



Annual Report and Accounts

The Standards Board for England

2010-11

The Standards Board for England
Annual Report and Accounts 2010-11

Presented to Parliament pursuant to Section 13 of Schedule 4
to the Local Government Act 2000.

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Foreword from the Chair and Chief Executive

The 2010-11 financial year was one of unprecedented challenge and adjustment for Standards for England.

As a champion of principled local politics since 2001, the organisation has played a key role in providing support and guidance to local authorities in the field of standards, conduct and values.

We began the new financial year in April with an invitation from Government to provide strategic support and guidance to a team of non-executive commissioners convened to assist with the intervention in Doncaster Metropolitan Borough Council following publication of an Audit Commission report outlining the authority's governance failings.

This was an invaluable opportunity for us to offer advice on the importance of standards and the effective management of conduct complaints in local democracy, as well as showcase evidence of the success of our on-going relationships with key stakeholders in the standards community.

April also saw a number of key organisational developments including completion of the reconfiguration of our operational arrangements and the introduction of a new pay and grading structure following the previous year's pay review – both of which achieved considerable success in ensuring the organisation's resources were concentrated on delivery of its role.

In addition to this, the 2010-11 financial year saw the conclusion of activities under Project Excellence – an analysis of our internal policies and processes which enabled us to re-engineer our case handling to ensure it is of the highest standard whilst significantly reducing the time taken to complete investigations.

The formation of a new coalition Government following the general election in May led to a shift in Government priorities affecting Standards for England and many other public bodies. The subsequent publication of the coalition agreement included an undertaking to "abolish the Standards Board regime" which is being taken forward through the Localism Bill.

In July we reassessed our business priorities in light of this announcement and following an 18.4% budget cut. Many planned activities, such as the 2010 Annual Assembly, were cancelled or ceased with immediate effect including all proactive work in supporting local authorities, leading to reduced work volumes across the organisation.

As a result, we launched our first voluntary redundancy scheme in July which led to the departure of twenty six permanent members of staff in August. Consultation on proposals for a round of compulsory redundancy from 31 March 2011 commenced in early August. However, the need for compulsory redundancy was avoided with the redeployment of four staff members and the departure of a further ten permanent members of staff under voluntary redundancy.

In September, we joined our Department for Communities and Local Government (CLG) colleagues in making details available online of expenditure on goods and services over £500 for the 2009-10 financial year.

In addition to this, since October, we have published details of all external transactions worth £500 or more in line with the Government's request for all local authorities to publish their spend data.

We have also complied with all Cabinet Office guidance on spending restrictions introduced following the change of Government in May.

The Localism Bill was presented to Parliament on 13 December 2010. Under the provisions of the bill, Standards for England and its role in ensuring that there is an established framework of local accountability would cease to exist from an Appointed Day after the Bill is approved by Parliament as will the current local standards framework. Consultation on a revised Organisational Design structure to fulfil business needs until this date concluded in January. This new structure was introduced from 1 April 2011 following completion of the latest round of voluntary redundancies.

Our Chief Executive, Glenys Stacey, left the organisation in February 2011, and we would like to thank Glenys for her contribution during her three years in role. Our Director of Regulation, Tim Leslie, took up the post of Interim Chief Executive on 1 March 2011, combined with his existing role.

With the priorities of the new Government and the future of Standards for England now defined subject to Parliamentary approval, we have adapted our organisation to ensure we continue to deliver our regulatory functions whilst preparing for closure.

We believe that high standards of conduct among our local politicians is a cornerstone of effective local democracy, and we go into the 2011-12 financial year with the same determination and commitment to values which has underpinned the last decade of our existence.



Dr Robert Chilton OBE

Chair



Tim Leslie

Interim Chief Executive

Date: 6 July 2011

Board information

Board

Dr Robert Chilton OBE
(Chair)

Professor Judy Simons
(Deputy Chair)

Elizabeth Abderrahim

Councillor Shirley Flint

Paul Gott

Elizabeth Hall

Councillor Mehboob Khan

Councillor Stephen Knight

Councillor Sir Ron Watson CBE

Interim Chief Executive

Tim Leslie

(Glenys Stacey resigned February
2011)

Principal Office

Fourth Floor
Griffin House
40 Lever Street
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Auditors

External

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Internal

RSM Tenon
4th Floor
York House
York Street
Manchester
M2 3BB

Management commentary

Format of the annual accounts

The annual accounts have been prepared in a form directed by the Secretary of State with the consent of HM Treasury in accordance with the Local Government Act 2000 as amended.

History and statutory background of Standards for England

The Standards Board for England is a corporate body that was established on 22 March 2001 by the Secretary of State under powers conferred by the Local Government Act 2000 as amended.

The Local Government and Public Involvement in Health Act 2007 introduced a significantly remodelled local standards framework in May 2008. The majority of complaints about members' behaviour are now dealt with at a local level by the standards committees of local councils. Standards committees, chaired by an independent person, are responsible for assessing complaints, initiating investigations and, where appropriate, deciding whether a member has breached the Code of Conduct and should be sanctioned.

In 2009, The Standards Board for England changed its name (for day-to-day purposes) to Standards for England.

Principal activities of Standards for England

Standards for England is a non-departmental public body sponsored by the Department for Communities and Local Government.

We are charged with upholding principled local politics. Working with local authorities, their monitoring officers and local standards committees, it is our job to promote and maintain high standards of conduct among local politicians. We want to make sure the public are in no doubt that standards and principles matter to local government.

At the start of the year under review our principal activities were:

- Providing guidance and support to authorities in operating the framework and identifying and promoting the best local practice.
- Identifying and mitigating risks to standards of member behaviour and authorities' ability to manage complaints about member conduct.
- Monitoring the operation of the local standards framework and advising Government and others on how it is working.
- Conducting investigations into complaints against members that are not suitable for local investigation.
- Conducting research that supports our work and increases our expertise in ethical standards and regulation.

However, in light of the coalition Government's intentions to 'abolish the Standards Board regime' and budgetary reductions we have revised our objectives and scaled back our activities. We continue to be funded to carry out our statutory roles of providing guidance and support and conducting investigations not suitable for local investigation.

Significant changes in non-current assets

The movement in non-current assets is shown in notes 8 and 9 to the annual accounts.

The legislative, regulatory, operational and external environment

The Local Government Act 2000 led to the creation, in 2001, of the Standards Board for England as the regulator of the conduct of members in local authorities. This was in response to a number of high profile standards failures in local government, and the Third Report of the Committee on Standards in Public Life. The Act introduced the Code of Conduct for members, enforced directly by the Standards Board.

A remodelled local standards framework was introduced by the Local Government and Public Involvement in Health Act 2007. Now most complaints about members' behaviour are dealt with at a local level by the standards committees of local councils. These standards committees are responsible for assessing complaints, initiating investigations and, where appropriate, deciding whether a member has breached the Code of Conduct and should be sanctioned accordingly. There are 438 such committees, each of which must have an independent chair. In parallel, the Standards Board for England, under the operating name Standards for England, became a strategic regulator, with overall responsibility for the effectiveness of the new system in promoting high standards of conduct. We also deal with complaints that are referred to us by local standards committees where they believe they are unsuitable for local investigation. These new arrangements began in May 2008.

For the year under review 156 complaints were referred to Standards for England. Of those 156 complaints we accepted 117 for investigation. We referred 6 back to the local standards committee for further consideration and we took no further action in respect of 33 of them. A decision to take no further action is taken if we believe that the behaviour outlined in the complaint does not constitute a breach of the Code of Conduct or is not serious enough to merit an investigation.

Following investigation, Standards for England's ethical standards officers referred 10 cases to the First-Tier Tribunal¹ during 2010-11. This resulted in 7 members being given sanctions, ranging from censure to 12 months disqualification.

Until May 2010 we monitored the operation of the local standards framework through the collection of quarterly returns from each principal authority. However the last quarterly return collected was for Quarter 4 of 2010 (January 2010 – March 2010).

The final phase of Project Excellence, system implementation, took place in autumn 2010. The project board met in December to sign off and close the project. The project has delivered a significant reduction in the time taken to complete investigations and has brought about a number of important business changes. Key among these changes were the introduction of: caseload (in addition to individual case) management; an investigation core team; revised work flow; customer satisfaction surveys; individual case categorisation and targets; and an enhanced investigation plan. These non-system dependent changes were implemented progressively throughout 2010.

¹ The First-Tier Tribunal operates independently of Standards for England and proceedings are governed by The Tribunal Procedure (First-Tier Tribunal) (General Regulatory) Rules 2009.

We work with a number of other organisations who are also committed to improving local government and have memoranda of understanding with the Local Government Ombudsman and the Audit Commission.

The Government set out its intention to abolish the 'Standards Board Regime' in the coalition agreement published in May 2010. It is the Government's intention to effect the abolition through the Localism Bill which was introduced to Parliament on 13 December 2010. It is likely that Standards for England will cease to investigate complaints on an appointed day and will then be formally abolished by the end of the 2011-12 financial year.

It is the Government's intention that until the appointed day, allegations of misconduct can continue to be made to standards committees but that after the appointed day no further allegations can be made under the current regime. Under their proposals any cases already in the system on the appointed day would enter a transitional regime. The Government propose that any investigations being conducted by Standards for England at the time will be transferred to the local authority that made the referral. The local authority would arrange for the conclusion of the investigation, with their standards committee remaining established until the last complaint it was considering had been dealt with.

Any cases which the First-Tier Tribunal (Local Government Standards in England) is dealing with on the appointed day would be concluded by the Tribunal.

During the transitional period Government intention is that standards committees would no longer have the power to suspend members that they found to be in breach of the Code of Conduct. Also, members who had been found to have breached the Code of Conduct would no longer have a right of appeal to the First-Tier Tribunal.

Standards for England's objectives and strategies for achieving them

At the start of 2010-11 our strategic objectives were to:

1. be a respected strategic regulator, adding value to local government
2. ensure the local standards framework is a success
3. continue to improve our business capability and effectiveness

These objectives covered both our commitment to delivering the two regulatory outcomes (objectives one and two) and our determination to be an effective and efficient regulator (objective three).

Since the election of the new Government and reductions in our budget our revised objectives are to:

1. fulfil the organisation's statutory purpose and functions
2. reduce the organisation's expenditure in line with Government expectations
3. support the transition to any new arrangements

Our strategies for achieving revised objective one have been to ensure that our investigations continue to be carried out efficiently and effectively. Also, whilst we decided not to produce any fresh published guidance, we have continued to respond to the individual needs and requests of authorities, and have responded to any sector wide needs identified.

Our strategies for achieving objective two have been to implement a headcount reduction strategy, and to comply with Government spending restrictions. For example we froze recruitment and consultancy, we cancelled the 2010 Annual Assembly and we ensured that all spending above £500 required explicit approval by the senior management team.

Objective three is yet to be achieved as any new standards arrangements are still subject to Parliamentary approval.

Development and research

Standards for England commissions and undertakes research that supports the organisational goal of promoting ethical environments. Broad research topics include identifying components of ethical environments, assessing the impact of standards frameworks, and assessing our own performance. We aim to ensure that the findings generated from research add to the knowledge and debate on ethics, and that research has maximum impact on policy and practice.

At the start of the year we were conducting a number of different pieces of research including:

Partnerships work with Manchester City Council

We published a protocol which describes appropriate behaviours in partnership working, following development of the protocol with Manchester City Council and its partners last year. We have continued to work with Manchester City Council to help ensure that the protocol is embedded within the culture and processes of the authority.

Ethical Partnership checklist

We have worked with a number of local authorities to assist them in the development of ethical partnership checklists. Following the creation of the checklists we set up an online information sharing site for those involved to share ideas and documents to enable ongoing development and refinement.

Satisfaction with investigations carried out by Standards for England

Following completion of an 'in-house' investigation a questionnaire is sent to each of the involved parties. The information is collated and shared with the senior management team so that service development needs can be identified and implemented.

In addition to our own research we commissioned the following pieces of research:

- Assessing the impact of the ethical environment
- Stakeholder tracker survey
- Assessing the impact and effectiveness of the ethical framework in local government in England
- Public perceptions of ethics

However, as with other areas of our work, we scaled back our research activities during the year under review. The following projects continued:

- Partnership work with Manchester City Council
- Ethical partnership checklist
- Notable practice identified through research on assessing the impact of standards committees carried out last year was published on our website.
- Satisfaction with investigations carried out by Standards for England

We have continued to provide advice to overseas agencies concerned with ethics, and to learn from their experiences. As well as presentations to a political ethics group and international local government delegations as part of the Government's initiative to encourage democracies in transition, we contributed to a Council of Europe Handbook on Public Ethics.

Resources available to the entity: key strengths

Standards for England continues to encourage its staff to gain the appropriate professional, management and other expertise necessary to achieve our objectives.

Key relationships with stakeholders (central Government) that might affect the organisation's long-term position

Standards for England enjoys a good working relationship with its sponsor department, the Department for Communities and Local Government. The Chief Executive meets with officers from the Department on a monthly basis to discuss key developments and to report on the organisation's performance against its objectives.

Directors' report

1) Review of the development of Standards for England and its position at the statement of financial position date

Since 2008 Standards for England has been a strategic regulator only handling those cases that a local authority believes cannot be handled locally.

Information about Standards for England's case handling during 2010-11 can be found on page 8.

2) Indication of likely developments

In light of the coalition Government's intention to abolish 'the Standards Board regime' the organisation has revised its business objectives. The revised business objectives are set out on page 9.

Our business plan consists of activity to support local authorities, either individually or collectively, where there has been an expressed need either from local government or the local community for our advice or assistance. Activities will have to meet the following criteria:

- a) Does the particular activity form part of our statutory function?
- b) If we were not to carry out the activity, would there be a risk that a local authority, or local authorities collectively, may not be able to meet their statutory functions?

The proposal to abolish the organisation is included in the Localism bill. In anticipation of its abolition, the organisation has

implemented a headcount reduction strategy.

3) Board members and executive directors

The Board members who served in the year ending 31 March 2011, together with details of their remuneration, are shown in the remuneration report to the annual accounts. Details regarding the appointment and remuneration of the Interim Chief Executive, who is not a member of the Board, are shown in the remuneration report.

4) Complaints referred to Standards for England

Standards for England investigates complaints against members that are not suitable for local investigation. As we no longer collect information about the operation of the local standards framework we are unable to say what percentage of complaints nationally this represents. We decide whether to accept cases referred to us by local standards committees, and we make this decision based on the public interest as expressed in the criteria set out in our *Local assessment of complaints* guidance.

We have accepted 117 cases for investigation in the year ending 31 March 2011. In some instances we have used our discretion either to send a complaint back to a standards committee for local investigation or other action, or to take no action. Where we take no action this is usually because, in our opinion, the complaint would not disclose a potential breach of the Code of Conduct, even if it were proven. This is to ensure that we focus on those allegations that have the potential to damage the public's confidence in local democracy.

5) Going concern

The Statement of Financial Position at 31 March 2011 shows net liabilities of £5,673k. This reflects the inclusion of liabilities falling due in the future which, to the extent that they are not to be met from Standards for England's other sources of income, may only be met by future grants or grants-in-aid.

These will be met by the Department for Communities and Local Government. This is because, under the normal conventions applying to Parliamentary control over income and expenditure, such grants may not be issued in advance of need. Grant-in-aid for 2011-12, taking into account the amounts required to meet Standards for England's liabilities falling due in that year, has already been included in the Department's estimates for the year. These have been approved by Parliament

Following the general election on 6 May 2010, the new coalition Government announced that the 'Standards Board regime' would be abolished. Parliament will need to enact legislation in order to effect this

and the exact timing and eventual decision on this matter is currently uncertain. In light of this the Board has reviewed the appropriateness of the preparation of the 2010-11 financial statements on a 'going concern' basis. Whilst closure is probable and it is therefore appropriate to recognise all associated closure costs, it would not be appropriate for the Board to pre-empt the will of Parliament. Consequently, these accounts have been prepared on a going concern basis. This is discussed in note 21 to the accounts.

Operating financial review

The net expenditure after interest for the year amounted to £5,309k. This includes redundancy costs of £696k, a pension cost adjustment of (£1,453k) and £961k of anticipated closure costs to be incurred in 2011-12. This compares to a previous year amount of £7,533k, representing a reduction of 32.2% in net operating expenditure.

Details of Standards for England's pension scheme and financial instruments are shown in notes 14 and 16 respectively.

Key performance indicators

In light of the intended abolition of the organisation a decision was reached with DCLG to reduce the number of key performance indicators monitored during the year. Table 1 below sets out our performance against target for the year.

Table 1 – Performance against key performance indicators: 1 April 2010 – 31 March 2011

KPI	Target	Performance 2010-11
Deliver the investigations we undertake within the agreed performance timeframes.	<ul style="list-style-type: none"> i. 90% of all investigations to be carried out within six months ii. 100% of all investigations to be carried out within twelve months 	<p>Achieved</p> <ul style="list-style-type: none"> i. 92% ii. 100%
To ensure effective management of our budget to allow the delivery of our headcount reduction strategy.	Achieve headcount reduction strategy within delegated budget.	<p>Achieved</p> <p>Over 50% reduction in staff headcount achieved within delegated budgetary resource.</p>

Employment issues

In May 2010, we reviewed our business priorities and activities. A number of activities planned for the next year were subsequently cancelled. This has had a significant impact on our people strategy which supported our business plan. As a result we revised the people strategy in October 2010 to take account of the changes to our planned work.

Our people strategy now has three revised people goals which are

- To support the workforce reduction strategy
- To continue to be effective in the way we work
- To have a continually improving and supported workforce

We are still continuing to deliver both strategic and day-to-day HR operational activities.

In July 2010, we launched a voluntary redundancy scheme providing employees with the opportunity to leave early. In August 2010, we began

consultation on proposals to make workforce reductions as a result of reductions in both reactive and proactive work volumes, experienced since the announcement. In November 2010, we ran a second voluntary redundancy scheme allowing those at risk of compulsory redundancy to leave on voluntary terms and other staff who may want to leave early. Over the course of the year we have achieved a 51% reduction in headcount as a result of voluntary redundancies and taking into account voluntary resignations.

Over the coming months our focus will be on supporting the business in terms of the Board's strategic approach to the management of this organisation to ensure we have sufficient but not excess capacity in place to maintain particular regulatory functions (casework and guidance) and also retain capacity to deliver the closure of the organisation.

Other activities include supporting the workforce that remain with us to maintain morale and motivation at a difficult time, as well as providing career transition

support to those leaving due to redundancy.

Environmental issues

Standards for England remains committed to improving its carbon footprint, energy efficiency and recycling of materials in a way which is consistent with the effective use of public funds.

Environmental policy is managed by our facilities and health and safety adviser who has reported regularly to the senior management team on significant issues and has continued to improve our environmental performance.

Some activities carried out during the 2010 – 11 financial year were:

- improved the energy efficiency rating for the building for the second year running
- obtained 100% of electricity supplied from renewable resources
- saved 109 trees through shredding and recycling of waste paper

Better payment practice code

Standards for England complies with the British Standard for Achieving Good Payment in Commerce Transactions (BS7890) in its treatment of all its suppliers. We also comply with the Late Payment of Commercial Debts (Interest) Act 1998. Excluding disputed items, 94.3% of suppliers' invoices were paid

within 10 working days or the supplier's credit terms if less.

External auditors

The auditors for the year ended 31 March 2011 are the National Audit Office. Their fee for the audit of the financial statements was £35,380.

Audit information

As Accounting Officer, I, Tim Leslie, confirm that as far as I am aware there is no relevant audit information that the external auditors are unaware of and I have taken all necessary steps to ensure that they are aware of all relevant information.

Disclosure of registered interests by Board members and higher-paid employees

Standards for England maintains a comprehensive register of interests for Board members and higher-paid employees, which is available for public inspection on our website (www.standardsforengland.gov.uk) or on application to the secretary to the Board. Members of the public may also visit Standards for England's offices during normal working hours to inspect the register.

Remuneration report

Remuneration and employment policy and methods used to assess performance

Remuneration policy

In June 2010, the Government announced a pay freeze for all public sector employees covered by HM Treasury's Civil Service Pay Guidance (this includes employees of Standards for England). The pay freeze is in place for two years which included the pay increase for 2010-11 as it had not already been agreed. Under the pay freeze guidance employees earning less than £21k per annum, will receive £250 (pro rata to hours worked) pay increase to their current salary.

Policy on recruitment

Since May 2010, we have been subject to the Government's external recruitment freeze which applies to the civil service, agencies and NDPBs. Exemptions to this policy are permissible where there is an urgent operational need for frontline workers. Exemptions for external recruitment are considered and agreed by the Secretary of State. So far we have only requested one exemption which is for an internal appointment only. In addition some internal redeployment has taken place during the period from May 2010 to date as part of our headcount reduction strategy and in order to avoid the need to make compulsory redundancies.

Despite the recruitment freeze our recruitment policy remains in place whereby all permanent and fixed-term vacancies are advertised both internally and externally. External recruitment activity is conducted through press or web advertising initially for permanent vacancies; the use of recruitment agencies is permissible in certain circumstances.

All candidates are screened and interviewed using a competency-based interview, accompanied by appropriate selection methods or tools. This can include group exercises, online and/or written ability tests, or in-tray exercises. They are specifically related to job requirements and measure the person's actual or inherent ability to do or train for the job.

Decisions on pay

We are currently subject to a pay freeze for all employees except those earning less than £21k per annum (based on full time salary). The payment of this pay increase (at least £250 per annum) will be in line with the guidance issued for the 2011-2012 pay remit year.

Salary

Salary includes basic salary and any allowances. Allowances consist of either an acting-up allowance, for those staff acting up to a higher grade or job on a temporary basis; or an additional responsibility allowance, for those staff taking on additional responsibilities for a temporary period.

Pension benefits

All staff are entitled to join the Greater Manchester Pension Fund, which is part of the nationwide pension scheme for local authorities, the Local Government Pension Scheme (LGPS). The scheme is a 'final salary' scheme. Employer's contributions are set at the rate of 15.8% of pensionable earnings.

Part of the Remuneration Report subject to audit

The Board consists of nine members, including the Chair and the Deputy Chair, and members are initially appointed by the Secretary of State on renewable contracts lasting up to 36 months. Details of the Board members' emoluments for the year were as follows:

Name	Position	Date of original appointment	Contract end date	2010-11 Fees and other remuneration £	2009-10 Fees and other remuneration £
Dr R Chilton OBE	Chair	01/07/08	30/06/12	41,412	41,412
Professor J Simons	Deputy Chair	13/02/06	30/06/12	11,068	11,068
E Abderrahim	Member	14/07/08	13/07/11	7,530	7,530
Councillor S Flint	Member	23/10/06	22/10/12	7,530	7,530
P Gott	Member	13/02/06	12/02/12	7,530	7,530
E Hall	Member	13/02/06	12/02/12	7,530	7,530
Councillor M Khan	Member	23/10/06	22/10/12	7,530	7,530
Councillor S Knight ¹	Member	04/03/09	03/03/12	7,530	7,589
Councillor Sir R Watson CBE	Member	23/10/06	22/10/12	7,530	7,530

No pension contributions are payable for Board members.

¹ 2009-10 remuneration includes a £59 salary amendment relating to the previous year.

Expenses claimed by board members can be viewed on our website:
www.standardsforengland.gov.uk

Senior Management Team and Chief Executive Costs (excluding Board Members)

The salary and the value of any taxable benefits in kind of the senior management team of Standards for England reporting to the Chief Executive were as follows:

Name	Position	2010-11 Remuneration £'000	2009-10 Remuneration £'000
T Leslie ¹	Interim Chief Executive	95-100	75-80
G Stacey ²	Chief Executive	115-120	125-130
S Barrow ³	Director of Standards	95-100	55-60
N Gokool ⁴	Head of Governance & Client Services	-	70-75
D Gray ⁵	Head of Planning	10-15	50-55
P Hoey	Head of Strategic Relations	80-85	80-85
V Horton ⁶	Director of Risk	110-115	45-50
R Scott ⁷	Head of Communications	-	65-70

All senior management are employed on permanent contracts.

¹ Appointed as Director of Regulation 15 June 2009. Appointed as Interim Chief Executive from 1 March 2011.

² Appointment ended 28 February 2011.

³ Appointed 17 August 2009.

⁴ Appointment ended 30 September 2009. Remuneration in 2009-10 includes £35k paid in accordance with the terms of our redundancy policy.

⁵ Appointed to SMT on 1 July 2009. Appointment ended 4 June 2010.

⁶ Appointed 10 August 2009. Remuneration in 2010-11 includes £32k paid in accordance with the terms of our redundancy policy, and a benefit in kind of £3k in relation to the provision of outplacement support.

⁷ Appointment ended 30 March 2010. Remuneration includes £14k paid in accordance with the terms of our redundancy policy.

Pension benefits

Name	Accrued lump sum at age 65 at 31.3.11 £'000	Accrued pension at age 65 at 31.3.11 £'000	Real increase in pension & related lump sum at age 65 £'000	*CETV at 31.3.10 £'000	CETV at 31.3.11 £'000	Real increase in CETV in CETV £'000
T Leslie	0	0-5	0-2.5	19	39	20
G Stacey	0	5-10	0-2.5	65	90	25
S Barrow	0	0-5	0-2.5	13	32	19
D Gray	0	10-15	0-2.5	96	81	(15)
P Hoey	55-60	20-25	0-2.5	355	323	(32)
V Horton	0	0-5	0-2.5	12	27	15

*Cash equivalent transfer value

Signed by



Tim Leslie
Interim Chief Executive and
Accounting Officer
The Standards Board for England

Date: 6 July 2011

And on behalf of the Board



Dr Robert Chilton OBE
Chair
The Standards Board for England

Date: 6 July 2011

Statement of the Board's and the Accounting Officer's / Interim Chief Executive's responsibilities

Under the Local Government Act 2000 as amended, the Secretary of State, with the consent of HM Treasury, has directed Standards for England 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 state of affairs of Standards for England and of its income and expenditure, changes in taxpayers equity, 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 Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.

- Make judgments 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.

The Accounting Officer of the Department for Communities and Local Government has designated the Interim Chief Executive as Accounting Officer of Standards for England. 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 for safeguarding Standards for England's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in *Managing Public Money*.

Statement on Internal Control

I took over the responsibilities of Chief Executive and Accounting Officer from 1 March 2011. My predecessor provided me with a letter of assurance that enabled me to sign both the Statement on Internal Control, and the Financial Statements for the 2010-11 financial year.

Scope of responsibility

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

Standards for England has a comprehensive set of policies and procedures in place, which are appropriate for the business needs of the organisation and which represent an effective key element of the overall internal control system and ensure the full implementation of HM Treasury guidelines.

The purpose of the system of internal control

The system of internal control is designed to manage risk to an acceptable level, commensurate with our business objectives, rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on a continuous cycle formulated to:

- Identify and prioritise the risks to the achievement of Standards for England's policies, aims and objectives.
- Evaluate the likelihood of those risks being realised, the impact, should

they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place at Standards for England for the year ended 31 March 2011 and up to the date of the approval of the *Annual Report and Accounts*, and accords with Treasury guidance.

Capacity to handle risk

The Board is responsible for overseeing the effective management of risk across the whole organisation. The Board has identified strategic risks which could affect the achievement of Standards for England's policies, aims and objectives and which need to be managed actively. Individual risks are selected for monthly in-depth review by the Senior Management Team (SMT) and other risks are selected for two-monthly reviews by the Board. Under Standards for England's risk management arrangements, identified risks are assigned to specific and appropriate individuals of at least director status to ensure effective ownership and management of those risks. All risks are reviewed and recalibrated monthly.

A corporate risk register is maintained by SMT, which includes only the risks that would have the greatest adverse impact on the whole organisation if not managed effectively.

The Board and Audit Committee oversee the risk management system across the organisation to ensure adherence to the risk policy. The Corporate Assurance Officer monitors and facilitates the risk process.

Learning from best practice we present risk information in graphic as well as tabular form, showing risk movement and direction of travel month by month. Additionally, we have revised the way we score risk and categorise operational risks.

A separate closure risk register and associated risk graphic have been established, providing an important tool in the monitoring and mitigation of risks relating to the achievement of the closure programme objectives. This register and graphic are in the same format as the corporate risk register and graphic, thereby facilitating comparison of the two sets of documents.

Each risk in the closure risk register is reviewed periodically (at least monthly) by SfE personnel. The Closure Programme Board is responsible for the oversight of the maintenance and operation of the register, though any residual risks and key issues relating to closure risks would be escalated to the Closure Programme Steering Group.

The Closure Programme Board is the main project team and reports to Standards for England's Board. It is comprised of the organisation's Chief Executive, other senior management team members and Head of Professional Standards, the independent member of the organisation's Audit Committee and an appointed representative of the Department for Communities and Local Government.

Standards for England's Board acts as the Closure Programme Steering Group.

The risk and control framework

Board

The Board is responsible for overseeing the effective management of risk across the whole organisation. This includes agreeing the risk process and policy for the organisation, discussing emerging risks, reviewing and agreeing risk scores for impact and likelihood and reviewing mitigating actions being implemented. At each meeting, the Board reviews and challenges the risk graphic showing risk assessment and movement. It receives a short written report on risks and risk management from the Chief Executive. It reviews a selected risk in depth, involving relevant staff from within the organisation. The chairman on occasion,

addresses the whole of Standards for England in relation to our management of selected risks, so that we share a common understanding of the selected risks and the mitigating actions being delivered.

Audit Committee

At each Audit Committee meeting the Audit Committee reviews the effectiveness of arrangements for risk management including internal audit reports and resulting action plans. In addition it monitors and reviews the effectiveness of the risk management framework.

Internal Audit

Internal Audit is required to advise us on best practice and to review and report on the level of assurance provided concerning the effectiveness of risk management to the Audit Committee.

The Chief Executive and SMT

The Chief Executive and SMT are responsible for ensuring that Standards for England's policies are effectively implemented, that risk is managed on a day-to-day basis, that risk awareness is promoted within the organisation and that risk management objectives are set within directorates. They ensure that risk management is considered at every SMT meeting to ensure that appropriate priorities are agreed in the light of risk analysis and mitigating actions.

Corporate Assurance Officer

The Corporate Assurance Officer is responsible for co-ordinating the recording and reporting of risk to the Board and the Audit Committee, acting as the primary champion of risk management at strategic and directorate level and advising on the design of the risk management process.

Risk Owners

Identified risks are assigned to Risk Owners who update the Corporate Assurance Officer on a monthly basis to

ensure that any changes to the scoring of the risk are captured.

Risk Appetite

The overall approach to risk is to ensure that residual risks are minimised as the potential gains from accepting higher levels of risk are not thought to be significant in comparison to the potential consequences of the risks being realised.

Information Risk

In the light of Government concerns over data security we have reviewed and reissued guidance to staff on the handling of data in transit and use of laptops. Following the issue of further guidance by the Cabinet Secretary we have reviewed all our procedures. We have previously commissioned an independent Information Security Risk Assessment to help us understand where we are at risk of security breaches or lapses. This indicated a number of risk areas and we have implemented actions to address the highest priority concerns. The remaining recommendations were reviewed in light of our anticipated abolition and those of continuing relevance in our changed circumstance were adopted.

Significant Internal Control issues

The control and risk assessment processes have been applied to the following key initiatives during the year:

- We completed an organisational restructure after reviewing our operating model to ensure its fitness for purpose as a strategic regulator.
- Project Excellence is a review of our investigations process which will enable us to deliver a customer focused and dynamic service.
- We implemented an entity risk management system to enable us to assess the risks to standards in the individual entities we regulate, and to enable us to determine our level of engagement in those entities assessed at risk.

All of these projects have defined governance arrangements. The most significant in terms of cost and/or risk have steering committees with selected Board members engaged. There is dedicated project management resource to support all the main projects and the senior team are briefed on the risks and interdependencies.

We have an approved IT strategy for the period 2010-12 which includes improvements to support the organisation in our strategic regulator role including information sharing, better ways of working and business process support.

We have reviewed and enhanced our business continuity plans and are implementing improvements identified.

Going concern

Following the general election on 6 May 2010, the new coalition Government announced that the 'Standards Board regime' would be abolished. In light of this I have reviewed the appropriateness of the preparation of the 2010-11 financial statements on a 'going concern' basis.

Following the completion of the Comprehensive Spending Review, our sponsor department has confirmed its intention that our funding will not extend beyond the 2011-12 financial year. It is therefore probable that Standards for England will close in this financial year.

However, to bring about abolition, Parliament will need to enact legislation. The exact timing and eventual decision of Parliament on this matter is currently uncertain. I have concluded that it would be inappropriate to pre-empt the will of parliament. Consequently, I consider that it is appropriate to prepare the accounts on a going concern basis whilst recognising the costs of closure.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the

effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the following:

- the work of the internal auditors
- the executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework
- comments made by the external auditors in their management letter
- other reports, such as specially commissioned reports on document management and other specialist matters

I have been advised on the implications of the results of my review of the effectiveness of the system of internal control by the Board and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place. In particular, the recommendations contained in audit reports are regularly tracked.

The Board continues to take overall responsibility for monitoring my performance and that of my executive officers in delivering a sound and effective system of internal control. They do this by receiving and considering reports from the Audit Committee on the work outlined earlier and the outcome of the internal and external audit reports. I am also subject to a formal appraisal process from the Chairman of the Board.

At regular intervals, the internal auditors provide the Audit Committee and Accounting Officer with reports on the areas of activity subject to audit. The reports include the internal auditors' independent opinion on the adequacy and effectiveness of Standards for England's system of internal control during the report period. Management gives careful consideration to their recommendations, which have been accepted in virtually every case, and their prioritised implementation

monitored by the Audit Committee. The development and maintenance of the control framework has continued to be informed by work undertaken by the senior management team. The content of the management letter provided by the external auditors also plays a vital role.

The Audit Committee is the mechanism employed by the organisation to enable detailed scrutiny of the internal control system and provides a forum, independent of management, where both the internal and external auditors can raise matters of concern regarding any weaknesses or failures in the system. I regularly attend the Audit Committee and consider all the reports made to it and the recommendations made by it.

Standards for England continued to employ RSM Tenon as internal auditors for the 2010-11 period, operating to Government Internal Audit Standards. The work of the internal auditors has been carried out in accordance with the agreed plan, subject to the changing analysis of the risk provided by the risk management processes.

Assurance has been given by Internal Audit that the organisation's arrangements are adequate and effective.

There have been no serious breaches of internal control during the financial year.

Signed by



Tim Leslie

Accounting Officer and Interim Chief Executive

The Standards Board for England

Date: 6 July 2011

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

I certify that I have audited the financial statements of the Standards Board for England for the year ended 31 March 2011 under the Local Government Act 2000. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Taxpayers' Equity and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of the Board's and the Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Local Government Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Standards Board for England's circumstances and have been

consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Standards Board for England; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Standards Board for England's affairs as at 31 March 2011 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Local Government Act 2000 and Secretary of State directions issued thereunder.

Emphasis of Matter – Going Concern

In forming my opinion, which is not qualified, I have considered the adequacy of the disclosures made in note 21 to the financial statements concerning the application of the going concern principle. In May 2010 the Government announced that the Standards Board regime will be abolished, which is subject to the enactment of legislation. These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the ability of the Standards Board to continue as a going concern. The financial statements do not include the adjustments that would result if the Standards Board was unable to continue as a going concern.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Local Government Act 2000 and directions issued by the Secretary of State; and
- the information given in the Board Information and Management Commentary, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP

Date: 14 July 2011

Statement of Comprehensive Net Expenditure

Expenditure	Notes	2010-11 £'000	2009-10 £'000
Staff Costs	2	(2,922)	(4,094)
Depreciation	8	(437)	(362)
Amortisation	9	(220)	(117)
Other Expenditure	3	(1,757)	(3,267)
Gross Expenditure		(5,336)	(7,840)
Income			
Income from activities	4	27	307
Net Expenditure		(5,309)	(7,533)
Interest receivable	6	-	-
Net expenditure after interest		(5,309)	(7,533)
Other Comprehensive Expenditure			
Actuarial loss on defined benefit pension scheme	14b	(1,351)	(4,930)
Total Comprehensive Expenditure		(6,660)	(12,463)

All amounts relate to continuing operations.
Net expenditure is funded by Grant in Aid as explained in accounting policy 1.7.
The notes on pages 31 to 49 form part of these accounts

Statement of Financial Position

	Notes	2010-11 £'000	2009-10 £'000
Non-current assets			
Property, plant and equipment	8	226	626
Intangible assets	9	226	302
Receivables due after more than one year	10	-	1
		452	929
Current assets			
Receivables	10	171	319
Cash and cash equivalents	11	321	821
		492	1,140
Liabilities			
Current liabilities			
Payables	12	(309)	(804)
Provisions	13	(961)	(5)
Net current (liabilities) / assets		(778)	331
Non-current liabilities			
Retirement benefit liability	14a	(5,347)	(5,820)
Net Liabilities		(5,673)	(4,560)
Reserves			
Pension reserve	14a	(5,347)	(5,820)
General reserve		(326)	1,260
Total reserves		(5,673)	(4,560)

Signed by
Tim Leslie



Interim Chief Executive and Accounting
Officer

The Standards Board for England

Date: 6 July 2011

And on behalf of the Board
Dr Robert Chilton OBE



Chair

The Standards Board for England

Date: 6 July 2011

Statement of Cash flows

	Notes	2010-11 £'000	2009-10 £'000
Continuing operations			
Net expenditure after interest		(5,309)	(7,533)
Adjustments for:			
Depreciation charges	8	437	362
Amortisation charges	9	220	117
Loss on disposal of non-current assets	3	1	60
Movement in retirement benefit obligation		(1,824)	(277)
Decrease in receivables		149	1
(Decrease) / increase in payables		(495)	29
Increase in provisions		956	5
Net cash outflow from operating activities		(5,865)	(7,236)
Cash flows from investing activities:			
Purchase of property, plant and equipment	8	(37)	(208)
Purchase of intangible assets	9	(145)	(171)
Net cash outflow from investing activities		(182)	(379)
Cash flows from financing activities:			
Grant-in-aid received	7	5,547	7,726
Net cash generated from financing activities		5,547	7,726
Net (decrease) / increase in cash and cash equivalents		(500)	111
Cash and cash equivalents at 1 April		821	710
Cash and cash equivalents at 31 March	11	321	821

Statement of Changes in Taxpayers' Equity

	Notes	Pension Reserve £'000	General Reserve £'000	Total £'000
Balance at 1 April 2009		(1,167)	1,344	177
Changes in reserves for 2009-10				
Net expenditure after interest		-	(7,533)	(7,533)
Actuarial loss	14b	(4,930)	-	(4,930)
Grant-in-aid received	7	-	7,726	7,726
Movement between reserves		277	(277)	-
Balance at 31 March 2010		(5,820)	1,260	(4,560)
Changes in reserves for 2010-11				
Net expenditure after interest		-	(5,309)	(5,309)
Actuarial loss	14b	(1,351)	-	(1,351)
Grant-in-aid received	7	-	5,547	5,547
Movement between reserves		1,824	(1,824)	-
Balance at 31 March 2011		(5,347)	(326)	(5,673)

Notes to the Annual Accounts

1.1) Basis of accounting

The financial statements are drawn up in accordance with a direction given by the Department for Communities and Local Government, with the approval of HM Treasury in accordance with the Local Government Act 2000 as amended. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS and IFRIC interpretations) issued by the International Accounting Standards Board (IASB) and with those parts of Companies Act 2006 applicable to entities preparing their accounts under IFRS.

The financial statements are prepared in accordance with the Companies Act requirements, the disclosure and accounting requirements contained in HM Treasury's Fees and Charges Guide, and the accounting and disclosure requirements given in Managing Public Money and in the Government Financial Reporting Manual, insofar as these are appropriate to Standards for England and are in force for the financial year for which the statements are prepared.

Basis of preparation

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

Change in accounting estimates

During the year estimated lives of non-current assets have been reviewed to reflect the anticipated closure of the organisation.

On 28 May 2010 spending controls were implemented by the Treasury as part of the coalition Government's deficit reduction programme. These controls include the requirement to exercise break options in property leases. Consequently we have reduced the

estimated lives of our property-related furniture and fittings from this date to the expected date of closure of the Manchester office.

On 5 August 2010 we wrote to our Sponsor department outlining our revised business plan in light of our reduced budget and recognising that our organisation had been earmarked for closure. All non-property related non-current assets have had their estimated useful lives reduced from this date to the expected date of closure of the organisation which we anticipate to be 31 March 2012.

New standards, interpretations and amendments effective in 2010-11:

Changes to the Financial Reporting Manual (the FReM) include the removal of the cost of capital charge from the financial statements from 2010-11. This has been complied with in these financial statements.

1.2) Going concern

The Statement of Financial Position at 31 March 2011 shows net liabilities of £5,673k. This reflects the inclusion of liabilities falling due in the future which, to the extent that they are not to be met from Standards for England's other sources of income, may only be met by future grants or grants-in-aid from Standards for England's sponsoring department, the Department for Communities and Local Government. This is because, under the normal conventions applying to Parliamentary control over income and expenditure, such grants may not be issued in advance of need.

Grant-in-aid for 2011-12, taking into account the amounts required to meet Standards for England's liabilities falling due in that year, has been included in the Departments estimates for that year, which have been approved by Parliament.

Following the general election on 6 May 2010, the coalition Government announced that the 'Standards Board regime' would be abolished. In light of this event management have reviewed the appropriateness of the preparation of the 2010-11 financial statements on a 'going concern' basis. This is discussed in note 21 to the accounts.

1.3) Property, plant and equipment

Expenditure on property, plant and equipment of £2.5k or more gross of VAT is capitalised. On initial recognition, assets are measured at cost including any costs such as installation directly attributable to bringing them into working condition. All property, plant and equipment is reviewed annually for impairment. All tangible non-current assets held by Standards for England are deemed to be short-life or low-value assets and are therefore valued on the basis of depreciated replacement cost as an approximation of fair value.

1.4) Intangible assets

Expenditure on intangible assets which are software licenses and the associated costs of implementation is capitalised where the cost is £2.5k or more gross of VAT. Intangible assets are reviewed annually for impairment and are stated at amortised historic cost. Software licences are amortised on a straight line basis over the shorter of the term of the licence and the useful economic life.

1.5) Depreciation and amortisation

Depreciation and amortisation is provided on all non-current assets on a straight-line basis over their estimated useful lives, once available for use.

1.6) Valuation of non-current assets

As permitted by IFRS 1, property, plant and equipment have been retained at their historical cost value, as the financial effect of revaluation to fair value was considered to be immaterial.

Assets under construction represent plant and properties under construction and are stated at cost. This includes cost of construction, plant and equipment acquired and other direct costs. Assets under construction are not depreciated until such time as the relevant assets are available for their intended use.

The carrying values of non-current assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.7) Grant-in-aid

Grant-in-aid used to finance activities and expenditure which support the statutory and other objectives of the entity are treated as financing, credited to the general reserve, because they are regarded as contributions from a controlling party.

1.8) Value added tax

Standards for England registered for Value Added Tax (VAT) on 21 March 2003 under special registration, which limits Standards for England to account for VAT only on conference activity and publication sales. As agreed with HM Revenue and Customs, other activities of Standards for England are not registered.

All irrecoverable VAT is included as part of the expenses concerned and capitalised as part of the cost of property, plant and equipment acquired as appropriate.

1.9) Operating leases

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

1.10) Pension

For defined benefit retirement plans, the cost of providing benefits is determined using the Projected Unit Method, with actuarial valuations being carried out every three years. Actuarial gains and losses are taken to reserves immediately on recognition. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the benefits become vested.

The retirement benefit obligation recognised in the Statement of Financial Position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognised actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

Details of Standards for England's pension scheme are shown in note 14.

1.11) Notional cost of capital

Changes to the Financial Reporting Manual (the FReM) include the removal of the cost of capital charge from the financial statements from 2010-11.

Note 5, Prior period adjustments, details the impact of this on previously reported values.

1.12) Receivables

Receivables are initially recognised at fair value and measured at amortised cost using the effective interest method. Impairment losses are recognised where there is objective evidence that the organisation will not be able to collect all amounts due according to the original terms of the receivables.

1.13) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held on call with banks.

1.14) Payables

Payables and other short-term monetary liabilities are recognised at amortised cost.

1.15) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. It is recognised net of VAT.

1.16) Provisions

In accordance with IAS37, Provisions, Contingent Liabilities and Contingent Assets, Standards for England provides for its obligations arising from past events where a reliable estimate of the obligation can be made and it is probable that the obligation will be required to be settled.

2) Staff Costs

Current Year	Wages & Salaries £'000	Social Security Costs £'000	Pension Costs £'000	Total £'000
Remuneration of continuing staff	2,248	179	(1,094)	1,333
Redundancy costs attributable to in year headcount reduction	681	15	-	696
Redundancy costs attributable to final closure	609	-	70	679
Permanently employed staff	3,538	194	(1,024)	2,708
Board members	108	10	-	118
Temporary staff	89	5	2	96
Staff on secondment	-	-	-	-
Total	3,735	209	(1,022)	2,922

During the year all staff earning in excess of £21k were subject to a pay freeze in accordance with Government's spending controls. Staff earning less than this amount received an increase equivalent to £250 pro rata per full time equivalent.

Included within pension costs is a negative adjustment of £1,453k relating from the switch from RPI to CPI as the basis of indexing pension benefits. This is described in more detail in note.

Previous Year	Wages & Salaries £'000	Social Security Costs £'000	Pension Costs £'000	Total £'000
Permanently employed staff	3,087	242	285	3,614
Board members	106	12	-	118
Temporary staff	334	4	5	343
Staff on secondment	19	-	-	19
Total	3,546	258	290	4,094

The employer's contribution is calculated at the rate of 15.8% recommended for all Standards for England's employees by the pension fund actuaries (2009-10 – 14.9%).

Number of persons employed during the year	At 1 April 11 No.	2010-11 Average No.	2009-10 Average No.
Permanent staff including Chief Executive	35	58	76
Board	9	9	9
	44	67	85
Temporary Staff	-	2	10
Seconded staff	-	-	1
Total number of staff	44	69	96

3) Other Expenditure

	2010-11 £'000	2009-10 £'000
Payments made under operating leases ¹	618	214
Rates and service charges	91	103
Conferences ²	264	679
Professional fees ³	93	549
Computer expenses	148	336
Research expenditure	-	363
Telecommunications costs	67	83
Subscriptions	70	64
Training	39	71
Communications ⁴	20	142
Travel and subsistence	59	139
Recruitment costs ⁵	22	192
Internal auditors' fee	47	16
External audit fee ⁶	35	42
Miscellaneous costs ⁷	55	109
Taxation ⁸	-	-
Non-cash items of expenditure:		
Loss on disposal of assets	1	60
Net pension interest and expected return on assets	128	105
Total	1,757	3,267

1. Payments made under operating leases include the costs of cancelling lease contracts including commitments due after our anticipated closure

2. Conference expenditure includes £220k incurred in regards to the cancellation of the 2010 annual assembly

3. Professional fees consist of the following expenses: specialist fees, transcription fees, legal fees, judicial review, high court appeals, First-Tier Tribunal representatives, and local standards committee representatives.

4. Communications costs comprise the following expenses: conferences, publications, guidance/advice, website development, Bulletins, the Case Review, the Annual Report and Review, complaints leaflets and other communications.

5. Recruitment costs were incurred prior to the introduction of Government's recruitment freeze. No recruitment activity has occurred since the introduction of Government's spending controls.

6. External audit fees are comprised of annual audit charges of £35,380 (2009-10 - £35,250 and an additional charge to audit the implementation of International Financial Reporting Standards of £6,500).

7. Miscellaneous costs includes office equipment, subscriptions, refurbishment expenditure and office supplies.

8. Corporation tax is charged on interest receivable. The tax rate used is 21% (2009-10 – 21%) The tax charge is current tax only.

4) Income from activities

	2010-11 £'000	2009-10 £'000
Conference income	136	304
Less conference refunds given ¹	(136)	-
Total conference income	-	304
Other income ²	26	-
Publication income	1	3
Total income from activities	27	307

¹ The Annual Assembly for 2010-11 was cancelled following the announcement of the proposed abolition of the 'Standards Board Regime' in the coalition agreement. All income received from conference bookings was refunded in full.

² Other income includes contributions from our sponsor department to the administrative costs of Standards for England incurred in operating the capacity building programme for local councils.

Conference revenue was generated through individual spaces sold at the Annual Assembly where the individual sale price is calculated on the basis to optimise attendance. Revenue is net of VAT.

This information is provided for fees and charges purposes and not for IFRS8 (operating segments) purpose.

5) Prior period adjustment

Changes to the Financial Reporting Manual include the removal of the cost of capital charge for the financial statements from 2010-11. This is considered to be a change of accounting policy and as such comparative values have been restated.

The impact on previously reported values is as follows:

	2009-10 £'000	2008-09 £'000
Net Expenditure after cost of capital charge and interest	(7,456)	(7,600)
Removal of the cost of capital	(77)	3
Restated Net Expenditure after Interest	(7,533)	(7,597)

6) Interest receivable

	2010-11 £'000	2009-10 £'000
Interest receivable	-	-

Standards for England operates an interest-bearing current account. During 2010-11 and 2009-10 prevailing interest rates remained below the threshold at which interest was paid.

7) Grant-in-aid

Grant-in-aid is receivable from the Department for Communities and Local Government to fund revenue expenditure, the purchase of non-current assets, and capital projects.

	2010-11 £'000	2009-10 £'000
Amounts received	5,547	7,726

8) Property, plant and equipment

2010-11	Assets under construction £'000	Computer equipment £'000	Office equipment, furniture and fittings £'000	Total £'000
Cost				
At 1 April 2010	201	460	902	1,563
Transfers	(238)	8	230	-
Additions	37	-	-	37
Disposals	-	(217)	-	(217)
At 31 March 2011	-	251	1,132	1,383
Depreciation				
At 1 April 2010	-	416	521	937
Charge for the period	-	30	407	437
Disposals	-	(217)	-	(217)
At 31 March 2011	-	229	928	1,157
Net book amounts				
At 31 March 2010	201	44	381	626
At 31 March 2011	-	22	204	226

8) Property, plant and equipment (continued)

2009-10	Assets under construction £'000	Computer equipment £'000	Office equipment, furniture and fittings £'000	Total £'000
Cost				
At 1 April 2009	-	453	1,085	1,538
Transfers	-	-	-	-
Additions	201	7	-	208
Disposals	-	-	(183)	(183)
At 31 March 2010	201	460	902	1,563
Depreciation				
At 1 April 2009	-	263	435	698
Charge for the period	-	153	209	362
Disposals	-	-	(123)	(123)
At 31 March 2010	-	416	521	937
Net book amounts				
At 31 March 2009	-	190	650	840
At 31 March 2010	201	44	381	626

9) Intangible assets

2010-11	Assets under construction £'000	Software £'000	Total £'000
Cost			
At 1 April 2010	146	989	1,135
Transfers	(288)	288	-
Additions	142	3	145
Disposals	-	(8)	(8)
At 31 March 2011	-	1,272	1,272
Amortisation			
At 1 April 2010	-	833	833
Charge for the period	-	220	220
Disposals	-	(7)	(7)
At 31 March 2011	-	1,046	1,046
Net book amounts			
At 31 March 2010	146	156	302
At 31 March 2011	-	226	226

Significant items included within intangible assets are a Customer Relation Management System (CRM) and a Case Management System (CMS). The CRM system is used for managing and recording our interactions with external stakeholders. This has a gross carrying value of £467k with accumulated amortisation of £326k at 31 March 2011 (Previous year £310k gross cost with £193k accumulated amortisation). This was being amortised over 3 years after becoming available for service during the year, however from 5 August 2010 the estimated useful life of this asset has been revised to the expected date of cessation of regulatory function at the end of March 2012.

The CMS system was used for recording work undertaken on misconduct investigations prior to Standards for England becoming a Strategic Regulator in May 2008. This system has a gross cost of £590K with accumulated amortisation of £590k (Previous year £590k and £590k). This asset is now fully amortised and is now only used as an archive to access records from before May 2008.

9) Intangible assets (continued)

2009-10	Assets under construction £'000	Software £'000	Total £'000
Cost			
At 1 April 2009	17	1,006	1,023
Transfers	(17)	17	-
Additions	146	25	171
Disposals	-	(59)	(59)
At 31 March 2010	146	989	1,135
Amortisation			
At 1 April 2009	-	775	775
Charge for the period	-	117	117
Disposals	-	(59)	(59)
At 31 March 2010	-	833	833
Net book amounts			
At 31 March 2009	17	231	248
At 31 March 2010	146	156	302

10) Receivables

	2010-11 £'000	2009-10 £'000
Amounts falling due within one year:		
Prepayments	166	307
VAT debtor	-	6
Other receivables	5	6
	171	319
Amounts falling due after one year:		
Other receivables	-	1
	171	320

Total balance of staff loans outstanding at the year-end was £5,255 (2009-10 - £7,438)

This amount is broken down into two categories:

1. Season ticket loans which amounted to £5,255 (2009-10 - £4,288).
2. Housing loans for staff relocating to Manchester on a permanent basis, this amounted to £Nil (2009-10 - £3,150).

All receivables are from entities external to Government.

11) Cash and cash equivalents

	2010-11 £'000	2009-10 £'000
Amounts held at commercial banks	321	821

12) Payables

Payables – amounts falling due within one year	2010-11 £'000	2009-10 £'000
Payables	13	46
Accruals	245	640
Deferred income	51	109
Other payables	-	9
Total payables	309	804

All amounts are due to bodies external to Government.
Creditor days at 31 March 2011 were 2.6 days (2009-10 - 4.2 days). The variance on the ratio is due to action taken to meet central government's 10 working day payment target.

No interest is charged on these amounts by suppliers.

13) Provisions

	Closure costs £'000	Other £'000	Total £'000
At 1 April 2010	-	5	5
Arising during the period	961	-	961
Utilised during the period	-	(5)	(5)
As at 31 March 2011	961	-	961

All provisions are expected to be settled in the 2011-12 financial year

14) Retirement benefits

Standards for England is an admitted body to the Greater Manchester Pension Fund, which operates under the Local Government Pension Scheme Regulations. It is a defined benefit scheme based on final pensionable salary.

The most recent triennial valuation was carried out as at 31 March 2010 by independent actuaries to the Greater Manchester Pension Fund to take account of the requirement of IAS19 in order to assess the liabilities of the fund as at 31 March 2011. Hymans Robertson carried out the actuarial valuation on 31 March 2011, for the purposes of IAS19. Liabilities are valued on an actuarial basis using the projected unit method of valuation, which assesses the future liabilities discounted to their present value.

The net pension liability as at 31 March 2011 is estimated to be £5,347k. The employer makes a contribution of 15.8% for each employee's pensionable salary who joins the scheme, which amounts to £326k in 2010-11 with prior year amounts being £327k. Employer contribution rates will increase in 2011-12 to 17.2%.

Note 14b contains cost charged to the net expenditure account for the year ended 31 March 2011, along with an analysis of the amount recognised in the statement of changes in taxpayers equity. Also shown are the movement of the net expenditure over the year and the history of experience gains and losses, expressed as a percentage of assets and/or liabilities.

Certain IAS19 assumptions are set by the Board (for example salary increases). The actuary has stated the assumptions in this report are reasonable, largely being determined by the latest formal funding valuation.

In the UK Budget Statement of 22 June 2010, the Chancellor of the Exchequer announced that, with effect from 1 April 2011, the Government would use the Consumer Price Index (CPI) rather than the Retail Price Index (RPI) for the price of indexation of benefits and tax credits; and that this would also apply to public service pensions through the statutory link to the indexation of the second state pension.

The change from RPI to CPI for the purposes of uprating index-linked features of post-employment benefits has been recognised as a negative past service cost in accordance with IAS 19. This accounting treatment has been adopted by all central Government reporting entities where RPI has been used for inflation indexing for many years.

The question of whether, as regards the main public service pensions schemes, there is a legitimate expectation that RPI will be used for inflation indexing is currently before the courts in judicial review proceedings. The Government case is that no legitimate expectation exists and that, in any event, even if there was a legitimate expectation this was overridden by the clear public interest in making very substantial savings at a time when the Government had adjudged that the deficit reduction was a fundamental objective for the country. If the Government's case is proven, there would be no change to the accounting treatment adopted in these accounts.

14a) Statement of Financial Position as at 31 March 2011

Assumptions as at	31 March 2011 % p.a.	31 March 2010 % p.a.
Inflation/pension increase rate - RPI	-	3.8
Inflation/pension increase rate - CPI	2.9	-
Salary increases	4.4	5.3
Discount rate	4.2	5.5

Fair value of plan assets	Expected Return		Plan Assets	
	2010-11 % p.a.	2009-10 % p.a.	2010-11 £'000	2009-10 £'000
Equities	4.2	7.8	6,009	5,868
Bonds	4.2	5.0	1,548	1,401
Property	4.2	5.8	455	525
Cash	4.2	4.8	1,093	963
Total			9,105	8,757

The overall expected rate of return is a weighted average returns of the various categories of plan assets held. The organisation's assessment of the expected returns is based on historical return trends and analysts' predictions of the market for the asset in the next twelve months. The actuarial loss on plan assets was £1,171k (2009-10 – gain of £1,815k)

Net pension liability as at	2010-11 £'000	2009-10 £'000
Estimated fair value of employer assets (A)	9,105	8,757
Present value of funded obligations ¹	(14,452)	(14,577)
Total value of liabilities (B)	(14,452)	(14,577)
Net pension liability (A-B)	(5,347)	(5,820)

¹ It is estimated that this liability comprises of approximately £5,884k, £5,368k, and £3,200k in respect of employee members, deferred pensioners and pensioners respectively as at 31 March 2011.

14b) Revenue account costs for the year to 31 March 2011

Analysis of amounts charged to net expenditure

	2010-11		2009-10	
	£'000	% of Pay	£'000	% of Pay
Current service cost ¹	407	19.1	175	7.2
Expected return on employer assets	(622)	(29.1)	(388)	(15.9)
Interest on pension scheme liabilities	750	35.1	493	20.2
Past service cost ²	(1,453)	(68.1)	-	-
Curtailment and settlements	-	-	64	2.6
Total operating charge (A)	(918)	(43.0)	344	14.1

¹ The service cost figures include an allowance for administration expenses of 0.2% of payroll.

² The past service cost figure for this year includes £0 in respect of efficiency and other early retirement and (£1,453k) in respect of the changes to pension increases introduced in the Chancellor's budget statement on 22 June 2010 which stated that future pension increases would be linked to the Consumer Price Index (CPI) and not the Retail Price Index (RPI).

Reconciliation of defined benefit obligation

	2010-11 £'000	2009-10 £'000
Opening defined benefit obligation	14,577	6,952
Current service cost	407	175
Interest cost	750	493
Contribution by members	150	177
Actuarial losses / (gains)	180	6,745
Past service cost	(1,453)	-
Losses on curtailments	-	64
Benefits paid	(159)	(29)
Closing defined benefit obligation	14,452	14,577

14b) Revenue account costs for the year to 31 March 2011 (Continued)

Reconciliation of fair value of employer assets

	2010-11 £'000	2009-10 £'000
Opening fair value of employer assets	8,757	5,785
Expected return on assets	622	388
Contributions by members	150	177
Contributions by the employer	906	621
Actuarial gains/(losses)	(1,171)	1,815
Benefits paid	(159)	(29)
Surplus/(deficit) at end of year	9,105	8,757

Experience gains and losses

	2010-11 £'000	2009-10 £'000	2008-09 £'000	2007-08 £'000	2006-07 £'000
Present value of defined benefit obligation	14,452	14,577	6,952	6,886	6,604
Fair value of plan assets	9,105	8,757	5,785	5,868	4,674
Deficit on plan	5,347	5,820	1,167	1,018	1,930
Expected return on plan assets	622	388	430	342	267
Actual Return on plan assets	605	2,206	1,052	183	294
Difference between expected and actual return	(17)	1,818	622	(159)	27
% this forms of scheme assets	(0.2)%	20.8%	10.8%	(2.7)%	0.6%

Amounts recognised in Statement of Comprehensive Income

	2010-11 £'000	2009-10 £'000
Actuarial (loss) / gain on plan assets	(1,171)	1,815
Actuarial gain / (loss) on obligations	(180)	(6,745)
Actuarial gain / (loss) recognised in the Statement of Comprehensive Income	(1,351)	(4,930)
Cumulative actuarial (loss) / gain recognised	(6,721)	(5,370)

15) Lease commitments**Annual commitments under operating leases**

	2010-11 £'000	2009-10 £'000
Land and buildings on leases expiring:		
Within one year	211	208
Within two to five years	435	647
Other operating leases on leases expiring:		
Within one year	12	12
Within two to five years	15	27
Total	673	894

16) Financial instruments

HM Treasury guidance and IFRS 7 require that the accounts of Standards for England contain disclosures in respect of financial instruments (financial assets and financial liabilities) maintained by Standards for England.

Standards for England's principal financial instrument is cash. The main purpose of this financial instrument is to provide working capital for the organisation's operations. The organisation has various other financial instruments, such as receivables and payables, which arise directly from its operations. The main risk arising from the organisation's financial instruments are as follows:

Financial risk

The organisation's finance function manages financial risks relating to operations. The organisation considers that the only risk arising from its financial instruments is interest rate risk (see below).

Interest rate risk

Standards for England is exposed to interest rate risk on bank balances. Apart from short-term receivables and payables, the only financial instrument maintained during the period was cash held on current account. Standards for England regards the risk as minimal.

Interest rate risk exposures are measured by monitoring prevailing interest rates and are supplemented by the review of economic forecasts. There has been no change to Standards for England's exposure to interest risk or the manner in which it manages and measures the risk.

16) Financial instruments (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, which has established a policy for management of Standards for England's short, medium and long-term funding and liquidity management policies.

Standards for England maintains adequate reserves by continuously monitoring forecast and actual cash flows. The liquidity analysis of financial assets and liabilities are given in notes 10 and 12.

There has been no change to Standards for England's exposure to liquidity risk or the manner in which it manages and measures the risk.

Credit risk

The organisation has no significant exposure to credit risk as its only income is conference revenue which is received prior to the conference.

The organisation has no trade receivables and therefore is exempt from disclosures of debtor days and ageing as required by IFRS 7.

During the accounting period 2010-11 there were no material amounts of any debts or any provision for bad or doubtful debts (2009-10 Nil).

Capital risk

Standards for England manages its reserves to ensure that it will be able to continue as a going concern. The reserve structure is shown in the Statement of Changes in Taxpayers Equity.

There has been no change to Standards for England's exposure to capital risk or the manner in which it manages and measures the risk.

17) Related party transactions

Standards for England is a non-departmental public body sponsored by the Department for Communities and Local Government. The Department for Communities and Local Government is regarded as a related party, as are other entities that it sponsors.

Standards for England had material transactions with the Department for Communities and Local Government during the financial year by way of grant-in-aid of £5,547k (2009-10 £7,726k).

None of the Board members, key management or other related parties has undertaken any material transactions with Standards for England.

Greater Manchester Pension Fund is considered a related party and Standards for England had transactions of £906k during the year (2009-10 - £621k) which was the employer's contribution.

18) Capital commitments

Contracted capital commitments at 31 March 2011 for which no provision has been made.

	2010-11 £'000	2009-10 £'000
Property, plant and Equipment	-	32

19) Contingent liabilities

Given the nature of the business undertaken by Standards for England, there exists the possibility that legal or other costs may arise subsequent to these accounts, in respect of cases completed or legal decisions given in 2010-11 or previous years.

Note 13 describes anticipated costs to be incurred in closing the organisation. In addition to the amounts provided for, there may be additional costs which are currently uncertain.

20) Events after the reporting period

Standards for England's financial statements are laid before the Houses of Parliament by the Comptroller and Auditor General. We are required to disclose the date on which the accounts are authorised for issue. This is the date on which the accounts are certified by the Comptroller and Auditor General.

As outlined in note 14, the decision to uprate public service pensions using the Consumer Prices Index rather than the Retail Prices Index has been recognised in these accounts. This decision is currently before the courts in judicial review proceedings. The Government is robustly defending the case and therefore no adjustment has been made to the accounts for this matter. The financial implications consequent on the review finding against the government have not been assessed.

21) Closure of Standards for England

Following the general election on 6 May 2010, the new coalition Government announced that the Standards Board regime would be abolished.

Parliament will need to enact the legislation necessary to abolish Standards for England, and the timing and eventual decision of Parliament on this matter is currently uncertain.

Following the completion of the comprehensive spending review, our sponsor department has confirmed its intention that our funding will not extend beyond the 2011-12 financial year. In the absence of the passing of the legislation necessary to abolish Standards for England, it is appropriate to continue to adopt the going concern basis in preparing the Annual Report and financial statements until such time as this legislation is passed. However, a number of adjustments have been made to the financial statements as a result of the cessation of funding, which are detailed in the relevant notes.

Accounts direction

Accounts direction given by the First Secretary of State with the consent of the Treasury, in accordance with paragraph 13(b) of Schedule 4 to the Local Government Act 2000

- 1) The annual financial statements of Standards for England shall give a true and fair view of the income and expenditure and cash flows for the year and the state of affairs at the year end. Subject to this requirement, the financial statements for 2009-10 and for subsequent years shall be prepared in accordance with:-
 - (a) the accounting and disclosure requirements given in *Managing Public Money* and in the *Government Financial Reporting Manual* issued by the Treasury (the "FReM") as amended or augmented from time to time;
 - (b) any other relevant guidance that the Treasury may issue from time to time;
 - (c) any other specific disclosure requirements of the Secretary of State;insofar as these requirements are appropriate to Standards for England and are in force for the year for which the financial statements are prepared, and except where agreed otherwise with the Secretary of State and the Treasury, in which case the exception shall be described in the notes to the financial statements.
- 2) Schedule 1 to this direction gives additional disclosure requirements of the Secretary of State.
- 3) This direction shall be reproduced as an appendix to the financial statements.
- 4) This direction replaces all previously issued directions.

Signed by authority of the Secretary of State for the Department for Communities and Local Government

Paul Rowsell

A Senior Civil Servant in the Department for Communities and Local Government

Date: 11 June 2010

Schedule 1: additional disclosure requirements

The following information shall be disclosed in the annual accounts, as a minimum, and in addition to the information required to be disclosed by paragraph 1 of this direction.

(a) an analysis of grants from:

- (i) government departments
- (ii) European Community funds
- (iii) other sources identified as to each source;

(b) an analysis the total amount of grant from the Department for Communities and Local Government, showing how the grant was used;

(c) an analysis of grants included as expenditure in the income and expenditure account and a statement of the total value of grant commitments not yet included in the income and expenditure account;

(d) details of employees, other than members of the Board, showing:-

(i) the average number of persons employed during the year, including part-time employees, agency or temporary staff and those on secondment or loan to Standards for England, but excluding those on secondment or loan to other organisations, analysed between appropriate categories (one of which is those whose costs of employment have been capitalised)

(ii) the total amount of loans to employees

(iii) employee costs during the year, showing separately:-

(1) wages and salaries

(2) early retirement costs

(3) social security costs

(4) contributions to pension schemes

(5) payments for unfunded pensions

(6) other pension costs

(7) amounts recoverable for employees on secondment or loan to other organisations

(The above analysis shall be given separately for the following categories:

- I employed directly by Standards for England
- II on secondment or loan to Standards for England
- III agency or temporary staff
- IV employee costs that have been capitalised);

(e) in the note on debtors, prepayments and payments on account shall each be identified separately;

(f) a statement of debts written off and movements in provisions for bad and doubtful debts;

(g) a statement of losses and special payments during the year, being transactions of a type which Parliament cannot be supposed to have contemplated. Disclosure shall be made of the total of losses and special payments if this exceeds £250k, with separate disclosure and particulars of any individual amounts in excess of £250k. Disclosure shall also be made of any loss or special payment of £250k and below if it is considered material in the context of Standards for England's operations.

*(h) particulars, as required by the accounting standard on related party disclosures, of material transactions during the year and outstanding balances at the year end (other than those arising from a contract of service or of employment with Standards for England), between Standards for England and a party that, at any time during the year, was a related party. For this purpose, notwithstanding anything in the accounting standard, the following assumptions shall be made:

- (i) transactions and balances of £5k and below are not material
- (ii) parties related to board members and key managers are as notified to the Board by each individual board member or key manager
- (iii) the following are related parties:
 - (1) subsidiary and associate companies of the Board
 - (2) pensions funds for the benefit of employees of Standards for England or its subsidiary companies (although there is no requirement to disclose details of contributions to such funds)
 - (3) board members and key managers of Standards for England
 - (4) members of the close family of board members and key managers
 - (5) companies in which a board member or a key manager is a director
 - (6) partnerships and joint ventures in which a board member or a key manager is a partner or venturer
 - (7) trusts, friendly societies and industrial and provident societies in which a board member or a key manager is a trustee or committee member
 - (8) companies, and subsidiaries of companies, in which a board member or a key manager has a controlling interest
 - (9) settlements in which a board member or a key manager is a settlor or beneficiary

(10) companies, and subsidiaries of companies, in which a member of the close family of a board member or of a key manager has a controlling interest

(11) partnerships and joint ventures in which a member of the close family of a board member or of a key manager is a partner or venturer

(12) settlements in which a member of the close family of a board member or of a key manager is a settlor or beneficiary

(13) the Department for Communities and Local Government, as the sponsor department for Standards for England.

For the purposes of this sub-paragraph:

(i) A key manager means a member of Standards for England's senior management team.

(ii) The close family of an individual is the individual's spouse, the individual's relatives and their spouses, and relatives of the individual's spouse. For the purposes of this definition, "spouse" includes personal partners, and "relatives" means brothers, sisters, ancestors, lineal descendants and adopted children.

(iii) A controlling shareholder of a company is an individual (or an individual acting jointly with other persons by agreement) who is entitled to exercise (or control the exercise of) 30% or more of the rights to vote at general meetings of the company, or who is able to control the appointment of directors who are then able to exercise a majority of votes at board meetings of the company.

* Note to paragraph (h) of Schedule 1: under the Data Protection Act 1998 individuals need to give their consent for some of the information in these sub-paragraphs to be disclosed. If consent is withheld, this should be stated next to the name of the individual.



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