)	(114)
Contribution to UK Innovation & Science Seed Fund LP (UK125)	(v)	7,936	-
International Bilateral Programme		5,640	-
Satellite Methane Data		5,437	-
Space Debris Removal		4,482	-
Earth Observation Technology Programme		4,695	-
Local Growth Programme		3,120	1,609
Space Clusters Infrastructure Fund		6,249	692
Future Science Bilaterals Programme		5,821	1,130
New Education and Skills Engagement Programme		2,551	949
Other national programme grants and funding	(vi)	9,640	4,564
Total subscriptions, grants and other funding		**588,415**	609,531
Technical contracts and contract management	(vii)	**21,818**	10,550
Other operating expenditure			
Temporary staff costs		5,731	4,610
Accommodation		856	573
Payments for departmental shared services	(viii)	1,112	1,657
Travel and subsistence		1,452	1,184
Training and other staff costs		908	450
Auditors remuneration (external)		70	53
Other		674	2,310
Total operational costs		**10,803**	10,837
Total operating expenditure		**621,036**	630,918

*2022-23 figures have been re-presented to include Local Growth Programme, Space Clusters Infrastructure, Future Science Bilaterals Programme and New Education and Skills Engagement Programme as the accounts now disclose them separately.

Notes:

(i) Total operating expenditure disclosed in SoCNE also includes staff costs as per Note 3, impairment as per Note 7, depreciation as per Note 6 Right of Use assets and Note 8 Tangible assets, and interest element of lease payments.

(ii) The Agency pays an annual subscription to ESA in Euros. To manage our budgets effectively, the Agency entered into forward exchange contracts with the Bank of England to hedge about 90% of its total commitments to ESA between June 2023 and January 2028.

(iii) The Agency is liable in accordance with Article 42 of the Coordinated Organisation's Pension Scheme Rules, for the amount of tax adjustment applicable to pensions borne by the Member State in which the recipient is subject to taxes on income. The 2023-24 tax liability of £1,501k (2022-23: £1,266k) relates to tax of the recipients in the United Kingdom for the European Space Agency.

(iv) Prior to the creation of the Agency the responsibility for provision of academic research grants was undertaken by the Science Technology and Facilities Council (STFC), now part of UK Research and Innovation (UKRI). Since 1 April 2011, such grants are the responsibility of the Agency. Due to the ongoing nature of some of the grants and the expertise that UKRI have in this area it has been agreed that UKRI would continue to maintain the process and make any necessary payments, recharging the Agency for the costs of such grants. The cost of maintaining and processing these payments is minimal and UKRI has agreed to undertake this activity on a nil cost basis. Therefore there is no charge for this activity to the Agency.

(v) The UK Innovation & Science Seed Fund LP (UKI2S) is an independently managed capital venture fund, which is backed by government, was established to invest in technologies developed from publicly funded research. UKSA is a limited partner in the fund and has contributed £7.9m in 2023-24 (2022-23: £nil). The funds contributed by UKSA are intended to be evergreen, meaning they are to be continually reinvested by UKI2S to support ongoing R&D activities within the space sector. The funds are used for innovation without an expectation of direct financial return.

(vi) Other National Programme Grants and Funding saw an increase from £4,564k to £9,640k. This rise in expenditure is primarily due to the launch of new programmes and the expansion of existing ones. The Agency has made significant investments in several key areas: Other Innovation (£1.3m), Other LevellingUp (£1.3m), New Business Engagement Programme (£1.6m), Space Science (£2.3m), and Earth Observation (£3.1m). These investments reflect the Agency's strategic focus on fostering innovation, enhancing earth observation capabilities, and engaging new business opportunities.

(vii) Technical contracts and contract management, which encompass targeted spending on specialised consultancy services that directly contribute to the advancement of our research and development objectives, witnessed a significant increase in the year to £21,818k. This substantial growth is primarily due to the launch of new programmes and an overall increase in the spend across existing programmes. Key contributors to this rise include the National Space Operations Centre (NSPOC) at £3.6m, the Space Cluster Infrastructure Funding (SCIF) at £1.6m, and the New Business Engagement Programme at £1.8m. Additionally, investments in Space Sustainability Initiatives and the Long-term Archive Facility Support were £1.4m and £1.1m, respectively, alongside the Local Growth Programme at £1.4m and the Puma2 Project at £0.4m. These investments are indicative of our agency's strategic focus on enhancing the UK's space industry infrastructure and ensuring its sustainable development.

(viii) Payments for departmental shared services include the costs of centrally provided information technology and legal advice. From 1 April 2017 legal services are provided by the Government Legal Department via an SLA with DSIT. The overall charge for legal advice costs in 2023-24 was £164k (2022-23: £122k).

5. Income from operating activities

	Note	2023–24	2022–23
		£000	£000
Outer Space Act 1986 licence fees	(i)	-	788
Other Income	(ii)	1,086	505
Total		**1,086**	1,293

Note:

(i) The UKSA was formerly responsible for the collection of licensing fees under the Outer Space Act 1986. In 2023-24, the UK Civil Aviation Authority took over the role of issuing licences for space activities and therefore no revenue was reported from these fees.

(ii) Other Income is mainly due to fees charged for use of Westcott Facility (£277k) and STFC's contribution to the NSIP Enabling Technology Programme Call2 (£800k).

6. Right of use assets

	2023-24			2022-23		
	Land	Buildings	Total	Land	Buildings	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation:						
Balance at 1 April	646	2,644	**3,290**	646	2,644	3,290
Additions	-	919	**919**	-	-	-
Remeasurement	-	17	**17**	-	-	-
Disposals	-	(820)	**(820)**	-	-	-
Balance at 31 March	**646**	**2,760**	**3,406**	646	2,644	3,290
Depreciation:						
Balance at 1 April	(86)	(1,108)	(1,194)	(43)	(554)	(597)
Charged in year	(43)	(515)	(558)	(43)	(554)	(597)
Disposals	-	448	448	-	-	-
Balance at 31 March	**(129)**	**(1,175)**	**(1,304)**	(86)	(1,108)	(1,194)
Carrying amount at 31 March	**517**	**1,585**	**2,102**	560	1,535	2,095
Asset financing:						
Finance leased	517	1,585	2,102	560	1,535	2,095
Carrying amount at 31 March	**517**	**1,585**	**2,102**	560	1,535	2,095

7. Intangible assets

	2023–24	2022–23
	£000	£000
Patents, licences and royalties[i]		
Cost or valuation		
Balance at 1 April	600	600
Additions	-	-
Impairment	(600)	-
Balance at 31 March 2023	**-**	600
Amortisation		
Balance at 1 April	-	-
Charged in year	-	-
Balance at 31 March	**-**	-
Carrying value at 31 March	**-**	600
Asset financing:		
Owned	-	600
Carrying value at 31 March	**-**	600

Note:

(i) In 2020-21, the Agency acquired specialist software intended for operational use within the Spaced-Based Positioning Navigation and Timing Programme. The software was capitalised but has not been brought into full operational use; therefore, no amortisation charges have been recognised in these financial statements. Following a comprehensive impairment review in line with IAS 36, it has been determined that the software, carrying a value of £600k, will not be brought into operational use in the foreseeable future. As a result, this intangible asset has been fully impaired and written off.

8. Tangible assets

		2023-24			2022-23		
		Plant and Machinery	Assets Under Construction	Total	Plant and Machinery	Assets Under Construction	Total
		£000	£000	£000	£000	£000	£000
Cost or valuation							
Balance at 1 April		3,462	-	**3,462**	-	-	-
Additions	(i)	324	304	**628**	466	-	466
Revaluations	(ii)	-	-	**-**	2,996	-	2,996
Disposals		(57)	-	**(57)**	-	-	-
Balance at 31 March		**3,729**	**304**	**4,033**	3,462	-	3,462
Amortisation							
Balance at 1 April		(148)	-	**(148)**	-	-	-
Charged in year		(295)	-	**(295)**	(148)	-	(148)
Disposals		1	-	**1**	-	-	-
Balance at 31 March		**(442)**	**-**	**(442)**	(148)	-	(148)
Carrying value at 31 March		**3,287**	**304**	**3,591**	3,314	-	3,314
Asset financing:							
Owned		3,287	304	**3,591**	3,314	-	3,314
Carrying value at 31 March		**3,287**	**304**	**3,591**	3,314	-	3,314

Note:

(i) In 2022-23 the Agency purchased a life-size replica of the first rocket to be launched from UK soil. The asset was brought into use and is being depreciated over it's useful life. During the year the Agency acquired an optical telescope, and ancillary equipment, including a server, router and cables. This equipment is designated for the tracking of satellites in geostationary orbit. The procurement enhances the Agency's capacity to provide tracking and conjunction warnings for UK-registered satellites, a vital function in maintaining space safety and security. Calibration of the asset is underway, and it is anticipated to be operational in the near future.

(ii) In 2021-22 the Agency received an asset transfer of the Westcott Facility at nil value. This National Space Propulsion Test Facility was developed in collaboration with ESA, the Science and Technology Facilities Council's RAL Space Facility and NAMMO UK. In 2022-23 the Agency revalued the Westcott Facility which comprises of a plume intercooler and other component parts. The asset was brought into use and being depreciated over its useful life.

9. Other financial assets / liabilities

Historically, the UK Space Agency had a number of derivative contracts that were designated as cashflow hedges to better plan currency fluctuations in relation to international subscriptions commitments payable to the European Space Agency (ESA) in Euros. These contracts were revalued at each year end based on the future forward market rates, as provided by the Bank of England, at that time. Any such revaluations at the year end therefore reflected unrealised gains and losses at that time.

The UK Space Agency uses forward exchange contracts as part of a balanced portfolio of hedges designed to control foreign currency risk in line with the level of risk appetite adopted by the Executive Committee. The Agency is fully compliant with the DSIT departmental hedging policy, which forbids using financial instruments for speculative purposes. Forward exchange contracts may be placed with the Bank of England where the expected cost at the current exchange rate represents at least 2% of the total budget or the value of the transaction is greater than £2,000,000. The only form of hedging foreign currency risk allowed within the DSIT family of partner organisations is the use of forward exchange contracts so as to provide a greater budgetary certainty and therefore plan the future expenditure more effectively.

In May and December 2023, the Agency entered into fifteen (2022-23: twelve) forward exchange contracts to hedge 90% of existing international subscriptions commitments payable to ESA between June 2023 and January 2028. During the reporting period, six foward contracts reached maturity and were disposed of accordingly.

	Note	2023–24	2022–23
		£000	£000
Balance at 1 April		8,421	-
Additions (contracts purchased in year)		(1,798)	(187)
Disposals (contracts settled in year)	(i)	7,025	(1,682)
Revaluation movement	(ii)	(43,216)	10,290
Balance at 31 March		**(29,568)**	8,421
Non-current other financial assets		-	5,718
Current financial assets		-	2,703
Total other financial assets		-	8,421
Non-current other financial liabilities		(20,598)	-
Current financial liabilities		(8,970)	-
Total other financial liabilities		**(29,568)**	-
Total net other financial assets and liabilities		**(29,568)**	8,421
Net change in value of cash flow hedges impacting reserves	(iii)	**(37,989)**	8,421

Notes:

(i) The disposal value arose through the completion of six forward exchange contracts with settlement dates falling in the reporting period. This notional value represents the total cumulative unrealised loss/(gain) for each of these contracts previously recognised in the revaluation reserve and removed on completion.

(ii) Revaluation movement represents the difference in the fair value of the contracts on inception as compared to the fair value of the contracts at their settlement date. The GBP to EUR forward rate moved from 1.147 to 1.166 during the period from inception, on 19 May 2023, and year end. This revaluation has resulted in the transformation of a financial asset valued at £8,421k at the beginning of the year into a financial liability of (£29,568k) by the end of the year, primarily driven by the adverse revaluation of the hedging instrument amounting to (£43,216k).

(iii) Further information on the reported change in the value of cash flow hedges can be found in the Statement of Changes in Taxpayers' Equity on page 89 under the Revaluation Reserve disclosures.

Cashflow hedge contracts

The hedge contract is designed to allow for cash flow planning and enables effective budgeting to align with the comprehensive spending reviews which are normally undertaken by the government every three years. The hedge contract is not designed to protect against currency risk which will result in an unrealised gain or loss arising each year end when hedges are revalued. On completion of the contract, there will be either an opportunity gained or lost resulting from the movement in the exchange rate. As this is outside management control, and in line with the HM Treasury's Consolidated Budgeting Guidance 2023-24, these gains and losses are only recognised under the resource annually managed expenditure (RAME) budgetary category.

During the reporting period the Agency maintained in total a hedge portfolio of twenty-four forward exchange contracts, six of which matured during the year. In May and December 2023, the Agency entered into several forward exchange contracts to hedge 90% of existing international subscription payable to ESA in Euros between June 2023 and January 2028.

The fair value of forward exchange contracts is determined by comparing the contractually agreed cost on creation of the contract with the fair value of the contract translated at the future forward market rate provided by the Bank of England at close of trading on 31 March 2024 for the relevant forward exchange contracts' settlement dates. These are indicative rates only, and therefore in accordance with IFRS 13 Fair Value Measurements, the valuation inputs are classified as Level 2.

The fair value measurement is categorised into three levels based on the observability and significance of the inputs used in the valuation technique, as per IFRS 13.

The following table presents the UKSA's financial instruments measured at fair value at 31 March 2024:

Level	Type of Financial Instrument	Fair Value at 31 March 2024	Valuation Technique	Significant Observable Inputs
2	Forward Exchange Contracts	£29,568k	Market Approach	Forward Market Rates

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The UK Space Agency does not issue any loans, apart from staff loans, and does not have any outstanding loans. Any staff loans in issue are not material and do not present any credit risk to the organisation.

Liquidity

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. In common with other government agencies, the future financing of its liabilities is to be met by future funding from the sponsor department, namely the Department for Science, Innovation and Technology, which receives its funding by means of Supply, voted annually by Parliament. There is no reason to believe that future approvals will not be forthcoming, therefore, on this basis the UK Space Agency is not exposed to liquidity risks.

Market risk

Foreign currency risk

The UK Space Agency's exposure to foreign currency risk during the year was significant, though this was considerably mitigated by the use of cashflow hedge contracts. The expenditure on international subscriptions to the European Space Agency, in Euros, was made in three instalments during the year. The Agency aims to manage a portfolio of forward contracts to purchase Euros at approximately 80% of the annual subscription payable to ESA during a calendar year thereby fixing the exchange rate to be used. Depending on the movement of exchange rates and risk appetite, this percentage (coverage) can fluctuate by 10%. The remaining 10-30% is translated at the prevailing spot rate.

The Agency also has limited transactional currency exposure arising from occasional payments made in currencies other than sterling and through reimbursing foreign travel and subsistence costs for staff travelling to international bodies. Such transactions are translated at the prevailing spot rate and the amounts involved are not material.

Interest rate risk

The UK Space Agency does not invest or access funds from commercial sources. The UK Space Agency does not have any loans or contracts that are subject to interest rate fluctuation and is not subject to any interest rate risk.

The UK Space Agency does not participate in any market reliant activities and is not subject to market risk.

10. Trade receivables and other current assets

	31 March 2024	31 March 2023
Trade and other receivables less than one year	**£000**	£000
Trade receivables	423	1,324
Other receivables	61	14
Prepayments & accrued income[(i)]	60,769	64,702
VAT	678	(301)
Total	**61,931**	65,739

Note:

(i) Prepayments and accrued income include a prepayment made to the European Space Agency of £60,276k (2022-23: £63,683k).

11. Cash and cash equivalents

	Note	31 March 2024	31 March 2023
		£000	£000
Cash and cash equivalents			
Balance at 1 April		20,612	12,800
Net change in cash and cash equivalents		4,920	7,812
Balance at 31 March		**25,532**	**20,612**
The following balances at 31 March were held at:			
Government Banking Service	(i)	**25,532**	**20,612**

Note:

(i) Cash balances at the Government Banking Service were held in sterling. No interest is earned on cash balances held at the Govermnent Banking Service.

12. Trade payables and other current liabilities

	Note	31 March 2024	31 March 2023
		£000	£000
Trade and other payables less than one year			
Trade payables		1,273	1,401
Other payables		1,152	1,647
Accruals	(i)	48,533	37,866
Contract liabilities	(ii)	186	234
Deferred income	(iii)	358	358
Total		**51,502**	41,506

Notes:

(i) Accruals include accrued expenditure in respect of National Programme (via UKRI) of £13,268k (2022-23: £12,572k); Space Clusters Infrastructure Fund of £5,895k (2022-23: nil); NSIP of £3,808k (2022-23: £869k); Launch Programme of £3,785k (2022-23: £6,159k); Strategic Projects of £1,730k (2022-23: nil); Space Debris Removal of £1,491k (2022-23: nil); Local Growth Programme £1,403k (2022-23: £1,076k); Future Science and Exploration Bilaterals £1,130k (2022-23: £1,130k). The remaining balance of £7,983k is made up of other programmatic and operating expenditure accruals, including the employee benefits accrual in respect of untaken annual leave.

(ii) In accordance with IFRS15, contract liabilities of £186k were recognised with regards to OSA licence fees received in 2022-23 for licences not yet issued as at 31 March 2024 (2022-23: £234k).

(iii) Deferred income balance relates to funding received from the EU in respect of ongoing EU funded programmes in which the Agency continues to participate.

13. Capital commitments

There were no capital commitments as at 31 March 2024 (2022-23: none).

14. Other financial commitments

14.1 International subscriptions commitments

The UK Space Agency entered into non-cancellable forward contracts (which were not leases or PFI contracts), in connection with a financial instrument for hedging international subscription payments. As at 31 March 2024, the Agency had 18 such contracts in place. There were the following payments to which the Agency was committed as at that date.

	31 March 2024	31 March 2023 Restated*
ESA	**£000**	£000
Not later than one year	426,970	347,246
Later than one year and not later than five years	1,601,015	784,352
Later than five years	155,630	-
Total	**2,183,615**	1,131,598

Note:

**The figures for the year ended 31 March 2023 have been restated to represent the full 100% commitment.*

In May and December 2023, the Agency entered into several forward exchange contracts to hedge 90% of existing international subscriptions commitments payable to ESA in Euros between June 2023 and October 2029. We have included spot rates up to October 2029 to represent a reliable estimate of the remaining 10% commitment under international subscription payments.

14.2 Grants commitments

	31 March 2024	31 March 2023
	£000	£000
Not later than one year		
Spaceflight Programme	4,091	1,233
Space Surveillance & Tracking Pilot Project	-	-
Academic Grant Commitments	6,729	16,251
National Space Innovation Programme	-	-
International Partnership Programme	-	-
SABRE	-	-
Space Cluster Development	2,637	2,017
Enabling Technologies Programme	3,668	911
Space Academic Network	109	110
Exploration National Programme	3,562	4,253
Active Debris Removal	-	2,270
Microgravity	-	1,515
Inspiration Programme	1,829	-
International Bilateral Fund	3,090	-
Space Universities Network	99	-
Helioswarm	689	-
Science and Exploration Bilaterals	938	-
Space Scheme	7,428	-
Exploration (Mars Science)	26	-
Sub-total	**34,895**	28,560
Later than one year and not later than five years		
Academic Grant Commitments	-	6,729
Spaceflight Programme	-	-
Space Cluster Development	-	2,618
Enabling Technologies Programme	-	1,191
Space Academic Network	-	110
Exploration National Programme	1,095	3,384
Microgravity	-	1,499
Exploration (Mars Science)	27	-
	1,122	15,531
Total	**36,017**	44,091

Note: During 2022-23, the Agency obtained approval for a three year funding settlement. This has enabled the Agency to commit to multi-year grant expenditure.

15. Lease liabilities

See note 1 Accounting Policies for further information.

Total future minimum lease payments are given in the table below:

	31 March 2024	31 March 2023
	£000	£000
Land:		
Not later than one year	47	47
Later than one year and not later than five years	190	190
Later than five years	330	377
Sub-total	**567**	614
Less interest element	(32)	(37)
Present value of obligations	**535**	**577**
Buildings:		
Not later than one year	480	568
Later than one year and not later than five years	703	1,008
Later than five years	884	-
Sub-total	**2,067**	**1,576**
Less interest element	(429)	(27)
Present value of obligations	**1,638**	**1,549**
Total present value of obligations	**2,173**	**2,126**
Of which:		
Current	472	597
Non-current	1,701	1,529

Notes:

Land:

Westcott

In March 2021, the Agency entered into a lease agreement with BNP Paribas Depository Services for the land at Westcott site for a lease term of 15 years, with an early surrender option in March 2028.

Buildings:

Space Park Leicester

In January 2024, the Agency entered into a lease agreement with the University of Leicester for office accommodation and/or training room for science and technology research purposes at the Space Park Leicester. The lease commenced on 1 January 2024 and is due to expire on 31 December 2034.

Government Property Agency - TY William Morgan House, Cardiff and 10 Victoria Street, London

In February 2024, the Agency entered into a lease agreement with the Government Property Agency (GPA) for office accommodation at TY William Morgan House, Cardiff. The lease commenced on 19 February 2024 for a term of 21 years.

In August 2019, the Agency entered into a lease agreement with the Government Property Agency (GPA) for office accommodation at 10 Victoria Street, London, for the SBPP (formerly GNSS) programme staff. The lease commenced on 27 August 2019 and is set to expire on 18 February 2026. As per the recent agreement or MOTO, the lease has been surrendered early, effective 30 November 2023, allowing DSIT to assume occupancy from 1 December 2023. Consequently, the UKSA has derecognised the right-of-use asset and corresponding lease liability, therefore no future payments are recognised in the current year.

In September 2019, the Agency entered into an additional lease agreement with the Government Property Agency (GPA) for office accommodation at 10 Victoria Street, London. The lease commenced on 30 September 2019 and will expire on 18 February 2026. There is no security of tenure after this date.

Electron Building, Harwell

In April 2020, the Agency entered into a short-term lease agreement with Satellite Applications Catapult Limited for office accommodation at the Electron Building based within the Harwell Oxford campus for a lease term up to 31 March 2021. During 2020-21, the Agency exercised the option to extend the lease from 1 April 2021 to 31 March 2024. The lease was further extended for another two months to 30 May 2024. There is no security of tenure after this date.

16. Head office accommodation

The UK Space Agency operates out of the UK Research and Innovation site in Swindon, which is owned by the Government Property Agency (GPA) on a joint tenancy agreement. All relevant costs are charged and recorded against operating costs as incurred. There are no capital commitments.

17. Provisions for liabilities and charges

	2023-24	2022-23
Dilapidations[i]	**£000**	£000
Balance at 1 April	385	385
Provided in the year	-	-
Provisions not required written back	-	-
Provisions utilised in the year	-	-
Balance at 31 March	**385**	385

Note:

(i) In 2013-14, the UK Space Agency entered into a lease agreement with NATS (En Route) Plc (NERL) for office accommodation at the NATS Swanwick Control Centre. At the end of the lease term in December 2030 or in the event of an early surrender of the lease, the Landlord (NERL) had the contractual right to enforce the Agency to pay for costs of dilapidations which as at 31 March 2021 were estimated at £770k. In 2020-21, the Agency entered into a Memorandum of Terms of Occupation with the Ministry of Defence (MoD) for these premises. MoD agreed to equally share the costs of dilapidations, therefore the provision was reduced accordingly. In 2022-23, the Agency surrendered the lease and the MoD entered into a lease with NERL occupying the space in its current condition. The Agency entered into a Memorandum of Understanding with the MoD to honour the existing agreement to share the costs of dilapidations when MoD either surrenders the lease or the lease term ends.

18. Related party transactions

During 2023-24, the UK Space Agency was an Executive Agency of the Department for Science, Innovation and Technology (DSIT) and DSIT is regarded as a related party with which the Agency had various material transactions. Additionally, the UKSA has made contributions to the UK Innovation and Science Seed Fund (UKI2S) Space Sub-Fund, a partnership aimed at supporting early-stage space companies. The UKSA's role as a Limited Partner in this fund, with a contribution of £7.9m for the year, constitutes a transaction with a related entity due to the indirect relationship through DSIT and UK Research and Innovation (UKRI), which is also recognised as a related party. The back-office function for processing national grants continues to be outsourced to UKRI, which is also recognised as a related party. UKRI are an entity for which DSIT is regarded as the sponsor department.

Employee benefits received by Agency's key management personnel are disclosed in the Remuneration and Staff Report on page 69. In addition, the UK Space Agency made the following aggregated payments to third parties where Agency's directors and non-executive members are also senior members of staff:

			2023-24 Value of transactions	2022-23 Value of transactions
Name	**Position with related party**	**Description of transactions**	**£000**	£000
Paul Bate	Trustee of National Space Centre	Programme expenditure	**636**	187
Craig Brown	Lay member of Council at University of Leicester	Programme expenditure	**-**	1,439
Chris Castelli	Professor at Open University	Programme expenditure	**-**	922
	Non-Executive Director - Surrey Satellite Technology Ltd	Programme expenditure	**-**	194
Lord David Willetts	Non-Executive Board Member - UKRI (i)	Programme expenditure	**10,513**	6,034
	Chancellor - University of Leicester	Programme expenditure	**As above**	As above
Peter Watkins	Member of Council of Cranfield University	Programme expenditure	**-**	132
	Council of Advisors - RAND Europe Think Tank	Programme expenditure	**515**	119
	MOD - part-time basis, oversight on behalf of Perm Sec of MOD's programme in Saudi Arabia (ii)	Programme expenditure	**1,267**	1,620
Kevin Shaw	MOD - Consultant	Programme expenditure	**As above**	As above

Notes: (i) End date November 2023, (ii) End date May 2023

19. Events after the reporting period

There have been no events between the Statement of Financial Position date and the date the accounts were authorised for issue requiring an adjustment to the financial statements.

In May 2024, the Agency entered into a lease agreement with the Harwell Science and Innovation Campus Limited Partnership for office accommodation at the Harwell Science and Innovation Campus, Oxfordshire. The lease commenced on 20 May 2024 and is due to expire on 19 May 2034. The right-of-use asset and corresponding lease liability have been calculated at £2,869k at inception, with annual depreciation charges of £574k. This calculation is based on a 5-year term, reflecting the Agency's reasonable certainty of exercising the break option at the fifth anniversary of the lease.

In May 2024, the Agency also entered into a lease agreement with the Government Property Agency (GPA) for office accommodation at Queen Elizabeth House, Edinburgh. The lease commenced on 22 May 2024 for a term of 10 years. However, as the contract agreement has not been finalised and remained unsigned by both parties at the time of writing, it has not been possible to quantify the right-of-use asset and the lease liability for this lease.

The date the accounts were authorised for issue is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

Annex 1.

Bought-in services

Organisation	Service provided
UK Shared Business Services (UKSBS)	To support our business delivery, the Agency uses DSIT's partner organisation, UKSBS, to provide operational procurement, and transactional services in finance, payroll and human resources. The assurance on the internal control for each of these services is provided by DSIT as part of the Department's Shared Services Programme. The Government Internal Audit Agency (GIAA) is UKSBS's internal auditor. GIAA's internal audit reports provide input to UKSBS Executive Director's Quarterly Management Assurance letters to Accounting Officers. At the end of 2023-24, the overall assurance for UKSBS customer facing operations was assessed as Amber. Further narrative is available in the Governance Statement for UK SBS, which is published as part of its Annual Report and Accounts.
DSIT ICT services	The Agency uses DSIT's contracted provider for ICT. The assurance on the internal controls for these services is undertaken by DSIT.
Government Legal Department (GLD)	The Agency makes use of the services of GLD for the provision of the majority of legal advice sought by the Agency. The assurance on the internal control for these services is undertaken by DSIT as part of the Departmental Service Level Agreement with GLD.
Government Actuary's Department (GAD)	The Agency uses the GAD for actuarial analysis to help inform policy development where appropriate.
Government Recruitment Service (GRS)	To support the Agency's resourcing needs, we use GRS for delivering our recruitment and resourcing requirements. UK Space Agency provides the information and GRS delivers the placing of job adverts on the CS Jobs Portal both for internal and external vacancies, together with information that supports the sifting and interview process and elements that support the on-boarding. Assurance is maintained on the effectiveness of the service being provided through the SLA, Management Information and meetings with the GRS Account Manager.
The Ministry of Justice (MOJ)	The MOJ's advisory service manages all Agency HR Casework. Assurance is maintained on the service through data received from Civil Service HR Casework through the DSIT single point of contact and regular client meetings with the Account Manager. In addition, feedback is provided as required by the Agency Mangers, who use the service to highlight any strengths or weakness that may need to be resolved.
UK Security Vetting (UKSV)	The Agency uses UKSV to provide all our National Security Vetting (NSV) requirements.

Annex 2.7

Risk	Key mitigations in place	Appetite and Direction
There is a risk that the Agency's future budget might not be sufficient to meet all of our legal obligations. The Agency has entered long-term commitments to fund missions and programmes, which span several Government Spending Review periods. We must keep our commitments under review to ensure that they remain affordable.	Over the year, the Agency introduced a range of new information to help investment decisions balance affordability considerations. Senior decision-makers reviewed each new proposal to commit funds in the next Spending Review period. They took account of a costed list of all of the Agency's known and potential future activities, and a set of mitigations showing what could be changed or stopped if needed to ensure our portfolio remained affordable. We also created a prioritised list of each funded intiative, to support decisions about how to reallocate budget between different activities to support new costs.	*This risk has gradually decreased over the course of the year following successful mitigations and is now within appetite at its target level.*
There is a risk that the Agency's future budget might not be sufficient to meet the ambitions of the National Space Strategy. The Agency has identified a range of activities that could meet Government's national goals for space. These must be balanced against available resources.	Given the wide range of opportunities for the UK in space, choices will likely need to be made about what to prioritise in future Spending Review periods. During 2023-24, the Agency worked with DSIT to prepare for these decisions, by developing, costing and prioritising a range of future funding opportunities.	*This risk is not within appetite. However, over the next 12 months, completion of identified mitigations is projected to reduce this risk further.*
There is a risk that the Agency may not be able to secure sufficient staff to deliver its objectives. The Agency's people are our most important asset. We must keep our staffing under review to ensure the right people are in the right posts at the right time to deliver the commitments in our Corporate Plan, while working within our overall headcount target.	Over the course of the year, the Agency expedited recruitment activities through simpler and faster processes. We improved the data available to help the Agency's leadership to monitor progress to manage vacancies, and provided training to uplift the capability of hiring managers. We also started a review of our marketing materials so the Agency would appeal to future candidates, and opened recruitment into new office locations around the UK to broaden our candidate pool. To balance this and ensure that the Agency did not exceed our headcount target, we set staff quotas for every Directorate, monitored by the Agency's Workforce Resourcing Group.	*This risk is not within appetite, with a high score that has increased over the course of the year.*
There is a risk that there might be a decline in productivity and morale within the Agency. The Agency aims to create a great place for people to work. We must keep this under review to ensure staff feel motivated, respected and challenged, they work efficiently and effectively, and they know that they are making a difference and that their contribution is valued.	During the year, the Agency introduced a range of tools to improve staff engagement, in addition to our adherence to all relevant legislative and regulatory requirements. We delivered a Respect at Work programme, with guidance and training to help staff feel respected and reduce reports of bullying, harassment and discrimination. We introduced activities to improve staff wellbeing, with new tools for mental health and a series of expert speakers. We invested further in learning and development to improve leadership and managment capabilities. Through a new employee feedback tool, Agency leaders had access to more frequent data to monitor the impact of these changes. Work to strengthen the Agency's culture continues into 2024-25, including through the development of an employee value proposition setting out our offer to our staff and a framework to support our staff when working with third parties.	*This risk is not within appetite and has fluctuated between a medium and high score over the course of the year.*
There is a risk that the Agency spent over or under its budget tolerance at the end of the financial year 23-24 compared to mid year forecasts. By the end of the year, the Agency had a target to spend no more than 1% under, and 0% over, our budget forecast at mid year.	The Agency rolled out a comprehensive action plan to ensure it spent its money well during 2023-24. This included measures to improve forecasting accuracy through new training and guidance for budget holders, and a stronger role for finance business partners in challenging spending plans. We also improved the financial information available to staff, with extra data for budget holders each month to monitor actual and forecast spend, and improved management information so that the Agency's Executive Committee could make more timely decisions about the use of available budget.	*This risk is within appetite and the score has gradually reduced from very high to very low over the course of the year. The risk was closed at the end of the year, as it was fully mitigated.*
There is a risk that Agency may fail to deliver the outcomes and benefits of the Integrated Transformation Programme (ITP). The ITP is introducing significant changes to the Agency, and we must ensure that its benefits are fully realised.	The ITP Board has closely overseen the programme's delivery and management of its risks, to ensure it remained on track. During the year, we refreshed the programme to ensure it would meet our transformation goals, and entered a new managed services contract secure the right skills and capacity to deliver change. We introduced a new change forecast to plan our timeline of changes well, and started to capture and report on the programme's initial benefits.	*This risk, though still within appetite, is at a relatively high score that has increased over the course of the year.*
There is a risk of a cyber attack or data breach. As with all organisations that rely on digital technology, the Agency must be vigilant to threats to our systems or data.	The Agency has introduced robust mechanisms, in line with the National Cyber Security Centre's 'four layers of phishing mitigation': Layer 1: We introduced an 'email quarantine' application for all Agency staff, to reduce the ability of attackers to reach them via email. Layer 2: We introduced staff training and guidance about cyber threats and their responsibilities through security inductions for all new staff and routine team briefings. Layer 3: We ensured staff phones and laptops were running up-to-date operating systems. Layer 4: We carried out phishing exercises to establish and raise staff awareness.	*This risk is within appetite and has remained at a very low score over the course of the year.*

Glossary

AME	Annually Managed Expenditure
ARAC	Audit and Risk Assurance Committee
ARTES	Advanced Research in Telecommunications Systems Programme
ASLC	Accruing Superannuation Liability Charges
BCM	Business Continuity Management
BEIS	Department for Business, Energy and Industrial Strategy
CAA	Civil Aviation Authority
CETV	Cash Equivalent Transfer Values
CSOPS	Public Service (Civil Service and Others Pension Scheme)
CPNI	Centre for the Protection of National Infrastructure
CNI	Critical National Infrastructure
DAASICS	Director's Annual Assurance Statements of Internal Control
DEL	Departmental Expenditure Limits
DSTL	Defence, Science and Technology Laboratory
ECSAT	European Centre for Satellite Applications and Telecommunications
EEI	Employee Engagement Index
ESA	European Space Agency
EU	European Union
FCO	Foreign & Commonwealth Office
FTE	Full-time equivalent
GAD	Government Actuary's Department
GCRF	Global Challenges Research Fund
GIAA	Government Internal Audit Agency
GIS	Government Interview Scheme
GLD	Government Legal Department
GSTP	General Support Technology Programme
HEO	Higher Executive Officer
HSE	Health and Safety Executive
IADC	Inter-Agency Space Debris Coordination Committee
ICAI	International Commission on Aid Impact
IPP	International Partnership Programme
ISS	International Space Station
JWST	James Webb Space Telescope
KPI	Key Performance Indicator
MoU	Memorandum of Understanding
NAO	National Audit Office
NASA	National Aeronautics and Space Administration
NCSC	National Cyber Security Centre
NGO	Non-government Organisation
NSSI	National Space Skills Institute
NSTP	National Space Technology Programme
ODA	Official Development Assistance
OSS	Oxford Space Systems
PNT	Positioning, Navigation and Timing
PSA	Programme Support Activities
PCSPS	Principal Civil Service Pension Scheme
SABRE	Synergistic Air-breathing Rocket Engine
SAR	Synthetic Aperture Radar
SCS	Senior Civil Service
SEO	Senior Executive Officer
SIRO	Security, Information and Risk Officer
SLA	Service Level Agreement
SME	Small and Medium-sized Enterprise
SoXSA	Scottish Centre of Excellence in Satellite Applications
SPIN	Space Placements in Industry
SPINtern	Space Placements in INdustry intern
SSC	Space Sector Council
SSGP	Space for Smarter Government Programme
STEM	Science, technology, engineering, and mathematics,
STSC	Science and Technical Sub-Committee
TFCD	Taskforce for Climate-related Financial Disclosures
UN	United Nations
UN COPUOS	United Nations Committee on the Peaceful Use of Outer Space

Notes

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UK SPACE AGENCY

Boost UK prosperity,
understand the universe,
protect our planet and outer space.

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