Supplementary Estimates Memoranda 2019-20
The Statistics Board

1 Overview

1.1 Objectives

The Statistics Board is an independent government body that reports directly to the UK Parliament, the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly.

The Statistics and Registration Service Act 2007 established the Statistics Board (more commonly referenced the UK Statistics Authority (the Authority) with the statutory objective of "promoting and safeguarding the production and publication of official statistics that serve the public good". The public good includes:

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

The collective mission of the official statistics system is: to mobilise the power of data to help Britain make better decisions.

The Authority's remit covers the three principal elements of the UK official statistics system:

- the Government Statistical Service (GSS), which is the cross-government community of all those involved in the production of official statistics in the UK
- the Office for National Statistics (ONS) which is the executive office of the UK Statistics Authority and the largest producer of official statistics in the UK
- the Office for Statistics Regulation (OSR) which is the regulatory arm of the UK Statistics Authority. It assesses official statistics for compliance with the Code of Practice for Statistics, reports on system-wide issues and on how statistics are used, celebrating when the standards are upheld and challenging publicly when they are not.

Strategic Direction and Key Goals

The Authority's Strategy and Business Plan set out its key goals with performance assessed by its senior governance committees - the Authority Board and the National Statistics Executive Group.

The Authority is in the final year of its current strategy - Better Statistics, Better Decisions – which sets out a vision for UK official statistics in 2020. A new strategy is being developed for the period 2020/21 to 2024/25 with a view to being published in early Summer of 2020.

Better Statistics, Better Decisions sets out the organisation's expectations - more data will be real-time; services will be digital by default; and the quality of advice and insight will have earned the organisation a seat at the table where the most important decisions are made. Decision-makers across the spectrum will value the Authority's services as being vital to them. Confusion about statistics will be much rarer because the information base delivered as National Statistics will be accepted and used with confidence. All those working as part of the statistical system will feel they are well led and able to make a special contribution to the public good. A review of progress against this strategy was published in October 2017 setting out what has been achieved so far, improvements that have been made, as well as highlighting what is coming next.

Better Statistics, Better Decisions is underpinned by five core strategic imperatives starting from the experience of the user. Its success will be judged by the extent to which it is seen by users as helpful to Britain in making better decisions about the future. This in turn will be delivered through high quality, trusted and valued professional services. In the fast-moving world of the data revolution the Authority will need to be innovative to keep up with expectations and opportunities. It will make the space to innovate by being efficient in the use of time, money and other resources. All of this depends on investment in the knowledge, skills and experience of capable people and attracting the best to work within the organisation.

The Authority's Business Plan describes how the strategic vision will be delivered with a timetable for transforming the way it works. The Business Plan was refreshed in April 2017, in April 2018 and again in April 2019, to provide key stakeholders with an update on progress.

The main highlights from the current plan include:

- Delivery of the 2019 Blue Book that will see the effective completion of the agenda set out in the 2016 Bean Review and further progress in our Economic Statistics Transformation*.*

- The Census collection rehearsal in October 2019 in four local authority areas to test our readiness for 2021*.*

- The Census data processing rehearsal that will follow in Spring 2020

- Continuing the implementation of the legislative framework provided by the Digital Economy Act 2017 – including support to the research community through the facilitation of access to administrative data

- Our continued investments in data, technology and statistical theory to underpin our ability to deliver these milestones.

- Regional GDP: publication of experimental quarterly estimates for the English Regions and Wales*.*

- Trade: analysis of UK trade looking at how that trade is delivered (Mode of Supply)*.*

- Enhanced Financial Accounts: publication of experimental estimates on financial flows in the UK economy*.*

- Inflation: experimental item level indices published using alternative data sources, new methods and harmonised systems*.*

- Devise a Global Platform on behalf of the United Nations

A summary of the overall delivery of Better Statistics, Better Decisions and an update on progress against the 2019 Business Plan will be provided in the Authority's 2019/20 Annual Report and Accounts in the Summer.

1.1.1 Ambit

The Statistic's Board Ambit is as follows:

Departmental Expenditure Limit:

Expenditure arising from:

The collection, preparation and dissemination of economic, social, labour market and other statistics; undertaking data science research, and assisting statistical research by providing access to data; promoting and safeguarding the quality of official statistics, monitoring the production and publication of official statistics; conducting a programme of assessment of existing and candidate National Statistics against the Code of Practice for Official Statistics; and coordinating the design, collection, preparation, supply, quality management of the UK's European statistics, provision of business support and IT services and associated non-cash items. Undertaking of various roles in an international context.

Income arising from:

Provision of social surveys and the provision of other services (statistical and corporate); provision of statistical related IT platforms to other public sector organisations; recovery costs of shared projects; sales of statistical data supply services, analyses and publications; research grants or funding for Data Science and Economical Impact Research; receipts from EU and other overseas contracts; rental income; recovery of Apprenticeship Levy; the provision of business support services and through the sale of fixed assets.

Annually Managed Expenditure

Expenditure arising from:

Creation of provision in respect of onerous contracts; early departure costs; and other provisions and associated non-cash items.

1.2 Spending controls

The Statistics Board's net spending is broken down into a several different spending totals, for which Parliament's approval is sought.

The spending totals which Parliament votes are:

- Resource Departmental Expenditure Limit ("**Resource DEL**"): a net limit comprising day to day running costs, less income for statistical data research and property; and includes depreciation (ring fenced budget).

- Capital Departmental Expenditure Limit ("**Capital DEL**"): investment in capital equipment/projects.
- Annually Managed Expenditure ("**AME**"): Spending included in departmental budgets, but is difficult to predict, such as Legal or Early departure provisions.
- Net Cash Requirement ("**NCR**"): designed to cover the elements of the above budgets which require the Statistics Board to pay out cash in year.

1.3 Comparison of net spending totals sought

The table below shows how the net spending totals sought (movement) for the Statistics Board compared with the opening budget for this year:

Spending total **Amounts sought this year 19/20** **(Supplementary Estimate 2019-20)**		**Compared to original budget this year (Main Estimate 2018-19)**		**Compared to final budget last year** **(Outturn 2018-19)**	
	£m	**£m**	**%**	**£m**	**%**
Resource DEL*	£327.091*	£297.629	+9.99	£282.699	+15.70
Capital DEL	£7.601	£7.000	+8.57	£19.052	-60.10

** includes ringfenced depreciation*

A breakdown of spending and income within the net total is shown in section 2.1.

1.4 Key drivers of spending changes since the original budget this year

The net Resource DEL has increased by £29.46m from the original 2019/20 budget. Reasons for the increase are:

- increase funding (+£37.56m) for additional funding agreed in the Census and Data Collection Transformation Programme (CDCTP) business case
- decrease funding (-£8.00m) as less contingency is required for the CDCTP Programme (with £8m additional funding being made available in 2020/21
- Increase funding (+£3.50m) for Budget Cover Transfer with Department for International Trade to improve the provision of trade and investment statistics.
- Decrease in Resource DEL funding (-£0.60m) and increase Capital DEL funding for a resource to capital swap to address the imbalance of the initial 19/20 budget split.
- Decrease in Resource DEL ringfenced (Depreciation) funding (-3.00m) as the budget is no longer required following the extension of the useful economic life of in-house developed software.

The net Capital DEL funding increases by 0.60m as we process a resource to capital swap as permitted in accordance with the Consolidated Budget Guidance

Further detail is provided in section 2.1

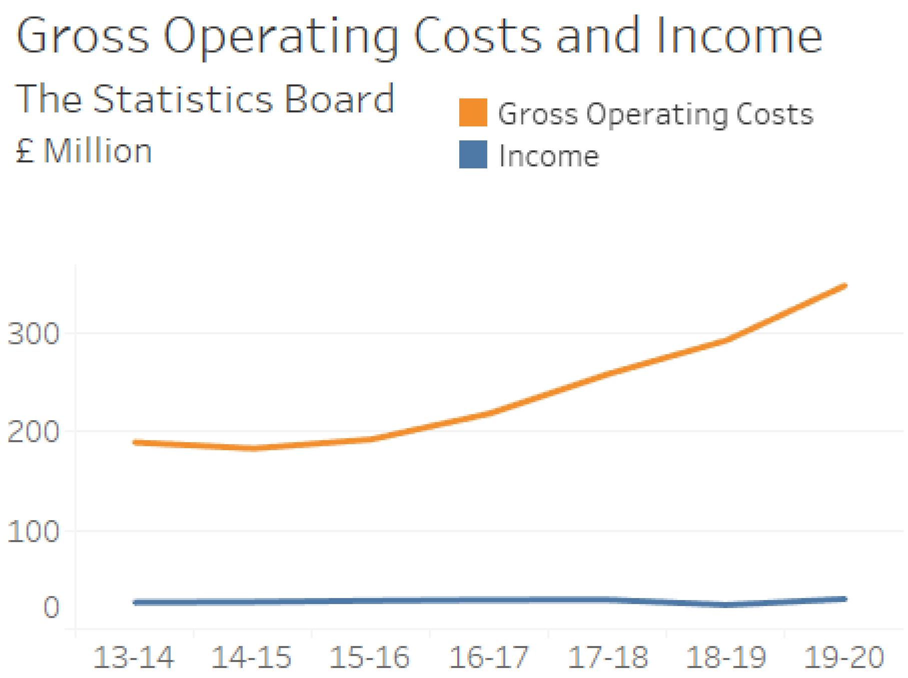
1.5 New policies and programmes; ambit changes

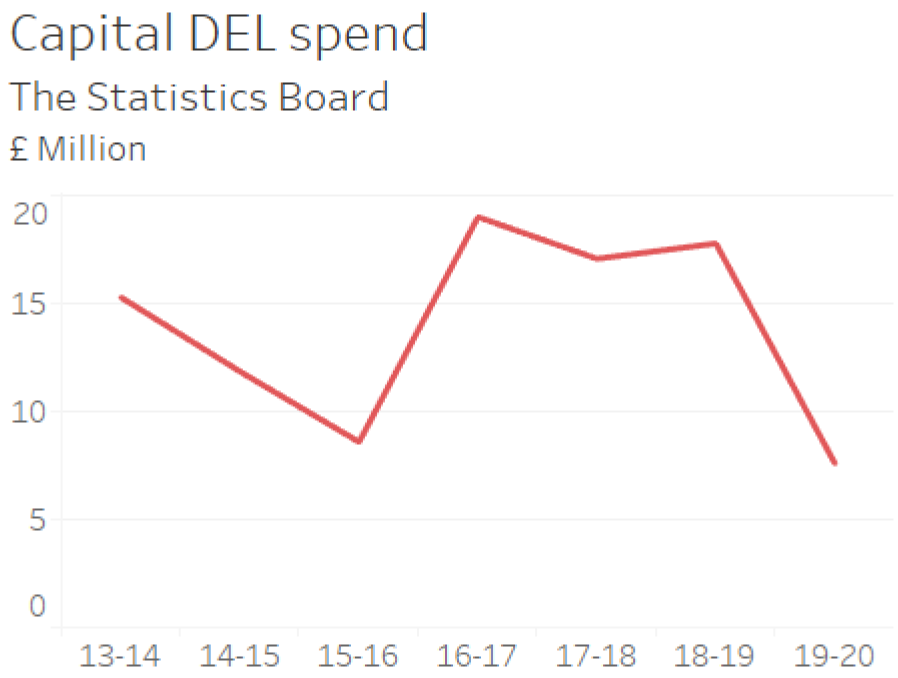
There are currently no new policies, programmes applicable to the Statistics Board. However, we do wish to change our Ambit to include income achieved from the sale of fixed assets to accommodate the pending sale of a property; and to include expenditure in support of our international role to better reflect our wider responsibilities.

1.6 Spending and income trends

The charts below show the overall spending and trends for the last five years, based on plans presented in the Supplementary Estimate for 2019-20. The main driver for the increase in operating costs over the period is the delivery of the 2021 Census with the rehearsal complete in late 2019.

Included within the 2019/20 Supplementary Estimate is an increase in The Statistics Board's Resource DEL income limit – this increase by £3.80m from £26.6m to £30.4m. This additional income is due to the receipt of enhanced Overseas Development Aid income which was not envisaged as part of Spending Review 2015.





1.7 Administration costs and efficiency plans

The Statistics Board does not have Administration budget, all funding is classed as programme.

The Statistics Board had an efficiency plan to deliver a cumulative £52m of savings from efficiencies by the end of the 4 years covered by Spending Review 15 (2016-17 to 2019-20). This efficiency target is included within our Spending Review settlement i.e. our control totals are net of this efficiency target.

Efficiencies have been achieved through: improvements in Data Collection including greater use of online functionality; digital savings through increased use of inhouse IT skills and movement away from more expensive legacy systems.

Our efficiency targets are included (net) within our control totals for the Spending Review 2015 period. We will operate within all control totals across this period therefore achieving our financial targets

1.8 Funding: Spending Review and Budgets

In addition to the Funding allocated to the Statistics Board for 2019/20 through the 2015 Spending Review, the Authority has received the following additional Resource DEL funding:

- £2.4m as part of the 2019-20 Brexit allocation process, to support the development of enhanced trade statistics.
- £3.5m from Department for International Trade to improve the provision of trade and investment statistics
- £9m from HM Treasury to deliver the 2016 Bean Review recommendations.
- £133.6m from HM Treasury to deliver the Census and Data Collection Transformation Programme.
- £4.2m from HM Treasury to support changes to Pension contributions.

1.9 Other funding announcements

Not applicable

2 Spending and income detail

2.1 Explanations of changes in spending and income

The table below shows how spending plans compare with the opening budget for 2019/20 as agreed in the 2019-20 Main Estimate

		This year (2019-20 Supplementary Estimates budget sought)	*This year (2019-20 Main Estimates budget approved)*	Movement		Is movement significant? see explanation, note number
Subhead		£ million			%	
A	Resource DEL	327.091	297.630	+ 29.462	+ 9.99	1
B	Capital DEL	7.601	7.000	+0.601	+8.57	2
C	Resource AME	(0.800)	(1.000)	+0.200	+20.00	3

Note 1:

Resource DEL has increased by £29.462m; the main contributor to this increase is the funding for the 2021 Census preparation which increases by £29.56m. This is made up of £37.56m as agreed in the CDCTP Full Business Case which was agreed in July 2019; and a return of £8m of CDCTP contingency to HM Treasury as a budget exchange (with £8m additional funding being made available in 2020/21).

Note 2:

Capital DEL has increased by £0.6m with the transfer of £0.6m of Resource DEL budget to Capital DEL budget which addresses the imbalance of the initial 19/20 budget split. This is in accordance with the Consolidated Budget Guidance.

The Capital DEL income limit has also increased to £3m with permission to retain £3m of Capital Income generated from the sale of the Christchurch estate. The net impact on Capital budgets as a result of this action is nil due to the re-investment of capital expenditure across the rest of the Christchurch site and wider ONS estate.

Note 3:

Positive movement of Resource AME budget by £0.2m which includes a reduction in provision relating to London offices (Drummond Gate); a release of a provision in relation to CDCTP contracts; and an increase in the provision for voluntary redundancy.

2.2 Ring fenced budgets

Within the totals, the following elements are ring fenced i.e. savings in these budgets may not be used to fund pressures on other budgets.

Resource DEL

Ring fenced budgets **Amounts sought this year** **(Supplementary Estimate 2019-20)**		**Compared to final budget 18/19** **(Supplementary Estimate 2018-19)**		**Compared to original 19/20 budget** **(Main Estimate 2019-20)**	
		£ m	**%**	**£m**	**%**
Depreciation	18.300	23.100	-26.23	21.300	-16.39%

3 Priorities and performance

3.1 How spending relates to objectives

The Statistics Board does not have Administration budget, all expenditure is classified as programme.

Each of the subheads contribute to all corporate objectives, therefore a breakdown on expenditure against each objective has not been provided.

3.2 Measures of performance against each priority

The Business Plan for the Authority, details the high-level objectives for the Statistics Board and its performance measures.

3.3 Major projects

On the 14th December 2018, a white paper, 'Help Shape Our Future', was published which sets out the content and conduct of the next Census in 2021, including a target to make the centuries old Census a predominantly online survey for the first time in its history.

The Census is part of a larger transformation programme of the way the Office for National Statistics (ONS) collects, processes and shares its data. Investment in re-usable systems and processes will ensure the ONS delivers a legacy beyond just the Census.

Previous Censuses have been shown to deliver many times their cost in indirect benefits, with the return on investment shown to be at least £5 for every £1 spent. Information gathered during the

Census will ensure vital public services can be targeted into communities and groups where they are needed, in 2021 and beyond.

4. Other information

4.1 Additional specific information required by the select committee

Not applicable

5. Approval of Memorandum

This memorandum has been prepared with reference to revised guidance to produce Estimates Memoranda for Smaller departments provided by the House of Commons, Scrutiny Unit.

The information in this memorandum has been approved by the Accounting Officer of the Statistics Board, Sir Ian Diamond

The Statistics Board

Introduction

This Supplementary Estimate is required for the following purposes:

£

Changes in budgets, non-budget voted provision and cash	Increases	Reductions	Total
Budget Exchange from 2019-20 to 2020-21 for Census Data Collection Transformation Programme (CDCTP)		-8,000,000	
Draw down additional funding agreed in the CDCTP business case	37,560,000		
BCT with DIT for ONS projects in 19/20 to improve the provision of trade and investment statistics	3,500,000		
Resource to Capital swap to redress imbalance of initial 19-20 allocation as permitted in accordance with the Consolidated Budget Guidance		-600,000	
Resource DEL income limit to be increased from £26.6m with permission to use this income to fund RDEL expenditure	3,801,000		
Resource DEL income limit to be increased from £26.6m		-3,800,000	
Retention of profit on sale of Christchurch property - amount to be retained as an increase in Resource DEL	51,000		
Retention of profit on sale of Christchurch property		-50,000	
Return of Ringfenced Resource DEL (Depreciation) budget no longer required following the extension of the useful economic life of certain in-house developed software.		-3,000,000	
Total change in Resource DEL (Voted)	**44,912,000**	**-15,450,000**	**29,462,000**
Revision of movements in provisions	200,000		
Total change in Resource AME (Voted)	**200,000**		**200,000**
Resource to Capital swap to redress imbalance of initial 19-20 allocation as permitted in accordance with the Consolidated Budget Guidance	600,000		
Permission to retain capital income generated from the sale of Christchurch property. Net impact on CDEL as result of this is nil due to re-investment of Capital expenditure.	3,001,000		
Increase Capital income target for sales of Christchurch property		-3,000,000	
Total change in Capital DEL (Voted)	**3,601,000**	**-3,000,000**	**601,000**
Increase in Net Cash Requirement to cover the additonal Resource DEL requirements set out above	33,063,000		
Total change in Net Cash Requirement	**33,063,000**		**33,063,000**

Part I

£	Voted	Non-Voted	Total
Departmental Expenditure Limit			
Resource	**29,462,000**	-	29,462,000
Capital	**601,000**	-	601,000
Annually Managed Expenditure			
Resource	**200,000**	-	200,000
Capital	**-**	-	-
Total Net Budget			
Resource	**29,662,000**	-	29,662,000
Capital	**601,000**	-	601,000
Non-Budget Expenditure	**-**		
Net cash requirement	**33,063,000**		

Supplementary amounts required in the year ending 31 March 2020 for expenditure by The Statistics Board on:

Departmental Expenditure Limit:

Expenditure arising from:
The collection, preparation and dissemination of economic, social, labour market and other statistics; undertaking data science research, and assisting statistical research by providing access to data; promoting and safeguarding the quality of official statistics, monitoring the production and publication of official statistics; conducting a programme of assessment of existing and candidate National Statistics against the Code of Practice for Official Statistics; and coordinating the design, collection, preparation, supply, quality management of the UK's European statistics, provision of business support and IT services and associated non-cash items.

* Undertaking of various roles in an international context.

Income arising from:
Provision of social surveys and the provision of other services (statistical and corporate); provision of statistical related IT platforms to other public sector organisations; recovery costs of shared projects; sales of statistical data supply services, analyses and publications; research grants or funding for Data Science and Economical Impact Research; receipts from EU and other overseas contracts; rental income; recovery of Apprenticeship Levy; and the provision of business support services.

* The sale of fixed assets.

Annually Managed Expenditure:

Expenditure arising from:
Creation of provision in respect of onerous contracts; early departure costs; and other provisions and associated non-cash items.

The Statistics Board will account for this Estimate.

Part II: Changes Proposed

£'000

	Net Resources						Net Capital		
	Present		Changes		Revised		Present	Changes	Revised
	Admin	Prog	Admin	Prog	Admin	Prog			
	1	2	3	4	5	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)									
Voted Expenditure	-	297,629	-	29,462	-	327,091	7,000	601	7,601
Of which:									
A Programme Expenditure	-	297,629	-	29,462	-	327,091	7,000	601	7,601
Total Spending in DEL			**-**	**29,462**				**601**	
Spending in Annually Managed Expenditure (AME)									
Voted Expenditure	-	-1,000	-	200	-	-800	-	-	-
Of which:									
B Utilised Provisions	-	-1,000	-	200	-	-800	-	-	-
Total Spending in AME			**-**	**200**				**-**	
Total for Estimate			**-**	**29,662**				**601**	
Of which:									
Voted Expenditure			-	29,662				601	
Non Voted Expenditure			-	-				-	

£'000

	Present Plans	Changes	Revised Plans
Net Cash Requirement	**283,329**	**33,063**	**316,392**

Part II: Revised subhead detail including additional provision

£'000

Revised

Plans

	Resources						Capital		
	Administration			Programme					
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net
	1	2	3	4	5	6	7	8	9
Spending in Departmental Expenditure Limits (DEL)									
Voted expenditure									
	-	-	-	357,472	-30,381	327,091	7,601	-	7,601
Of which:									
A Programme Expenditure									
	-	-	-	357,472	-30,381	327,091	7,601	-	7,601
Total Spending in DEL									
	-	**-**	**-**	**357,472**	**-30,381**	**327,091**	**7,601**	**-**	**7,601**
Spending in Annually Managed Expenditure (AME)									
Voted expenditure									
	-	-	-	-800	-	-800	-	-	-
Of which:									
B Utilised Provisions									
	-	-	-	-800	-	-800	-	-	-
Total Spending in AME									
	-	**-**	**-**	**-800**	**-**	**-800**	**-**	**-**	**-**
Total for Estimate									
	-	**-**	**-**	**356,672**	**-30,381**	**326,291**	**7,601**	**-**	**7,601**
Of which:									
Voted Expenditure									
	-	-	-	356,672	-30,381	326,291	7,601	-	7,601
Non Voted Expenditure									
	-	-	-	-	-	-	-	-	-

Part II: Resource to cash reconciliation

£'000

	Present Plans	Changes	Revised Plans
Net Resource Requirement	**296,629**	**29,662**	**326,291**
Net Capital Requirement	**7,000**	**601**	**7,601**
Accruals to cash adjustments	**-20,300**	**2,800**	**-17,500**
Of which:			
Adjustment for ALBs:			
Remove voted resource and capital	-	-	-
Add cash grant-in-aid	-	-	-
Adjustments to remove non-cash items:			
Depreciation	-21,300	3,000	-18,300
New provisions and adjustments to previous provisions	-	-200	-200
Departmental Unallocated Provision	-	-	-
Supported capital expenditure (revenue)	-	-	-
Prior Period Adjustments	-	-	-
Other non-cash items	-	-	-
Adjustments to reflect movements in working balances:			
Increase (+) / Decrease (-) in stock	-	-	-
Increase (+) / Decrease (-) in debtors	-	-	-
Increase (-) / Decrease (+) in creditors	-	-	-
Use of provisions	1,000	-	1,000
Removal of non-voted budget items	**-**	**-**	**-**
Of which:			
Consolidated Fund Standing Services	-	-	-
Other adjustments	-	-	-
Net Cash Requirement	**283,329**	**33,063**	**316,392**

Part III: Note A - Statement of Comprehensive Net Expenditure & Reconciliation Table

	£'000
	Revised Plans
Gross Administration Costs	-
Less:	
Administration DEL Income	-
Net Administration Costs	**-**
Gross Programme Costs	356,672
Less:	
Programme DEL Income	-30,381
Programme AME Income	-
Non-budget income	-
Net Programme Costs	**326,291**
Total Net Operating Costs	**326,291**
Of which:	
Resource DEL	326,091
Capital DEL	-
Resource AME	200
Capital AME	-
Non-budget	-
Adjustments to include:	
Departmental Unallocated Provision (resource)	-
Consolidated Fund Extra Receipts in the budget but not in the SoCNE	-
Adjustments to remove:	
Capital in the SoCNE	-
Grants to devolved administrations	-
Non-Budget Consolidated Fund Extra Receipts in the SoCNE	-
Other adjustments	-
Total Resource Budget	**326,291**
Of which:	
Resource DEL	327,091
Resource AME	-800
Adjustments to include:	
Grants to devolved administrations	-
Prior period adjustments	-
Adjustments to remove:	
Consolidated Fund Extra Receipts in the resource budget	-
Other adjustments	-
Total Resource (Estimate)	**326,291**

Part III: Note B - Analysis of Departmental Income

	£'000
	Revised Plans
Voted Resource DEL	**-30,381**
Of which:	
Programme	
Sales of Goods and Services	-30,381
Of which:	
A: Programme Expenditure	-30,381
Total Programme	-30,381
Total Voted Resource Income	**-30,381**

Part III: Note C - Analysis of Consolidated Fund Extra Receipts

No CFER income or receipts are expected in 2019-20.

Part III: Note D - Explanation of Accounting Officer responsibilities

The Accounting Officer prepares resource accounts for each financial year.

The following individuals are responsible for the expenditure within this Estimate:

Accounting Officer:	Sir Ian Diamond

Sir Ian Diamond has personal responsibility for the proper presentation of the department's resource accounts and their transmission to the Comptroller & Auditor General, and is also responsible for the use of public money and stewardship of assets.

In discharging these responsibilities, particular regard is given to:

- observing any accounting and disclosure requirements (including any Accounts Direction) and applying suitable accounting policies on a consistent basis;

- making judgements and estimates on a reasonable basis;

- stating whether applicable accounting standards, as set out in the Financial Reporting Manual (FReM), or an organisation's version of it, have been followed, and explain any material departures in the accounts; and

- preparing the accounts on a going concern basis.

The responsibilities of an Accounting Officer, including responsibility for regularity and propriety of the public finances for which an Accounting Officer is answerable, for keeping proper records and safeguarding assets, are also set out in Chapter 3 of Managing Public Money.