

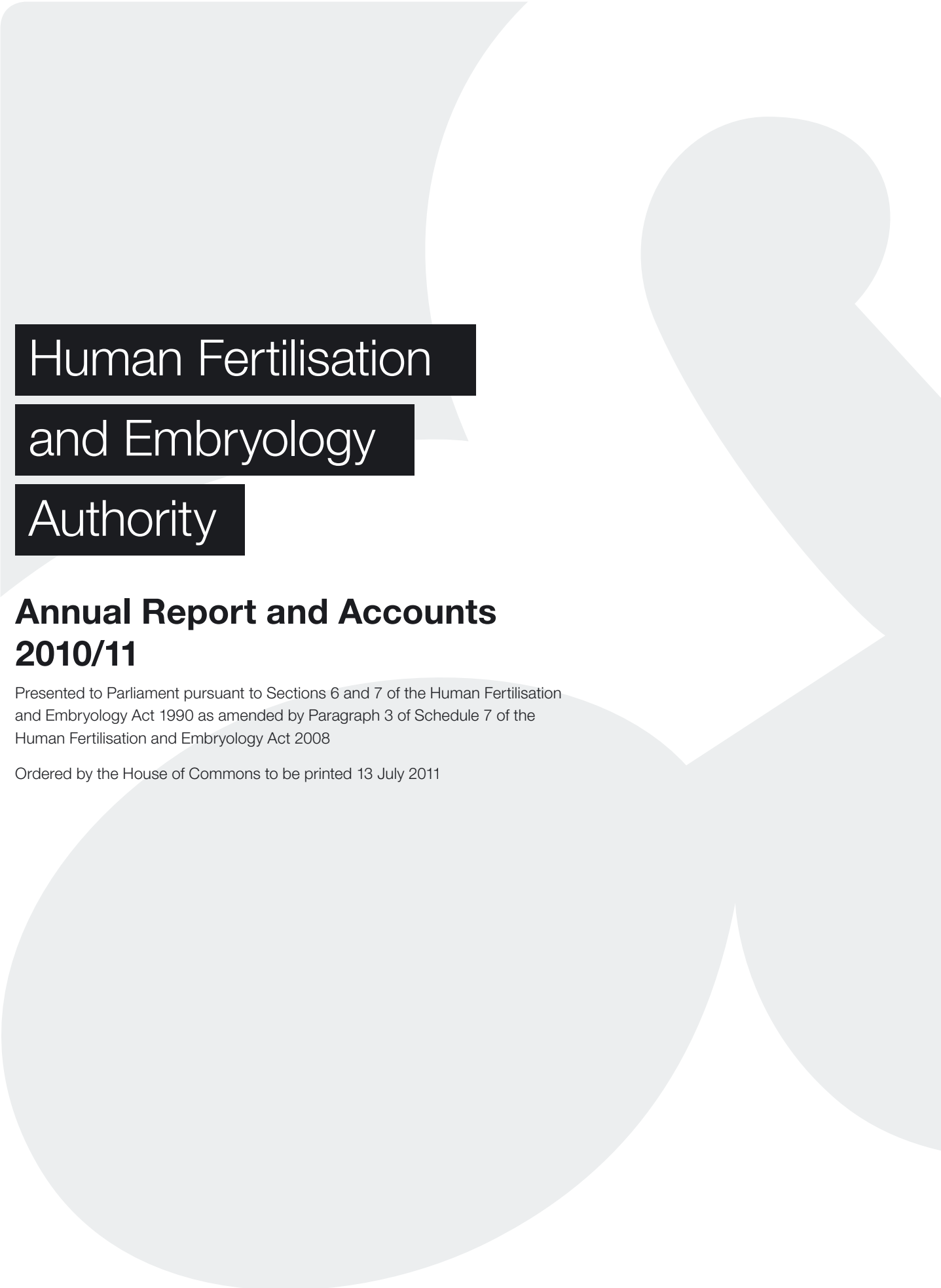
Human Fertilisation and Embryology Authority

annual

report and accounts

2010/11





Human Fertilisation and Embryology Authority

Annual Report and Accounts 2010/11

Presented to Parliament pursuant to Sections 6 and 7 of the Human Fertilisation and Embryology Act 1990 as amended by Paragraph 3 of Schedule 7 of the Human Fertilisation and Embryology Act 2008

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Professor Lisa Jardine CBE
Chair



Mr Alan Doran CB
Chief Executive

“
...the Authority focused on the patient
and their changing needs in
a changing world.”

Chair and Chief Executive's Foreword

The year 2010/11 was one in which the Authority focused on the patient and their changing needs in a changing world.

The Authority took a long hard look at treatment abroad, at the concerns of patients about the availability of gametes and at the evolving landscape of social attitudes about donation. This is evidenced by the growing use of the internet to exchange views and, regrettably, gametes themselves. As we learned from one particular case, the internet offers opportunity for the unscrupulous to exploit those genuinely seeking help and exposes them to serious risks. The Authority was the prime mover in the successful prosecution that followed, displaying one facet of our role as a safeguard.

Our work on the inter-related areas of services overseas, waiting times, developing attitudes and new family structures exposed other facets and has culminated in our recent consultation exercise – Donating sperm and eggs: have your say. This has already attracted a great deal of interesting comment across a broad spectrum. We centred it upon our online questionnaire, demonstrating that the internet can be a force for the good as well as a potential trap for the unwary.

One principal effect of our focus on quality has been the impressive response of centres to year two of our Multiple Births Policy. With only a very small number of exceptions, centres have shown that they can reduce multiple births, avoid the risks to mother and baby and can do so without any significant lowering of success rates. We greatly appreciate the hard work and imagination that centres have put into tackling this, the single greatest risk in assisted conception.

Nor can our regulatory framework stand still. We have a new approach to inspections, to self assessment, are close to producing a new risk tool and we have – at last – opened up our unique database to researchers. One example of our progress is that the time taken to determine applications for preimplantation genetic diagnosis (PGD) licences has been reduced by half. What underpins all of these changes is that we are determined to make much more active and focused use of our data so that, as well as collecting and storing it, we exploit it for different purposes and uses.

In July, the Government announced its proposals for all health Arm's Length Bodies (ALBs), of which the Authority is one.

Their proposal is to transfer our functions principally to the Care Quality Commission (CQC) and, by the end of the current Parliament, to abolish the Authority.

We saw our task was to strive to implement the Government's decision as best we can. There can be no higher tribute to the professionalism and dedication of our staff and our Members than that we have both delivered a full year's set of business objectives and at the same time made substantial progress on moving to co-locate and achieve economies of scale with the CQC. We will end the year having reduced our recurring expenditure by £1 million compared with three years ago.

We will also be well placed to continue to regulate the assisted conception sector to the high standards that we have achieved in recent years, and we look forward with confidence to doing so.



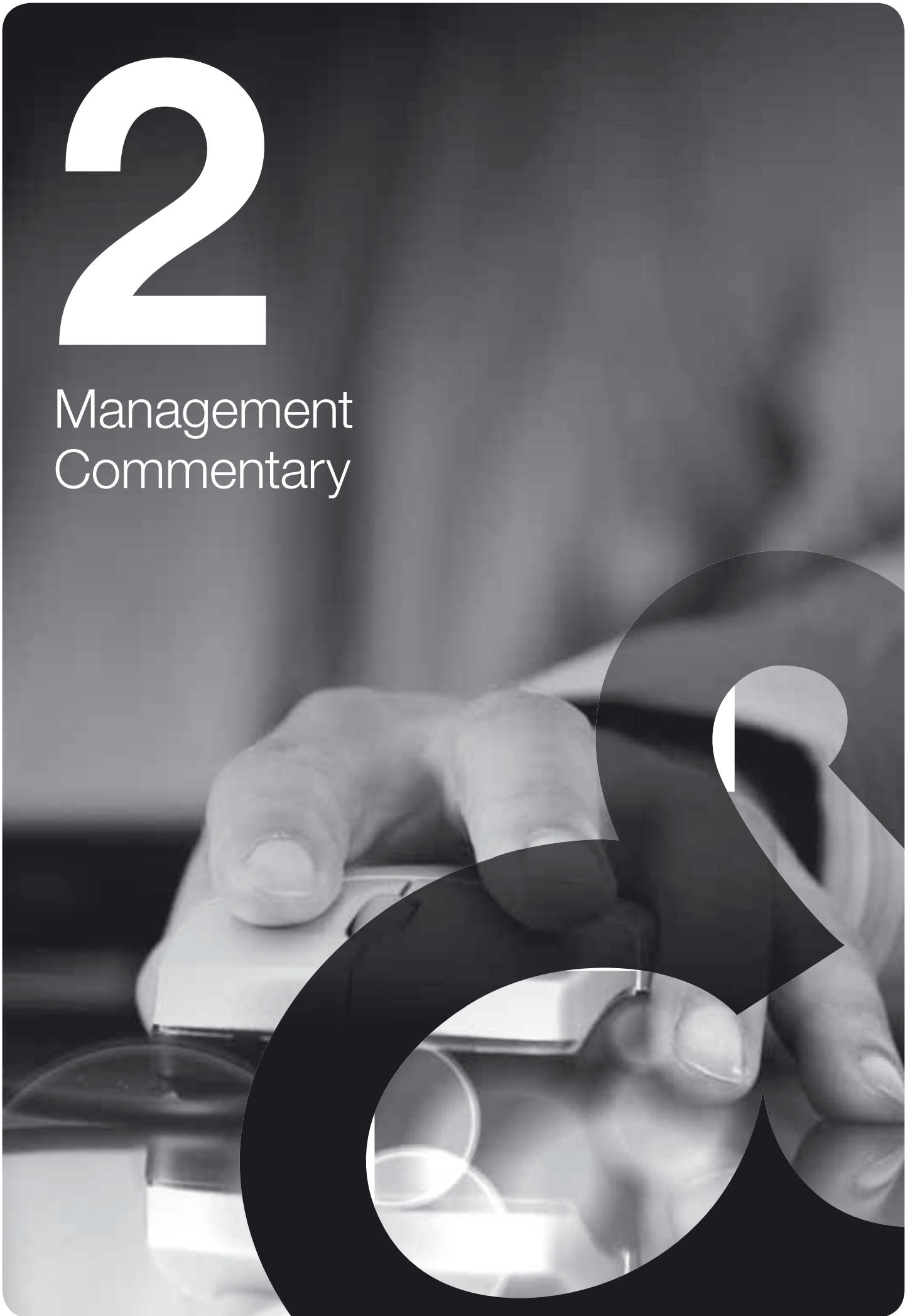
Professor Lisa Jardine CBE
Chair



Mr Alan Doran CB
Chief Executive

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Management Commentary



Management Commentary

About the Human Fertilisation and Embryology Authority (HFEA)

Purpose

We are the UK's independent regulator of treatment using eggs and sperm, and of treatment and research involving human embryos. We set standards for, and issue licences to, centres. We provide authoritative information for the public, in particular for people seeking treatment, donor-conceived people and donors. We determine the policy framework for fertility issues, which are sometimes ethically and clinically complex.

Principles

1. We treat people and their information with sensitivity, respect and confidentiality
2. We observe the highest standards of integrity and professionalism in putting into effect the law as it governs our sector ¹
3. We consult widely - listening to and learning from those with an interest in what we do
4. We keep abreast of scientific and clinical advances
5. We exercise our functions consistently, proportionately, openly and fairly.

Functions

In November 2008, the Human Fertilisation and Embryology Bill received Royal Assent. The majority of the resulting Act came into force in October 2009.

Since then, the HFEA has been required to have regard to two primary sets of legislation:

- The Human Fertilisation and Embryology Act 1990 (as amended) – we generally refer to this as “the 1990 Act (as amended)”; and
- The Human Fertilisation and Embryology Act 2008 (“the 2008 Act”).

Primarily, the 2008 Act is amending legislation. It extensively amends the provisions of the 1990 Act, which continues to form the main framework governing the duties and responsibilities of the HFEA. However, the 2008 Act also contains new provisions that were not originally in, and have not been inserted into, the 1990 Act. In particular, these include provisions relating to legal parenthood.

The 1990 Act (as amended) gives the HFEA a number of statutory functions:

- To keep a formal register of information about donors, treatments and children born as a result of those treatments
- To license and inspect clinics carrying out in vitro fertilisation and donor insemination treatment
- To license and inspect establishments undertaking human embryo research
- To license and inspect the storage of gametes (eggs and sperm) and embryos
- To maintain a formal register of licences granted
- To produce and maintain a Code of Practice, providing guidance to clinics and research establishments about the proper conduct of licensed activities
- To maintain a register of certain serious adverse events or reactions (this relates to certain specific activities, which are set out in the amended Act)
- To investigate serious adverse events and serious adverse reactions, and to take appropriate control measures
- To respond to any request from a competent authority in another European Economic Area (EEA) state to carry out an inspection relating to a serious adverse event or reaction, and to take any appropriate control measures
- To collaborate with the competent authorities of other EEA states.

In addition to these specific statutory functions, the legislation also gives the HFEA some more general functions, including:

- Publicising the HFEA's role and providing relevant advice and information to the donor-conceived, donors, clinics, research establishments and patients

¹ The 'sector' refers to the assisted reproduction/fertility sector and all the treatment clinics, storage centres and research establishments within it.

Management Commentary

- Promoting compliance with the requirements of the 1990 Act (as amended), the 2008 Act and the Code of Practice
- Maintaining a statement of the general principles that should be followed by the HFEA when conducting its functions, and by others when carrying out licensed activities
- Observing the principles of best regulatory practice, including transparency, accountability, consistency, and targeting regulatory action where it is needed
- Carrying out its functions effectively, efficiently and economically
- Reviewing information about:
 - Human embryos and developments in research involving human embryos
 - The provision of treatment services and activities governed by the 1990 Act (as amended)
- Advising the Secretary of State for Health on developments in the above fields, upon request.

The HFEA also functions as the competent authority for the European Union Tissues and Cells Directive (EUTCD), regulating the donation, procurement, testing, processing, preservation and distribution of human tissue and cells for human application.

Current Operating Context

The review of Arm's Length Bodies (ALBs) conducted by central Government in 2010 is set to bring about a number of changes over the next few years. However, for the time being the HFEA remains an independent ALB, responsible for the ongoing regulation of treatment using eggs and sperm, and of treatment and research involving human embryos. Our business objectives for the year include further improvements to our regulatory systems.

The review of ALBs has proposed that the HFEA will be abolished within the lifespan of the current Parliament, and its functions transferred to other bodies. The intention is to transfer most existing HFEA functions to the Care Quality Commission (CQC). It is possible that the regulation of embryo research may pass to a new research regulator (the Academy of Medical Sciences in its recent review concluded only that this would be a decision for the Government). It is also possible that the management of some or all of the HFEA's register information collected from centres could be transferred to the Health and Social Care Information Centre (HSCIC).

However, the scope and nature of the information that might be transferred have not yet been defined; and the HSCIC currently collects data only from the National Health Service (NHS), and not from private clinics, which form the bulk of the HFEA's regulatory sector. The HSCIC also only collects data from the NHS in England, whereas the HFEA's remit is UK wide. It is not yet apparent, therefore, which of these potential future scenarios will come to pass, and in what form, although it is likely that there will be more clarity about this by the end of the 2011/12 business year.

The Government's Business Support Services Transition (BSST) Programme is ongoing at present, with a view to a move towards shared services in the interests of efficiency savings. The HFEA will continue to participate in preparatory work to shape the way in which support services will be delivered in the future. We recognise that this will have an impact on current HFEA posts and staff, and on our corporate ways of working, from 2011/12 onwards.

The HFEA is considering how best to achieve closer future integration with the CQC, the Human Tissue Authority (HTA) and others, and this will be assisted by a planned move, in summer 2011, to new premises in the same building as the CQC. It is currently too early to quantify the potential savings and set these out in detail, but the move will yield significant rent savings for the HFEA. Regular discussions with CQC (in particular) and other organisations have commenced, in order to begin the process of establishing, over time, new working arrangements that will enhance delivery for the organisations involved while making the requisite savings.

In addition to managing a period of significant change, the HFEA must continue to deliver all of its statutory functions, and it will need to do so within a smaller resource envelope. For the time being, therefore, it is important for the HFEA to be able to retain sufficient dedicated and expert capability.

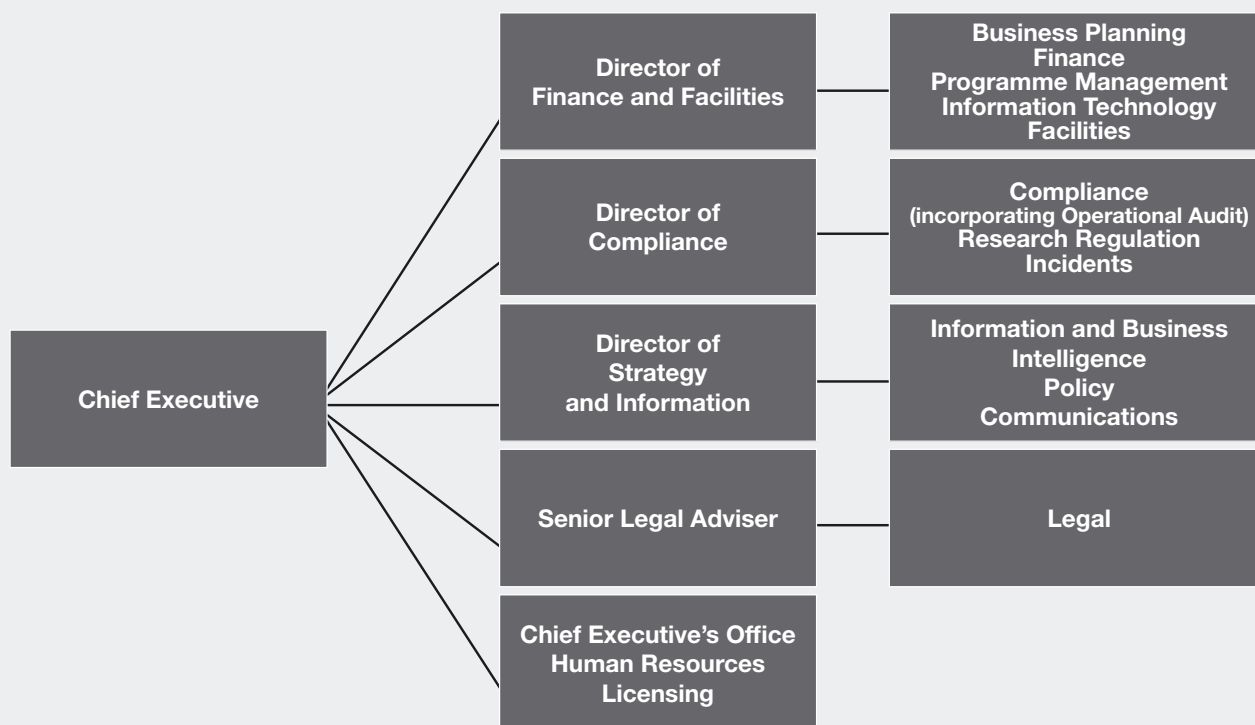
In light of the major changes envisaged over the next three years, the HFEA will also need to ensure it is prepared to transfer its functions smoothly to other bodies, when the time comes, without impairing delivery and performance during the transition.

The HFEA's core business of regulating and licensing clinics will continue to be maintained during the change period. In 2011/12 the HFEA needs to continue to embed and improve the new systems and processes that were introduced in 2009/10 and 2010/11 in order to implement the HFE Act 1990 (as amended) and the HFE Act 2008. We will also need to continue to address new and emerging treatment and research developments which may have policy and regulatory implications for the sector.

Management Commentary

It will be important for the HFEA, in common with all public sector organisations, to continue to demonstrate real cost benefits and value for money in the outcomes it delivers and the resources it uses to deliver them. New public sector spending controls were introduced by the Treasury and the Department of Health in 2010.² Like all public bodies, the HFEA needs to work within the constraints imposed by central Government, which may change from time to time. Our Business Plan shows how the HFEA is responsibly managing its limited resources within the current rules, and ensuring all the requirements are met. The HFEA is continuing to increase efficiency and lower its recurring running costs. This will continue to be the general direction of travel over the next three years.

The following diagram shows the HFEA's current staffing structure:



The HFEA's business objectives for 2011/12 will be:

1. Delivery of core functions and regulatory improvements

To continue to deliver core regulatory and information provision activities, underpinned by evidence-based policies, clear guidance and improved systems and tools.

2. Increasing the effectiveness of regulation for centres

To seek to improve centres' compliance and the efficiency of HFEA regulation, and to make best use of the data we collect from centres.

3. Managing change and preparing for the future

To ensure that the HFEA's workforce, offices, systems and information resources are ready for the planned future integration of functions into other bodies.

² HM Treasury, letter dated 27 April 2010, *Review of Civil Service Expense Policies*; Department of Health, letter dated 28 May 2010, *HFEA revised budget 2010/11 and implementing efficiencies to support £6bn savings*; Department of Health, two letters dated 14 June 2010, *Efficiency measures in 2010/11 and implementing controls relating to the communications freeze*.

Management Commentary

Key Challenges and Achievements

Embedding the New Regulatory and Licensing Framework

Regulatory Framework

Following legislative change and process development, the HFEA implemented a new compliance cycle and inspection approach on 1 April 2010. This included the basic framework for a new risk tool and a pre-inspection Self Assessment Questionnaire (SAQ). Throughout the 2010/11 business year, further work was done to develop and embed the new tools and processes, and to ensure that the new compliance cycle and inspection and audit processes were operating effectively.

Work included refinement and full implementation of the risk tool, development of a new research SAQ, and further development of the online applications system. Operational audit staff were trained in inspection methodology to further integrate this work.

A two year inspection cycle was achieved as planned. Centres are now issued with licences for up to four years.

A review of the Compliance and Enforcement Policy and adverse incident reporting was commenced and will be completed in 2011/12.

Joint Working and Relationships with Other Agencies

The HFEA continued to maintain good working relationships with regulators and other agencies to ensure that investigations and inspections could be carried out jointly when possible, in keeping with the Concordat (a voluntary agreement between organisations that regulate, audit, inspect or review elements of health and healthcare in England). We also continued to participate in the European Union Standards and Training in the Inspection of Tissue Establishments (EUSTITE) project on Europe-wide inspection standards, and attended biannual meetings of the Competent Authorities in Brussels.

Arising from the Government's review of ALBs, the HFEA has initiated a programme of activities aimed at broadening and deepening existing relations and working with the CQC.

The aim is shared by the CQC and the planned goal is the relocation of the HFEA into the same London premises as the CQC during Summer 2011. In addition both ALBs will assess sharing services and co-ordinating other activities.

Licensing Framework

New licensing processes were introduced in October 2009, and these continued to be monitored throughout 2010/11. The Authority considered a report/review of the licensing processes at the March 2011 meeting, reviewing consistency of decision-making and adherence to regulations and protocols.

In conjunction with the ongoing review of the Compliance and Enforcement Policy, a review was commenced of the list of licensable activities to ensure conformity with the HFE Act 1990 (as amended) and the EUTCD.

Evaluation

The review of the Compliance and Enforcement Policy, commenced in 2010/11, will enable the HFEA to evaluate the first year of operation of the new compliance cycle under the new regulatory framework.

Improving the HFEA's Information Provision to the Public and Patients

Published Information

Following a year in which the HFEA website and Choose a Fertility Clinic (CaFC) function were relaunched, the HFEA consolidated this work in 2010/11 by maintaining and improving the ways in which the HFEA communicates with patients and clinics (while ensuring compliance with central Government



rules on communications which were introduced early in the business year). The HFEA continued to maintain its website and published key reports such as the Annual Report, Horizon Scanning report and revised Guide to Infertility.

Management Commentary

The publication of Committee and Authority papers on the HFEA website was expanded and improved, increasing transparency and ease of access to key information. The HFEA also began to review the new requirements of the Equality Act 2010, to ensure that the HFEA's website and publications are compliant.

Information Access

Our staff continued to fulfil the numerous requests made to the HFEA under various information access regimes, including Freedom of Information requests and Parliamentary Questions.

In addition, new regulations on the disclosure of information for research purposes were implemented, and an Authority Oversight Committee and staff Register Research Panel were established to deal with requests from researchers for information.

The newly established voluntary contact sibling register for genetic siblings (Donor Sibling Link) also began operation during the year.

Corporate Efficiencies and Improved Governance

Governance Framework

An annual review of Committee governance arrangements was commenced following the establishment of a new structure in 2009/10. The annual review and amendment process for the Standing Orders and the Authority's publication policy for Committee papers and minutes was also completed. An annual report on licensing was also presented to the Authority and work continued on an internal governance review examining the adequacy of the Authority's revised governance arrangements.

One litigation claim was made against the Authority in the 2010/11 business year. In addition, the Authority assisted the police in a successful criminal prosecution for the unlawful procurement of gametes over the internet.

Following some preparatory steps in the previous year, a major project was conducted to improve the HFEA's records and information management, and to ensure good information governance. This will help the organisation to ensure that documents and other records are well-managed, accurately filed, accessible and not held in duplicate.

An internal review was also started of the delivery of the previous year's 'Programme 2010' project.

The review will focus on programme management, quality assurance of efficacy of processes, value for money and delivery of benefits.

Delivery Framework

Work was completed on the introduction of a Quality Management System (QMS) for the Compliance Directorate. This will form the basis of a simple organisation-wide QMS approach.

Throughout the year, we continued to improve organisational efficiency by relating workforce considerations to operational requirements and putting in place training and development as needed by our workforce. This included continued participation in the collaborative Talent Management Consortium of ALBs ('the Hubhub') and other joint learning and development activities.

The Authority also began to consider its duties under the Equality Act 2010. Training was arranged for both Authority members and staff, and an Authority Champion was appointed to steer future monitoring and work.

Policy Developments



Policy Reviews and Development

A review of donation policies is in progress, addressing a range of discrete issues surrounding embryo, egg and sperm donation. The review

will be completed in the coming year, and will ensure that the HFEA's policies on donation are evidence-based, workable and in line with wider social attitudes.

There was continued monitoring throughout the year of the progress and effectiveness of the Authority's policy to reduce the incidence of multiple births. This included the ongoing monitoring of outcomes following the setting of a year two upper limit for multiple births.

A project on the regulation of preimplantation genetic diagnosis (PGD) applications was established, for completion in 2011/12. The project will review how decisions are made by the HFEA about PGD licence applications in order to achieve safe, evidence based practice.

The HFEA's unique identification system (HFEA ID) was extended to all patients and people born as a result of treatment. This enables each individual to be uniquely identified, regardless of centres used.

Management Commentary

Initial scoping work was completed to inform a review, planned for 2011/12, of the HFEA's data collection and use. This review will explore whether the data collection burden can be lightened without compromising data quality and use.

Evidence-Based Decision-Making

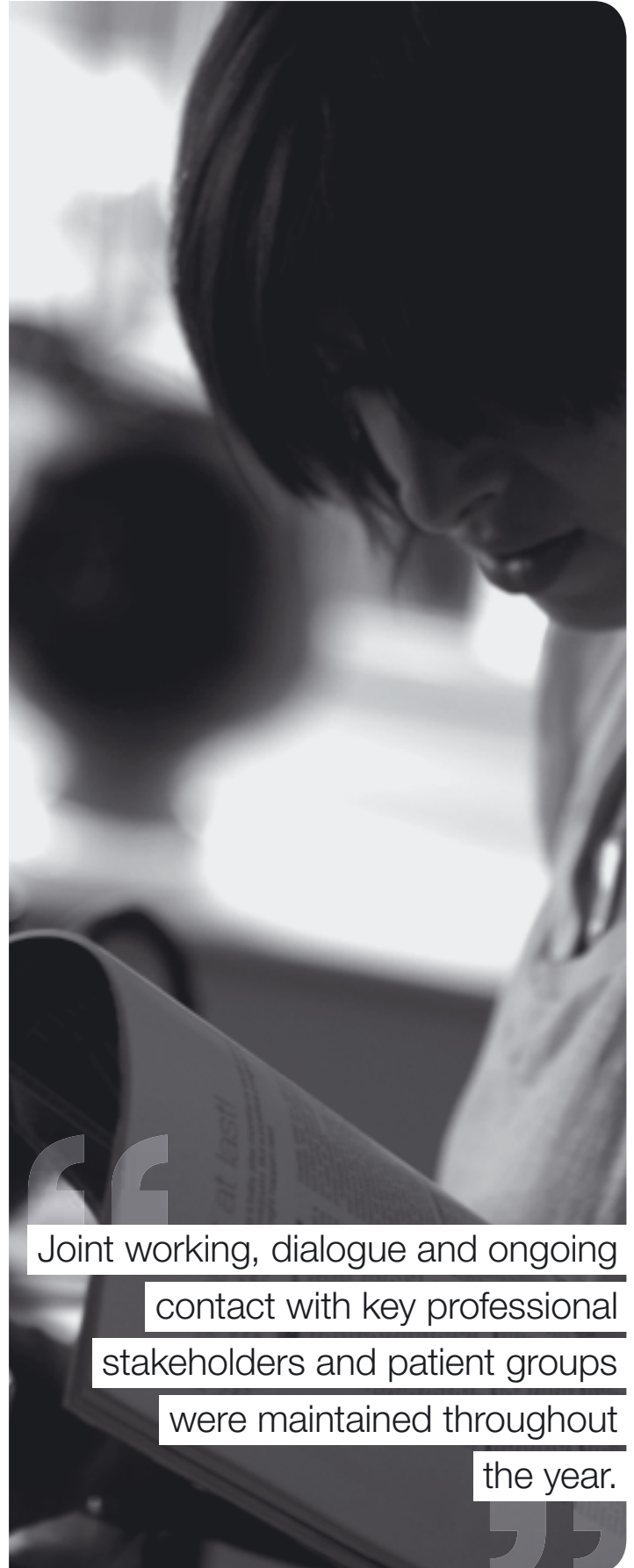
The Authority continued to consider scientific and ethical matters through its Scientific and Clinical Advances Advisory Committee (SCAAC) and Ethics and Law Advisory Committee (ELAC). An annual scientific horizon scanning exercise involving an external panel of experts was carried out to help the HFEA to identify and anticipate emerging research and treatments. This work assists each year in planning for future policy development and licensing needs and supports evidence-based decision-making by the Authority. ELAC conducted a similar annual horizon scanning exercise on upcoming legal and ethical issues. The committee also developed an Ethics Framework, which will help it consider ethical, social and legal issues in a clear and consistent manner.

Communication and Dialogue

Joint working, dialogue and ongoing contact with key professional stakeholders and patient groups were maintained throughout the year. These include the British Fertility Society, the Infertility Network UK, the Donor Conception Network, the National Gamete Donation Trust, the Royal College of Nursing Fertility Nurses Group, the Human Genetics Commission, the British Infertility Counselling Association and the Project Group on Assisted Reproduction. The HFEA's own Licensed Centres Panel met three times during the year. The HFEA has continued to consult and engage widely with the public during the development and implementation of new policies, to increase public understanding of the HFEA's work and current issues in fertility treatment and research. The HFEA also conducted a polling exercise on public attitudes towards the HFEA and various social and ethical issues, following on from an earlier 2005 poll.

Parliamentary Questions

The HFEA was required by Department of Health officials to contribute to 163 Parliamentary Questions (PQs) during the year. The themes of the questions varied, although broadly the focus was on the following: the use of eggs and embryos in research projects; the incidence of ovarian hyper stimulation syndrome in women receiving treatment or donating eggs; the HFEA's review of its donation policies; and the Department of Health's review of ALBs in the health sector.



Joint working, dialogue and ongoing contact with key professional stakeholders and patient groups were maintained throughout the year.

Management Commentary

Summary Data for the Year 2010/11

The type and volume of business handled by the HFEA

Number of:	2009/10	2010/11
Active clinics and research establishments	138	134³
Clinics and research establishments inspected	83	79
Licences inspected	97	85
New licence applications processed and presented to a Licence Committee	6	2
Licence renewals processed and presented to a Licence Committee/Executive Licensing Panel	52	32
Applications for Preimplantation Genetic Diagnosis (PGD) with Human Leukocyte Antigen (HLA) processed and presented to a Licence Committee/Executive Licensing Panel	25	3
New Preimplantation Genetic Diagnosis (PGD) applications processed and presented to a Licence Committee	52	46
Incident reports from centres processed	494	564
Alerts issued	2	1
Complaints about centres processed	45	14⁴
Licensed Centres Panel meetings held	3	3
Meetings with patient organisations held	2	2
'Fertility: Have Your Say' surveys conducted	-	1
Public and stakeholder consultation meetings	30	36
Freedom of Information (FOI) requests dealt with	133	119
Environmental Information Regulations (EIR) requests dealt with	0	0
Opening the Register requests received	90	142
Opening the Register requests closed	91	149
Information for Researchers requests received	-	2
Donor Sibling Link Applications processed	-	3
Visits to the Anonymous Register download page	-	759
Enquiries responded to under the Data Protection Act	4	1
Parliamentary Questions responded to	144	163
Authority meetings held (including three open to the public)	7	7
Phone enquiries from patients and the general public	4,781	3,025
Email enquiries from patients and the general public	6,073	2,026
Visits to the HFEA website	558,780	662,147
Most popular/viewed page on the HFEA Website	-	Choose a Fertility Clinic

³ Seven centres voluntarily revoked their licences during the 2009/10 inspection year and three new centre licences were granted during the same period.

⁴ The decrease in formal centre complaints are as a result of better resolution at centre-level and the provision of informal advice and response to queries by the HFEA.

Management Commentary

Performance Indicators 2010/11

	Target	Outcome
A. Compliance		
Number of unannounced inspections carried out this year	4	2 ⁵
Reports resulting from initial applications and renewal inspections of clinics and research establishments available to clinics within 28 working days of the inspection date	90%	94%
New treatment and research licence applications processed within four months of receipt of all necessary documentation and confirmation that the premises are ready for use	90%	50% ⁶
B. Communication and Information		
Responses made to requests for contribution to Parliamentary Questions within the deadlines set by the Department of Health	100%	100%
Number of Authority meetings held in public during the year	3	3
Written enquiries from patients and the public responded to within three working days	95%	100%
Increase in visits to the HFEA website compared to 2009/10	10%	18%
Increase in visits to Choose a Fertility Clinic function on the HFEA website compared to 2009/10	10%	26%
Publication of finalised Licence Committee/Executive Licence Panel decisions on the HFEA Website within 20 working days	90%	68% ⁷
Freedom of Information (FOI) requests dealt with within 20 working days	100%	99%
Opening the Register requests dealt with within 20 working days (excluding counselling time for the person making the request)	100%	99%
C. Corporate		
Invoices paid within 30 days	95%	99%
Debts collected within 60 days	85%	92%
Monthly billings of clinics achieved in three weeks	95%	100%
D. Arm's Length Bodies (ALBs) Targets		
Achieve revenue cost targets	Achieve £2.4 million Grant-in-Aid	Revenue Grant-in-Aid drawn in 2010/11 was £2.1million ⁸
Maintain full-time equivalent staff numbers	86.1 wte	78.2 wte

5 Unannounced inspections were de-prioritised to ensure that we had enough staff to complete the risk based assessment tool project.

6 One of the two new licence applications was unable to achieve the key performance indicator (KPI) as the monthly Licence Committee meeting took place four days after this period.

7 The process for publication of licence committee and ELP minutes changed during August 2010. This involved development of the tool used to upload the minutes to the website. The backlog was addressed between October and November. This has affected the percentage overall but for each of the other eight months of the financial year, performance was 100%.

8 The revenue cost target of £2,136,000 was achieved and drawn down from the Department of Health.

Management Commentary

Financial Management and Corporate Governance

Throughout the year, the HFEA maintained sound financial management covering budgeting, compliance, procurement, invoicing and accounting processes. Whilst complying with all relevant and applicable accounting standards, the HFEA produced and laid, as usual, its Annual Report and Accounts for the 2009/10 financial year prior to the summer recess in 2010.

The HFEA uses a regular Directorates performance report including performance indicators and narrative, as well as monthly management accounts, to monitor performance and report to the Authority and the Department of Health. Elective costs such as third-party contracts, travel and subsistence are kept under tight budgetary and management control. Most recurring procurement is through Buying Solutions or with Office of Government Commence (OGC) - approved suppliers.

The financial procedures and instructions were reviewed and revised in early 2011 to maintain scrutiny, cost control and effective reporting. In accordance with its own and Government openness initiatives, the HFEA now publishes reports, meeting agenda, papers and minutes and a range of finance transaction data on its website.

The major focus of effort during the year centred on consolidating the changes made in 2009/10. Several significant projects were delivered. These included major systems change projects for the centres database and compliance based risk assessment along with a complete overhaul of records management, both electronic and physical. In addition, a successful review was made of the Executive Licensing Panel that led to the Authority approving its continuing operation. Several important policy initiatives were delivered, including the next revision of the multiple births minimisation target and a review of focused elements of donation in the sector. Finally, the initiative to move offices and save money as part of the ALB Review was begun. Approval was given by the Department to move into vacant space in the CQC offices in London during July 2011.

With the emphasis on projects, described above, one corporate focus was to improve further our capacity to manage projects. Several project 'geniuses' were given PRINCE2 training and the programme and project support toolkit was completely overhauled and the Programme Board further developed. This has enabled project work and interdependency to be better managed and co-ordinated whilst supporting continued effective working of the Corporate Management Group (CMG).

This remains the senior, formal executive decision-making and performance monitoring body. It is chaired by the Chief Executive and supported by the Head of Business Planning.

Compliance continued to develop its QMS and this was completed and went live during the year. A full range of standard operating procedures and a set of quality indicators are in place to drive improvement forward across the organisation, not just in the directorate where processes are shared.

Risk management continues to be a key element of the Authority's management approach, with regular reporting to the CMG and to the Audit and Governance Committee. Operational risk reporting is now embedded at a departmental level.

The HFEA continues to use Performance and Development Plans (PDPs) to manage staff performance on an annual and six-monthly basis. The HFEA collaboration on talent management with several other Department of Health ALBs completed a successful inaugural year and support was obtained for a second intake. An annual assessment was introduced for Members, for whom training was also made available.

Financial Review

The financial results of the HFEA are included in the accounts on pages 69 to 87 and show that the HFEA's net expenditure for the financial year after tax and exceptional items was £2,127,417 (2009/10 £1,489,009).

The Department of Health provided Grant-in-Aid towards resource expenditure of £2,136,000 (2009/10 £1,937,301) and £115,000 towards the purchase of fixed assets (2009/10 £115,000).

Capital expenditure was £114,185 (2009/10 £102,110). This was spent entirely on replacing or updating office and IT equipment together with the acquisition and development of software, with working lives being extended where feasible. As usual, the HFEA endeavours to improve sustainability, refurbish equipment or to redeploy or donate to the third-sector equipment it no longer requires.

Income from fees charged to clinics was £5,915,560 (2009/10 £5,650,612). This rise reflects the continued growth in the IVF sector as demonstrated by increased activity in established centres with new centres opening during the year.

In the first three quarters of 2010/11, the Authority was not involved in High Court litigation. In March 2011, the Authority was served with a claim seeking permission from the High Court to judicially review actions taken by the Authority.

Management Commentary

The decision on whether or not permission should be granted will be made by the Court during the next financial year. The HFEA made provision of £250,000 for potential legal costs as at 31 March 2011 (2009/10 £0) in respect of these new proceedings. Further information on legal activity in the year is provided in the financial accounts (primarily notes 11 and 14).

The accounts reflect the full application of International Financial Reporting Standards (IFRS). No capital charges have been provided for 2010/11 in accordance with FReM Chapter 11 (Income and Expenditure.) The comparative figures in the Statement of Comprehensive Net Expenditure for 2009/10 have been adjusted accordingly.

Supplier Payments

The Authority aims to pay all undisputed invoices in accordance with suppliers' terms of payment, which are usually within 30 days. During the financial year 2010/11, the Authority settled 99% of all invoices received and invoices received by cash value within 30 days. 70% of invoices received were paid within 10 days.

During the forthcoming financial year, the Authority will continue with its aim to adhere to the five day target for central government payments, and performance data will continue to be published on the Authority's website.

As at 31 March 2011, the proportion of closing creditors to purchases during the year was 13 days.

Staff Resources and Development

The HFEA depends critically on the quality, knowledge, experience and enthusiasm of its staff and in 2010/11 the HFEA employed an average of 81 employees (87 in 2009/10).

The HFEA is committed to the development of its employees. Over the past year we have run and funded various training courses and in-house training events for all staff, recognising the challenges we have faced in terms of recruitment and budget freezes, including Learning Excellence for Managers and Facilitation skills training. A number of in-house 'Lunch and Learn' sessions have taken place throughout the year to encourage staff to share their expertise and new ways of working. This year, 28 members of staff have also obtained NVQ level 2 and 3 qualifications in Team Leading, Customer Service and IT, and Management and IT skills respectively.

The HFEA has also held mandatory training in Equality and Diversity awareness in preparation for the new Equality Act 2010.

In 2009/10 the HFEA collaborated with other ALBs to develop 'Hubbub', a leadership and management assessment and development programme. The programme's key objective is to identify and develop people in our organisations who will be ready to take up more senior posts in the future. Year two of the process began in December 2010 and will continue throughout 2011. By linking with other ALBs the HFEA is able to create broader opportunities for staff through a shared mentoring programme and a transferable competency framework.

Employee Consultation

The HFEA Staff Forum represents all employees and encourages their active participation in the affairs of the HFEA. The HFEA recognises the importance of employee input and feedback and the Staff Forum is used as a channel for discussion and consultation on matters affecting all employees.

All Staff briefings take place fortnightly and employees are kept up to date through the HFEA intranet, to which all staff have access. Once a month the staff newsletter, the HFEA Insider, is published on the intranet and all members of staff are encouraged to contribute.

Pensions

Pension benefits are provided primarily by the Principal Civil Service Pension Scheme (PCSPS). The HFEA recognises the contributions payable for the year. Full details of the pension scheme are included in the Remuneration Report on pages 47 to 54.

Equality Act 2010, Equality and Diversity on Pay

In response to the introduction of the Equality Act 2010, the Authority has undertaken a range of activities to raise the profile of equality and diversity issues across the organisation.

Disabled Employees

In 2007/08, the HFEA published an annual progress report on the disability aspects of the equality scheme and achieved \sqrt{V} Positive about Disabled People disability symbol status. We will continue to build on this.

The HFEA has a specific policy to invite to interview any candidate with a disability who meets essential criteria. Support is provided for all staff who have, or develop, a disability including making reasonable adjustments to the workplace or work processes, and by having advice available through our Occupational Health Service.

Management Commentary

Social, Community, Sustainability and Environmental Issues

In co-operation with our landlord we improved recycling facilities to now include glass bottles and batteries and continued to raise staff awareness. Any obsolete printers or excess office equipment or stationery were recycled or donated to charities.

We endeavoured to use more teleconferencing and videoconferencing facilities in 2010 to reduce travel. We have also reduced the number of lunches we provide for meetings, keeping them at a bare minimum.

In July 2010 we provided a High Performing Property report to the OGC for our occupied space at 21 Bloomsbury Street.

We are performing ahead of benchmark in terms of environmental sustainability and have reduced the energy and water consumption per person accommodated in the last year.

We welcomed the initiative by our landlord to install secondary glazing before the onset of winter. These works and the installation of a device for voltage optimisation were carried out in April 2011. This should contribute to an improved Display Energy Certificate of this building, currently ranging at F, which is a slight improvement to last year.

Accounts Direction

The statement of accounts which follows is prepared in a form directed by the Secretary of State for Health dated 18 June 2007, in accordance with Section 6 of the 1990 Act (as amended).

Disclosure of Information to HFEA Auditors

The Chief Executive of the HFEA has been designated as the Accounting Officer for the Authority. The Accounting Officer has taken all the steps that are necessary to make himself aware of any relevant audit information and to establish that the HFEA's auditors – the National Audit Office (NAO) – are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the NAO is unaware.



Mr Alan Doran CB

Chief Executive
28 June 2011

Management Commentary



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The HFEA recognises the importance of employee input and feedback and the Staff Forum is used as a channel for discussion and consultation on matters affecting all employees.

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3

Appendices



Appendices

Appendix I:

Committee Membership as at 31 March 2011

	Scientific and Clinical Advances Advisory Committee (SCAAC)	Ethics and Law Advisory Committee (ELAC)	Compliance Committee	Audit and Governance Committee (AGC)	Research Licence Committee
Chair No.	3	3	10	4	4
Chair	Prof Neva Haites OBE	Rev Mr Ermal Kirby	Mrs Ruth Fasht OBE	Mrs Sally Cheshire	Prof Emily Jackson
	Dr Susan M Price (Deputy Chair)	Prof David Archard (Deputy Chair)	Ms Gemma K Hobcraft (Deputy Chair)	Mrs Ruth Fasht OBE (Deputy Chair)	Mrs Clare J Lewis-Jones MBE
	Ms Debbie Barber	Mr Hossam I Abdalla FRCOG	Mr Hossam I Abdalla FRCOG	Ms Rebekah Dundas	Dr Andy Greenfield
	Ms Jane Dibblin	Dr Mair A Crouch	Prof William Ledger	Ms Lillian Neville	Prof Neva Haites OBE
	Prof William Ledger ⁹	Prof Neva Haites OBE	Ms Lillian Neville	Jerry Page (Co-opted)	Prof Lesley Regan
	Dr Alan R Thornhill	Ms Gemma K Hobcraft			
	David Barlow (Co-opted)	Mrs Clare J Lewis-Jones MBE			
	Peter Braude (Co-opted)				
	Daniel Brison (Co-opted)				
	Melanie Davies (Co-opted)				
	Richard Gardner (Co-opted)				
	Joyce Harper (Co-opted)				
	Robin Lovell-Badge (Co-opted)				
	Lorraine Young (Co-opted)				

	Licence Committee	Remuneration Committee	Executive Licensing Panel (ELP)	Appeals Committee
Chair No.	12	3	24	0
Chair	Prof David Archard	Prof Lisa Jardine CBE	Mr Peter Thompson	Mr Jonathan Watt-Pringle QC
	Ms Anna Carragher (Deputy Chair)	Prof Emily Jackson (Deputy Chair)	Mr Mark Bennett (Deputy Chair)	Ms Hilary Newiss (Deputy Chair)
	Ms Debbie Barber	Mrs Sally Cheshire	Mr Nick Jones ¹⁰	Mr John Kevin Artley
	Mrs Sally Cheshire		Reserves	Ms Julia Drown
	Dr Mair A Crouch		Ms Hannah Darby	Mrs Jennifer Dunlop
	Ms Jane Dibblin		Ms Carmel Dodson-Brown ¹¹	Mr Joseph Enda McVeigh
	Ms Rebekah Dundas		Ms Danielle Hamm ¹²	Ms Catharine Seddon
	Dr Susan M Price		Mr Ian Peacock	
			Ms Helen Richens ¹³	
			Ms Juliet Tizzard	
			Mr Brandon Welsh	

⁹ Resigned as a member of SCAAC in February 2011.

¹⁰ Joined the HFEA in June 2010 and appointed as a member of ELP on 1 September 2010.

¹¹ Stepped down as a member of ELP from September 2010.

¹² Appointed as a member of ELP on 6 May 2010.

¹³ Appointed as a member of ELP on 17 December 2010.

Appendices

Appointment Summary of Authority Members as at 31 March 2011

Name	Expertise	Date appointment started	Date appointment ends	Category
Prof Lisa Jardine CBE (Chair)	Academic/Historian	17 January 2008	16 January 2014	Lay
Mr Hossam I Abdalla FRCOG	Clinical	1 October 2004	29 September 2011	Professional
Prof David Archard	Philosophy	1 November 2005	31 October 2011	Lay
Ms Debbie Barber	Clinical	1 September 2008	31 August 2011	Professional
Ms Anna Carragher	Media	7 November 2006	6 November 2012	Lay
Mrs Sally Cheshire	Business, Accountancy and Healthcare	7 November 2006	6 November 2012	Lay
Dr Mair A Crouch	Genetics and Law	1 September 2008	31 August 2011	Lay
Ms Jane Dibblin	Patient	1 September 2008	31 August 2011	Lay
Ms Rebekah Dundas	Patient Representative	1 January 2007	31 November 2013	Lay
Mrs Ruth Fasht OBE	Children and Family Service, Group Analysis	1 November 2005	31 October 2011	Lay
Dr Andy Greenfield	Biological Science	9 November 2009	8 November 2012	Professional
Prof Neva Haites OBE	Clinical Genetics	2 December 2002	30 November 2011	Professional
Ms Gemma K Hobcraft	Law	1 September 2008	31 August 2011	Lay
Prof Emily Jackson (Deputy Chair)	Healthcare and Law	12 June 2003	30 November 2011	Lay
Rev Mr Ermal Kirby	Moral Theologian	1 January 2010	31 December 2012	Lay
Prof William Ledger	Clinical	7 November 2006	6 November 2012	Professional
Mrs Clare J Lewis-Jones MBE	Patient	2 December 2002	30 November 2011	Lay
Ms Lillian Neville	Healthcare	1 September 2008	31 August 2011	Lay
Dr Susan M Price	Clinical Genetics	1 February 2006	31 January 2012	Professional
Prof Lesley Regan	Clinical	1 September 2008	31 August 2011	Professional
Dr Alan R Thornhill	Clinical Embryology	9 November 2009	8 November 2012	Professional

Appendices

HFEA Horizon Scanning Expert Panel Membership as at 31 March 2011

Name	Institution
Prof William 'Twink' Allen	Paul Mellon Laboratory of Equine Reproduction, UK
Prof Peter Andrews	University of Sheffield, UK
Prof David Barlow	University of Glasgow, UK
Prof Christopher Barratt	University of Dundee, UK
Prof Keith Campbell	University of Nottingham, UK
Prof John Carroll	University College London, UK
Dr Jacques Cohen	Institute for Reproductive Medicine and Science of Saint Barnabas, USA
Dr John Collins	Assisted Human Reproduction Canada
Prof Alan Decherney	National Institutes of Health, USA
Prof Chris De Jonge	University of Minnesota, USA
Prof Paul Devroey	Free University of Brussels, Belgium
Prof David Edgar	University of Liverpool, UK
Prof Sir Martin Evans	Cardiff University, UK
Prof Hans Evers	Academic Hospital, Maastricht, The Netherlands
Prof Bart Fauser	University Medical Center Utrecht, The Netherlands
Dr Joyce Harper	University College London, UK
Prof Stephen Hillier	University of Edinburgh, UK
Prof Outi Hovatta	Karolinska Institute, Sweden
Prof Mark Hughes	Genesis Genetics Institute, USA
Prof Martin Johnson	University of Cambridge, UK
Prof Gab Kovacs	Monash IVF, Australia
Prof Henry Leese	Hull York Medical School, UK
Prof Norio Nakatsuji	Kyoto University, Japan
Prof Alan Trounson	California Institute for Regenerative Medicine, USA
Dr Maureen Wood	University of Aberdeen, UK
Prof André Van Steirteghem	Free University of Brussels, Belgium
Prof Stéphane Viville	Université Louis Pasteur, France

Appendices

Appendix II:**Centres Licensed by the HFEA as at 31 March 2011**

Appendices

Centres Licensed by the HFEA as at 31 March 2011

Centre Name	Location	Centre No	Centre Type	Region
Aberdeen Fertility Centre	Aberdeen	0019	TS	Scotland
The Agora Gynaecology and Fertility Centre	Brighton & Hove	0254	TS	South East
Andrology Unit – Hammersmith Hospital	London	0080	S	London
Arrowe Park Fertility Clinic	Merseyside	0272	T	North West
Assisted Conception Unit – King's College Hospital	London	0109	TS	London
Assisted Conception Unit Leigh Infirmary	Lancashire	0278	T	North West
Assisted Conception Unit Queen Mary's Hospital	London	0270	T	London
Assisted Reproduction and Gynaecology Centre	London	0157	TS	London
Barts and The London Centre for Reproductive Medicine	London	0094	TS	London
Bath Fertility Centre	Bath	0139	TS	South West
Benenden Fertility Centre (BFC)	Kent	0310	TS	South East
Birmingham Women's Hospital	Birmingham	0119	TSR	West Midlands
BMI Chelsfield Park ACU	Kent	0086	TS	London
BMI Priory Hospital	Birmingham	0026	TS	West Midlands
BMI The Chaucer Hospital	Kent	0161	TS	South East
BMI The Hampshire Clinic	Hampshire	0285	T	South East
Bourn Hall Clinic	Cambridge	0100	TS	East England
Bourn Hall Clinic (Colchester)	Essex	0188	TS	East England
Brentwood Fertility Centre	Essex	0165	TS	East England
The Bridge Centre	London	0070	TS	London
Bristol Centre for Reproductive Medicine	Bristol	0295	TS	South West
Burton Hospitals NHS Trust	Burton Upon Trent	0184	TS	West Midlands
CARE Manchester	Manchester	0185	TS	North West
CARE Northampton	Northampton	0016	TS	East Midlands
CARE Nottingham	Nottingham	0101	TS	East Midlands
CARE Sheffield	Sheffield	0061	TS	Yorkshire & Humberside
Centre for Human Development, Stem Cells and Regeneration/ Division of Human Genetics	Southampton	0251	R	South East
Centre for Reproductive Medicine and Fertility – Sheffield	Sheffield	0196	TS	Yorkshire & Humberside
Centre for Reproductive Medicine – Coventry	Coventry	0013	TSR	West Midlands
The Centre for Reproductive and Genetic Health	London	0044	TS	London
The Chiltern Hospital Fertility Services Unit	Great Missenden	0064	TS	South East
Centre for Stem Cell Biology (Alfred Denny)	Sheffield	0312	R	Yorkshire & Humberside
Chelsea and Westminster Hospital	London	0158	TS	London
Cleveland Gynaecology and Fertility Centre	Middlesbrough	0056	TS	North East
Complete Fertility Centre Southampton	Southampton	0307	TS	South East
Countess of Chester Hospital	Chester	0280	T	North West

T: Treatment S: Storage R: Research

Appendices

Centre Name	Location	Centre No	Centre Type	Region
County Durham ACU	County Durham	0168	TS	North East
Craigavon Area Hospital	Belfast	0294	T	Northern Ireland
CREATE Centre for Reproduction and Advanced Technology	London	0299	TS	London
CRM London	London	0199	TS	London
CRMW – Centre for Reproductive Medicine Wales	Pontyclun	0316	TS	Wales
Crosshouse Hospital	Kilmarnock	0287	T	Scotland
Dumfries and Galloway Royal Infirmary	Dumfries	0275	T	Scotland
Edinburgh Assisted Conception Unit	Edinburgh	0201	TS	Scotland
Epsom and St Helier NHS Trust	Surrey	0259	T	London
Fertility Unit Barking – Havering and Redbridge Hospitals Trust	Romford, Essex	0291	T	London
Fisher Bioservices UK	Hertfordshire	0300	S	East England
The Gateshead Fertility Unit	Gateshead	0170	TS	North East
Glasgow Centre for Reproductive Medicine	Glasgow	0250	TS	Scotland
Glasgow Nuffield Hospital	Glasgow	0115	TS	Scotland
Glasgow Royal Infirmary	Glasgow	0037	TS	Scotland
Gloucestershire Hospitals NHS Trust	Gloucester	0151	S	South West
Good Hope Hospital NHS Trust	Sutton Coldfield	0261	T	West Midlands
Guys Hospital	London	0102	TSR	London
Hartlepool General Hospital	Hartlepool	0031	TS	North East
Heart of England NHS Foundation Trust – Solihull Hospital	Solihull	0267	T	West Midlands
Herts and Essex Fertility Centre	Cheshunt	0030	TS	East England
Hewitt Centre for Reproductive Medicine	Liverpool	0007	TS	North West
Hexham General Hospital	Hexham	0277	T	North East
Homerton Fertility Centre	London	0153	TS	London
Hull IVF Unit	Hull	0021	TSR	Yorkshire & Humberside
Human Genetics and Embryology Laboratories	London	0245	R	London
Institute of Biomedical Research	Birmingham	0209	R	West Midlands
Institute of Reproductive and Development Biology	London	0249	R	London
IVF Hammersmith	London	0078	TSR	London
IVF Scotland	Edinburgh	0313	TS	Scotland
IVF Wales	Cardiff	0049	TS	Wales
The James Cook University Hospital	Middlesbrough	0055	TS	North East
Lanarkshire Acute Hospital NHS Trust	Lanarkshire	0098	TS	Scotland
The Leeds Centre for Reproductive Medicine	Leeds	0314	TS	Yorkshire & Humberside
Leicester Fertility Centre	Leicester	0068	TS	East Midlands
Leighton Hospital	Crewe	0279	T	North West

T: Treatment S: Storage R: Research

Appendices

Centre Name	Location	Centre No	Centre Type	Region
The Lister Fertility Clinic	London	0006	TS	London
London Female and Male Fertility Centre	London	0143	TS	London
London Fertility Centre	London	0088	TSR	London
London Fertility Centre (Storage)	London	0308	S	London
The London Sperm Bank	London	0011	S	London
London Women's Clinic	London	0105	TS	London
London Women's Clinic – Cardiff	Cardiff	0301	TS	Wales
London Women's Clinic – Darlington	Darlington	0075	TS	North East
London Women's Clinic – Swansea	Swansea	0059	TS	Wales
Luton and Dunstable NHS Trust Hospital	Luton	0256	T	East England
Manchester Fertility Services Ltd	Manchester	0033	TSR	North West
Midland Fertility Services	Walsall	0008	TS	West Midlands
Newcastle Fertility Centre at Life	Newcastle upon Tyne	0017	TSR	North East
Ninewells Hospital	Dundee	0004	TS	Scotland
North Middlesex University Hospital (Reproductive Medicines Unit)	London	0289	T	London
NURTURE	Nottingham	0076	TS	East Midlands
Origin Fertility Care	Belfast	0200	TS	Northern Ireland
Oxford Fertility Unit	Oxford	0035	TSR	South East
Peninsular Centre for Reproductive Medicine	Exeter	0005	TS	South West
Portsmouth Fertility Centre	Portsmouth	0281	T	South East
Princess of Wales Hospital (ABM University Health Board)	Bridgend	0265	T	Wales
Queen Mary's Hospital	Kent	0117	T	London
Queens Medical Centre Fertility Unit	Nottingham	0162	TS	East Midlands
Regional Fertility Centre – Belfast	Belfast	0077	TS	Northern Ireland
Reproductive Genetics Institute	London	0206	TS	London
Reproductive Medicine Clinic – Bristol	Bristol	0276	T	South West
Reproductive Medicine Unit	London	0167	TS	London
The Rosie Hospital	Cambridge	0051	S	East England
Roslin Cells Limited	Edinburgh	0202	R	Scotland
The Royal Bournemouth NHS Foundation Trust	Bournemouth	0288	T	South West
Royal Cornwall Hospital	Truro	0282	T	South West
Royal Derby Hospital	Derby	0149	TS	West Midlands
Royal Surrey County Hospital	Surrey	0159	S	South East
Salisbury Fertility Centre	Salisbury	0197	TS	South West
Section of Reproductive and Developmental Medicine	Sheffield	0191	R	Yorkshire & Humberside
Shirley Oaks Hospital	London	0163	TS	London
Shropshire and Mid-Wales Fertility Centre	Shrewsbury	0148	TS	West Midlands
SNBTS Tissues and Cells Directorate	Edinburgh	0317	TS	Scotland
South East Fertility Clinic	Kent	0208	TS	South East

T: Treatment **S:** Storage **R:** Research

Appendices

Centre Name	Location	Centre No	Centre Type	Region
South West Centre for Reproductive Medicine	Plymouth	0179	TS	South West
Spire Bristol Hospital	Bristol	0284	T	South West
St Jude's Women's Hospital	Wolverhampton	0198	TS	West Midlands
St Mary's Hospital	Manchester	0067	TSR	North West
Subfertility Unit – James Paget Healthcare NHS Trust	Norfolk	0190	S	East England
Sunderland Fertility Centre	Sunderland	0096	TS	North East
Sussex Downs Fertility Centre	Eastbourne	0015	TS	South East
Swansea Reproduction Unit	Swansea	0273	T	Wales
Torbay Hospital	Torquay	0260	T	South West
University of Cambridge	Cambridge	0246	R	East England
University of Manchester	Manchester	0175	R	North West
University of Oxford, Department of Obstetrics and Gynaecology	Oxford	0311	R	South East
Wales Heart Research Institute	Cardiff	0319	R	Wales
Wellcome Trust Centre for Stem Cell Research University College Cambridge	Cambridge	0252	R	East England
Wessex Fertility Limited	Southampton	0057	TS	South East
West Middlesex University Hospital	London	0302	T	London
Western Sussex Hospitals NHS Trust – St Richards Hospital	Chichester	0269	T	South East
The Whittington Hospital Fertility Unit	London	0258	T	London
The Winterbourne Hospital	Dorset	0133	TS	South West
The Woking Nuffield Hospital	Surrey	0144	TS	South East
The Women's Unit – Cwm Taff NHS Trust	Rhondda Cynon Taff	0298	T	Wales
Yeovil District Hospital	Yeovil	0283	T	South West

T: Treatment **S:** Storage **R:** Research

*An up to date list of centres can be viewed on our website at: www.hfea.gov.uk

Appendices

Appendix III:**External Advisors as at 31 March 2011****Clinical Advisors****Mr Bernard Bentick**

Accredited Consultant
The Shropshire and Mid-Wales Fertility Centre

Mr Peter Brinsden

Group Medical Director/Licence Holder
Bourn Hall Clinic International

Mr Richard Kennedy

Medical Director
University Hospitals
Coventry and Warwickshire NHS Trust

Mr Yakoub Khalaf

Person Responsible/Medical Director
Guy's Hospital

Mr Stephen Maguiness

Person Responsible/Medical Director
Hull IVF Unit

Mr Nigel Perks

Consultant Obstetrician and Gynaecologist
Barts and The London Centre
for Reproductive Medicine

Mr Andrew Riddle

Person Responsible/Medical Director
Assisted Conception Services
Nuffield Health
Woking Hospital

Mr Robert Sawers

Person Responsible/Medical Director
BMI The Priory Hospital

Scientific Advisors**Dr Virginia Bolton**

Consultant Embryologist
Guy's Hospital

Ms Grace Cunningham

Inspection/Compliance Consultant
Self-employed

Prof Lynn Fraser

Emeritus Professor of Reproductive Biology
School of Biomedical and Health Sciences
King's College London

Dr Stephanie Gadd

Senior Embryologist
Bath Fertility Centre

Mr David Gibbon

Principal Embryologist and
Business Manager for Fertility Services
Hartlepool General Hospital

Mr Andy Glew

Lead Embryologist and Business Manager/Licence Holder
Herts and Essex Fertility Centre

Prof Geraldine Hartshorne

Person Responsible (Research)/Professorial Fellow
Warwick Medical School
University of Warwick

Mr Jason Kasraie

Person Responsible/Consultant Embryologist
The Shropshire and Mid-Wales Fertility Centre

Dr Paul Knaggs

Person Responsible (Research)/Senior Embryologist
IVF Hammersmith

Mr Stephen Lynch

Laboratory Manager
South East Fertility Clinic

Appendices

Dr Lynne Nice

Person Responsible/Senior Embryologist
The Chiltern Hospital Fertility Services Unit

Dr Karen Turner

Person Responsible (Research)/Consultant Embryologist
Oxford Fertility Unit

Dr Bryan Woodward

Embryologist Consultant
Self-employed

Counselling Advisors

Mrs Catherine Grieve

Lead Counsellor
Centre for Reproductive Medicine
University Hospitals
Coventry and Warwickshire NHS Trust

Dr Jim Monach

Mental Health Consultant
Self-employed

Ms Sheila Pike

Senior Counsellor
Centre for Reproductive Medicine and Fertility, Sheffield

Mrs Roz Shaw-Smith

Chartered Psychologist
Oxford Fertility Unit

Nursing Advisors

Mrs Sherry Ebanks

Nurse Co-ordinator
South East Fertility Centre

Ms Eileen Graham

Fertility Services Co-ordinator
Bishop Auckland General Hospital

Mrs Helen Kendrew

Matron/Fertility Services Manager
Bath Fertility Centre

Ms Janet Kirkland

Clinical Inspector
Self-employed

Mr Tony Knox

Clinical Inspector
Self-employed

Ms Kathryn Mangold

Lead Clinical Nurse/Licence Holder
Chelsea and Westminster Hospital

Ms Fiona Pringle

Nurse Co-ordinator
Oxford Fertility Unit

Appendices

Appendix IV:

Research Projects Licensed by the HFEA between 1 April 2010 to 31 March 2011

Assisted Conception Service, Glasgow Royal Infirmary (Centre 0037)

The effect of biomass reduction on embryo development after biopsy of either one or two blastomeres (R0175)

Birmingham Women's Hospital (Centre 0119) / Institute of Biomedical Research (Centre 0209)

Human gamete interaction and signalling (R0172 / R0173)

Birmingham Women's Hospital (Centre 0119)

Genetic screening of the preimplantation embryo (R0186)

Centre for Human Development, Stem Cells and Regeneration / Division of Human Genetics, University of Southampton (Centre 0251)

Environmental sensitivity of the human preimplantation embryo (R0142)

Centre for Reproductive Medicine, Coventry (Centre 0013)

Indicators of oocyte and embryo development (R0155)

Centre for Stem Cell Biology and Developmental Genetics, University of Newcastle upon Tyne (Centre 0296)

Derivation of embryonic stem cell lines from interspecies embryos produced by somatic cell nuclear transfer (R0179)

Guys Hospital, London (Centre 0102)

Improving methods for preimplantation genetic diagnosis of inherited genetic disease and predicting embryo quality (R0075) /

Developing criteria for estimating quality of stem cells derived from human embryos (R0133)

Hull IVF Unit (Centre 0021), formerly University of York (Centre 0062)

Biochemistry of early human embryos (R0067)

Human Genetics and Embryology Laboratories, University College London (Centre 0245)

Genetic profiling for infertility and development of novel preimplantation diagnosis (R0113)

Institute of Biomedical Research (Centre 0209)

Derivation of GMP human embryonic stem cells (R0184)

Institute of Reproductive and Development Biology, Imperial College London (Centre 0249)

Comparative studies on human embryonic stem cells and stem cells derived from male germ cells (R0174)

IVF Hammersmith (Centre 0078)

The vitrification of blastocysts following biopsy at the early-cleavage stage or blastocyst stage of embryo development – a pilot study (R0187)

London Fertility Centre (Centre 0088)

Analysis of chromosomes in human preimplantation embryos using Fluorescence In Situ Hybridisation (FISH) and Comparative Genomic Hybridisation (CGH) (R0169)

Manchester Fertility Services Ltd. (Centre 0033) / St Mary's Hospital, Manchester (Centre 0067) / University of Manchester (Centre 0175)

In vitro development and implantation of normal human preimplantation embryos and comparison with uni- or poly-pronucleate pre-embryos (R0026) / Derivation of human embryonic stem cell lines from embryos created from clinically unused oocytes or abnormally fertilised embryos (R0170/171)

Newcastle Fertility Centre at Life (Centre 0017)

Pluripotency reprogramming and mitochondrial biology during early human development (R0152) / Mitochondrial DNA disorders: is there a way to prevent transmission? (R0153)

Oxford Fertility Unit (Centre 0035) / University of Oxford, Department of Obstetrics and Gynaecology (Centre 0311)

Development of a model to study implantation in the human (R0111) /

To derive human embryonic stem cells and trophoblast cell lines (R0143) /

To develop preimplantation genetic diagnosis (PGD) for mitochondrial DNA disease (R0149)

Appendices

Roslin Cells Limited (Centre 0202)

Platform technologies underpinning human embryonic stem cell derivation (R0136)

**Section of Reproductive & Developmental Medicine,
University of Sheffield (Centre 0191) /
Centre for Stem Cell Biology (Alfred Denny),
Sheffield (Centre 0312)**

Development of human embryonic stem cell lines to Good Manufacturing Practice for treatment of degenerative diseases and conditions (R0115)

University of Cambridge (Centre 0246)

Derivation of stem cells from human surplus embryos: the development of human embryonic stem cell (hES) cultures, characterisation of factors necessary for maintaining pluripotency and specific differentiation towards transplantable tissues (R0162)

**Wales Heart Research Institute (Centre 0319),
formerly IVF Wales (Centre 0049)**

Investigation into the role of sperm PLC zeta in human oocyte activation (R0161)

**Wellcome Trust Centre for Stem Cell Research,
University of Cambridge (Centre 0252)**

Derivation of pluripotent human embryo cell lines (R0178)



Appendices

New PGD Conditions Licensed by the HFEA between 1 April 2010 to 31 March 2011

Name of Condition	OMIM Number	Date of Licence Committee
Central Core Disease of Muscle	117000	30 April 2010
Branchio-Oto-Renal Syndrome (BOR)	113650	30 April 2010
Acute Recurrent Autosomal Recessive Rhabdomyolysis (ARARRM)	268200	30 April 2010
Muscle-Eye-Brain Disease	253280	30 April 2010
5 Alpha Reductase Deficiency	264600	24 June 2010
Autosomal Dominant Polycystic Kidney Disease (ADPKD)	173900	24 June 2010
BRCA2 (Breast Ovarian Cancer Familial Susceptibility)	612555; 600185	24 June 2010
Rett Syndrome RTT and Neonatal Encephalopathy	312750; 300673	29 July 2010
Sanfilippo or Mucopolysaccharidosis Type III A	252900	29 July 2010
Tyrosinaemia Type 1	276700	29 July 2010
Czech dysplasia, metatarsal type also known as progressive pseudorheumatoid dysplasia with hypoplastic toes	609162	29 July 2010
Multiple Endocrine Neoplasia Type 2A (MEN type 2A)	171400	29 July 2010
Birt-Hogg-Dubé Syndrome	135150	29 July 2010
Ectrodactyly, Ectodermal Dysplasia, Clefting Syndrome (EEC)	129900	29 July 2010
Propionic Acidemia	606054	29 July 2010
Citrullinaemia Type 1	215700	29 July 2010
Ehlers-Danlos Type IV	130050	29 July 2010
Dominant Dystrophic Epidermolysis Bullosa	131750	26 August 2010
Cowden syndrome (CS) / PTEN hamartoma tumour syndrome (PHTS)	601728	26 August 2010
Non-Ketotic Hyperglycinaemia (NKH)/ Glycine Encephalopathy (GCE)	605899	26 August 2010
Aicardi Goutieres Syndrome 1 (AGS1)	225750	26 August 2010
Pachyonychia Congenita Type 1	167200	26 August 2010
Leigh Syndrome (Infantile Subacute Necrotising Encephalopathy)	185620	26 August 2010
Alpha-1-antitrypsin deficiency	107400	30 September 2010
Multiple Endocrine Neoplasia Type 2B (MEN 2B)	162300	28 October 2010
Gangliosidosis (GM1)	230500	28 October 2010
Autosomal Dominant Retinitis Pigmentosa	604485	28 October 2010

Appendices

Name of Condition	OMIM Number	Date of Licence Committee
Ataxia Telangiectasia	208900	25 November 2010
Alpha-mannosidosis	248500	25 November 2010
Sanjad Sakati Syndrome	241140	25 November 2010
Autosomal Recessive Severe Combined Immunodeficiency with bilateral sensorineural deafness	267500	25 November 2010
Methylmalonic aciduria and homocystinuria	277400	25 November 2010
Simpson Golabi Behmel Syndrome Type 1	312870	16 December 2010
Autosomal Dominant Hyper IgE Syndrome	147060	16 December 2010
Mucopolidosis type II	252500	16 December 2010
Elastin (ELN) - related Supravalvular Aortic Stenosis	185500	27 January 2011
Factor XIII deficiency	613225	24 February 2011
Macular Dystrophy Retinal 2	608051	24 February 2011
Osteogenesis Imperfecta type 1A	166240	24 February 2011
Fraser Syndrome	219000	31 March 2011
Micro Syndrome (WARBM)	600118	31 March 2011
Mucopolysaccharidosis type VI	253200	31 March 2011

Appendices

Appendix V:

HFEA Peer Reviewers for PGD Applications as at 31 March 2011

Prof Faisal Ahmed

Consultant in Paediatric Endocrinology and Bone Metabolism
Royal Hospital for Sick Children, Glasgow

Dr Edward Blair

Consultant in Clinical Genetics
Clinical Genetics Service
Oxford Radcliffe Hospital

Prof Kate Bushby

Action Research Professor in Neuromuscular Genetics
Institute of Genetic Medicine
International Centre for Life, Newcastle

Dr Anupam Chakrapani

Consultant in Inherited Metabolic Disorders
Birmingham Children's Hospital

Prof Angus Clarke

Professor and Consultant in Clinical Genetics
Institute of Medical Genetics
Cardiff University

Prof Jill Clayton-Smith

Honorary Professor and Consultant in Clinical Genetics
St. Mary's Hospital, Manchester

Dr Bru Cormand

Associate Professor of Genetics
Department of Genetics
University of Barcelona

Dr Justin Davies

Consultant in Paediatric Endocrinology
and Honorary Senior Lecturer
Child Health Directorate
Southampton University Hospital Trust

Prof Diana Eccles

Consultant in Clinical Genetics
Wessex Clinical Genetics Service
Princess Anne Hospital, Southampton

Dr Frances Flinter

Consultant in Clinical Genetics
Guy's & St Thomas' NHS Foundation Trust, London

Dr Nicola Foulds

Consultant in Clinical Genetics
Wessex Clinical Genetics Service
Princess Anne Hospital, Southampton

Dr Alan Fryer

Consultant Clinical Geneticist
Liverpool Women's NHS Foundation Trust

Dr Melita Irving

Consultant in Clinical Genetics
Guy's & St Thomas' NHS Foundation Trust, London

Dr Simon Jones

Consultant in Paediatric Inherited Metabolic Disease
Central Manchester University Hospitals NHS Foundation Trust

Dr Tara Montgomery

Consultant in Clinical Genetics
Institute of Human Genetics
International Centre for Life, Newcastle

Dr Kay Metcalfe

Consultant in Clinical Genetics
Genetic Medicine
St. Mary's Hospital, Manchester

Dr Andrew Morris

Metabolic Paediatrician
Genetic Medicine
St Mary's Hospital, Manchester

Prof Francesco Muntoni

Professor of Paediatric Neurology
Institute of Child Health and
Great Ormond Street Hospital, London

Dr Ruth Newbury-Ecob

Consultant in Clinical Genetics
United Hospitals Bristol and Honorary Reader in Medical Genetics
University of Bristol

Dr Christine Oley

Consultant in Clinical Genetics
Clinical Genetics Unit
Birmingham Women's Hospital

Appendices

Dr Simon Olpin

Consultant Clinical Scientist in Inherited Metabolic Disease
Department of Clinical Chemistry
Sheffield Children's Hospital

Dr Kai Ren Ong

Consultant in Clinical and Cancer Genetics
Birmingham Women's NHS Foundation Trust

Prof Mary Porteous

Consultant in Clinical Genetics
South East Scotland Genetic Service
Western General Hospital, Edinburgh

Prof Nazneen Rahman

Professor of Human Genetics
Institute of Cancer Research

Dr Uma Ramaswami

Consultant Metabolic Paediatrician
Cambridge University Hospitals

Dr Richard Sandford

Consultant in Medical Genetics
Academic Laboratory of Medical Genetics
University of Cambridge

Dr Glenda J Sobey

Consultant, EDS Specialist Clinic
Department of Clinical Genetics
Sheffield Children's Hospital

Dr Miranda Splitt

Consultant in Clinical Genetics
Institute of Human Genetics
International Centre for Life, Newcastle

Dr Mohnish Suri

Consultant in Clinical Genetics
Nottingham Clinical Genetics Service
Nottingham University Hospitals NHS Trust

Prof Karen Temple

Professor of Medical Genetics
University of Southampton
and Honorary Consultant in Clinical Genetics
Wessex Clinical Genetics Service
Princess Anne Hospital, Southampton

Dr Peter Turnpenny

Consultant in Clinical Genetics
Clinical Genetics Department
Royal Devon & Exeter Hospital, Exeter

Dr John Walter

Metabolic Paediatrician
Genetic Medicine
Saint Mary's Hospital, Manchester

Dr Diana Wellesley

Consultant in Clinical Genetics
Wessex Clinical Genetics Service
Princess Anne Hospital, Southampton

Dr Michael Wright

Consultant in Clinical Genetics
Institute of Human Genetics
International Centre for Life, Newcastle

Appendices

HFEA Peer Reviewers for Research Applications as at 31 March 2011

Prof Lars Åhrlund-Richter

Professor of Molecular Embryology
Department of Women's and Children's Health
Karolinska Institute
Stockholm, Sweden

Prof Siladitya Bhattacharya

Professor of Reproductive Medicine
Department of Obstetrics and Gynaecology
University of Aberdeen

Dr Virginia Bolton

Consultant Embryologist
Assisted Conception Unit
Guy's Hospital, London

Prof Nigel Brown

Dean
Faculty of Medicine and Biomedical Sciences
St George's, University of London

Dr Mark Curry

Senior Lecturer
Department of Biological Sciences
University of Lincoln

Prof Joy Delhanty

Scientific Director
Centre for PGD
University College London

Prof Simon Fishel

Managing Director
CARE Fertility Group Ltd

Prof Richard Fleming

Director GCRM Ltd and Honorary Professor of
Reproductive Medicine
Glasgow University

Prof Stephen Franks

Professor of Reproductive Endocrinology
Imperial College London

Dr Joyce Harper

Deputy Director
UCL Centre for PGD
University College London

Prof Geraldine Hartshorne

Professorial Fellow
Clinical Sciences Research Institute
Warwick Medical School
University of Warwick

Prof Martin Johnson

Professor of Reproductive Sciences
Department of Physiology
Development and Neuroscience
University of Cambridge

Dr Sue Kimber

Co-Director
North West Embryonic Stem Cell Centre
University of Manchester

Mr Charles Kingsland

Consultant Gynaecologist
Reproductive Medicine Department
Liverpool Women's Hospital

Prof Alan McNeilly

Programme Leader
MRC Centre for Reproductive Health and
Honorary Professor
University of Edinburgh

Dr Anthony Michael

Deputy Head of Graduate School and
Reader in Reproductive Science
St George's, University of London

Prof Harry Moore

Co-Director
Centre for Stem Cell Biology
Department for Biomedical Sciences
University of Sheffield

Prof Christine Mummery

Professor of Developmental Biology and
Chair of the Department of Anatomy and Embryology
Leiden University Medical Center, The Netherlands

Dr Jennifer Nichols

Assistant Director of Research
Wellcome Trust Centre for Stem Cell Research
University of Cambridge

Appendices

Dr Sue Pickering

Consultant Embryologist
Edinburgh Fertility and Reproductive Endocri
University of Edinburgh

Prof Helen Picton

Chair of Reproduction and Early Development a
Scientific Director of the Reproductive Medicine U
University of Leeds and Leeds Teaching Hospita
NHS Trust

Prof Ian Sargent

Professor of Reproductive Science
Nuffield Department of Obstetrics and Gynaecolog
University of Oxford

Prof Justin St. John

Centre Director
Centre for Reproduction and Development
Monash Institute of Medical Research, Australia

Prof Miodrag Stojkovic

Deputy Director of Regenerative Medicine
Centro de Investigacion Principe Felipe, Spain

Prof Karl Swann

Chair
Reproductive Cell Biology
Section of Obstetrics and Gynaecology
Cardiff University School of Medicine

Prof Michael Whitaker

Professor of Physiology and Dean of Development
Institute for Cell and Molecular Biosciences Medical School
University of Newcastle

Dr Maureen Wood

Honorary Research Fellow
Department of Obstetrics and Gynaecology
University of Aberdeen



Appendices

Appendix VI:

Members' Interests as at 31 March 2011

(or at end of term of office, if this was prior to 31 March 2011)

Name	Mr Hossam I Abdalla FRCOG
Direct employment and consultancies	Director and Person Responsible at the Lister Fertility Clinic; Licence Holder at Agora Gynaecology and Fertility Centre
Fee-paid work other than HFEA	None
Shareholdings	Various managed unit trusts
Other public appointments and committee memberships	None
Other	None
Registration of hospitality	None

Name	Prof David Archard
Direct employment and consultancies	Professor of Philosophy at Lancaster University
Fee-paid work other than HFEA	External examining; Royalties from academic publications; Occasional honoraria for lectures and for acting in an advisory capacity
Shareholdings	None
Other public appointments and committee memberships	None
Other	None
Registration of hospitality	None

Name	Ms Debbie Barber
Direct employment and consultancies	Nurse Consultant and Lecturer in Women's Reproductive Health at Oxford Fertility Unit
Fee-paid work other than HFEA	Oxford Brookes University and Greenwich University
Shareholdings	None
Other public appointments and committee memberships	None
Other	None
Registration of hospitality	None

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Name	Ms Anna Carragher
Direct employment and consultancies	None
Fee-paid work other than HFEA	None
Shareholdings	Equity Unit Trust
Other public appointments and committee memberships	Chair of the Grand Opera House Trust Belfast; Council Member of the Wildfowl and Wetlands Trust; Commissioner of the Equality Commission for Northern Ireland
Other	None
Registration of hospitality	None

Name	Mrs Sally Cheshire
Direct employment and consultancies	Self-employed Management Consultant
Fee-paid work other than HFEA	NHS Northwest (Strategic Health Authority) - Non-Executive Director and Chair of Audit Committee (until 6 February 2011) - Chair (from 7 February 2011)
Shareholdings	None
Other public appointments and committee memberships	Volunteer - Samaritans Branch in Manchester Area
Other	None
Registration of hospitality	None

Name	Dr Mair A Crouch
Direct employment and consultancies	Tutor, Glasgow University; Genetics and Law Consultancy
Fee-paid work other than HFEA	Honoraria for occasional lectures
Shareholdings	None
Other public appointments and committee memberships	Generation Scotland Advisory Board
Other	Member of: British Society for Human Genetics; Society for Genomics Policy and Population Health; Human Genetics Commission Consultative Panel
Registration of hospitality	None

Name	Ms Jane Dibblin
Direct employment and consultancies	Freelance Executive Producer
Fee-paid work other than HFEA	Author's royalties; Occasional teaching and training
Shareholdings	BAA
Other public appointments and committee memberships	None
Other	None
Registration of hospitality	None

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Name	Ms Rebekah Dundas
Direct employment and consultancies	Programme Manager, Big Lottery Fund
Fee-paid work other than HFEA	None
Shareholdings	None
Other public appointments and committee memberships	None
Other	Member of: Infertility Network UK; Donor Conception Network; Twins and Multiple Births Association (TAMBA)
Registration of hospitality	None

Name	Mrs Ruth Fasht OBE
Direct employment and consultancies	Management and Organisational Consultancy – children and family services; Fostering and adoption services, and related issues
Fee-paid work other than HFEA	Occasional consultancy on children and family services
Shareholdings	None
Other public appointments and committee memberships	Member of: Norwood Council; Norwood Adoption Society Management Committee and Adoption Panel of Intercountry Adoption Centre; Chair of the Advisory Board of Children's Centre, London Borough of Barnet
Other	Member of: Institute of Group Analysis; British Association for Adoption and Fostering
Registration of hospitality	None

Name	Dr Andy Greenfield
Direct employment and consultancies	Medical Research Council
Fee-paid work other than HFEA	University of Oxford: Teaching, supervision of students; University of London: PhD viva fee; Wellcome Trust: committee fees
Shareholdings	None
Other public appointments and committee memberships	Member of The Wellcome Trust's "Molecules, Genes & Cells" Funding Committee (2010/11)
Other	Member of British Society for Developmental Biology and Anatomical Society
Registration of hospitality	None

Name	Prof Neva Haites OBE
Direct employment and consultancies	Vice Principal and Head of College of Life Science and Medicine; Honorary Consultant Clinical Geneticist; Member of the Board NHS Grampian
Fee-paid work other than HFEA	External Examiner for the University of Malaya
Shareholdings	Jointly with husband - Weatherford; Managed funds including a selection of shares selected by the Management Consultants
Other public appointments and committee memberships	Chair of Experimental and Translational Research Grants Committee of Chief Scientist Office, Scotland
Other	None
Registration of hospitality	None

Appendices

Name	Ms Gemma K Hobcraft
Direct employment and consultancies	Self-employed Barrister
Fee-paid work other than HFEA	Occasional royalties from publications
Shareholdings	None
Other public appointments and committee memberships	Government Equalities Office appointment as a 'Public Appointment Ambassador'
Other	Executive Committee Member: Human Rights Lawyers Association; Trustee: Brook London
Registration of hospitality	None

Name	Prof Emily Jackson
Direct employment and consultancies	Professor of Law at the London School of Economics
Fee-paid work other than HFEA	External examining; Occasional honoraria for lectures and for acting in an advisory capacity; Author royalties from academic publishers
Shareholdings	None
Other public appointments and committee memberships	None
Other	Member of: BMA Medical Ethics Committee; Royal College of Physicians Committee on Ethical Issues in Medicine; Royal College of Pathologists Ethics Committee
Registration of hospitality	None

Name	Prof Lisa Jardine CBE
Direct employment and consultancies	Director of the Centre for Editing Lives and Letters; Centenary Professor of Renaissance Studies at Queen Mary, University of London
Fee-paid work other than HFEA	Royalties from academic publications; Journalism and media
Shareholdings	None
Other public appointments and committee memberships	Trustee of the V&A Museum and Patron of the Archives and Records Association
Other	Fellow of the Royal Historical Society; Honorary Fellow of King's College, Cambridge and Jesus College, Cambridge; Honorary doctorates at Sheffield Hallam University and Open University
Registration of hospitality	None

Name	Rev Mr Ermal Kirby
Direct employment and consultancies	A post-holder in the Methodist Church, receiving a stipend from the national body and expenses from the London District
Fee-paid work other than HFEA	None
Shareholdings	None
Other public appointments and committee memberships	None
Other	Trustee of M B Reckitt Charitable Trust
Registration of hospitality	None

Appendices

Name	Prof William Ledger
Direct employment and consultancies	Professor of Obstetrics and Gynaecology, University of Sheffield; Honorary Consultant at the Sheffield Teaching Hospitals Trust; Member Advisory Board - Ferring Limited
Fee-paid work other than HFEA	Honoraria for various academic presentations at scientific meetings
Shareholdings	None
Other public appointments and committee memberships	ESHRE Taskforce on Fertility and Society; Member of Council - Royal College of Obstetricians and Gynaecologists
Other	Research Funding from Ferring, Ipsen and SPD; Advisory Board for Merck, Sharpe and Dohme
Registration of hospitality	None

Name	Mrs Clare J Lewis-Jones MBE
Direct employment and consultancies	Chief Executive, Infertility Network UK (INUK)
Fee-paid work other than HFEA	None
Shareholdings	None
Other public appointments and committee memberships	None
Other	Patient Representative on the British Fertility Society Management Committee; Member of: European Society of Human Reproduction and Embryology and Labour Party; Chair of: National Infertility Awareness Campaign; Association of Fertility Patient Organisations and Fertility Europe
Registration of hospitality	None

Name	Ms Lillian Neville
Direct employment and consultancies	Senior Lecturer, University of Salford, Registered Nurse
Fee-paid work other than HFEA	None
Shareholdings	None
Other public appointments and committee memberships	Committee member of the Association of Advanced Nurse Practice Educators (AANPE)
Other	Member of: Institute for Health and Social Care Research; Royal College of Nursing
Registration of hospitality	None

Name	Dr Susan M Price
Direct employment and consultancies	Consultant in Clinical Genetics
Fee-paid work other than HFEA	Occasional work as an expert in legal cases requiring specialist genetic reports
Shareholdings	None
Other public appointments and committee memberships	None
Other	Member of: British Society of Human Genetics; European Society of Human Genetics; Skeletal Dysplasia Group and Leicester Genetics Club (a national forum to discuss ethical issues in genetics); Fellow of the Royal College of Physicians
Registration of hospitality	None

Appendices

Name	Prof Lesley Regan
Direct employment and consultancies	Professor and Head of Obstetrics and Gynaecology, Imperial College Healthcare NHS Trust at St Mary's Hospital; Deputy Head of Department of Surgery and Cancer (Development and Communications) Imperial College London
Fee-paid work other than HFEA	None
Shareholdings	None
Other public appointments and committee memberships	President of the Association of Early Pregnancy Units in the UK, International Federation of Gynaecology and Obstetrics (FIGO); Chair of Women's Sexual and Reproductive Rights (WSSR) and Royal College of Obstetricians and Gynaecologists (RCOG); Member of the Council, International Board; Chair of Advocacy Committee Royal Society of Medicine: Global Health Steering Committee Trustee: NCEPOD, CHARM and GENESIS Trust, Wellbeing of Women
Other	Occasional fees for editorial/medical legal work and writing of reports.
Registration of hospitality	None

Name	Dr Alan R Thornhill
Direct employment and consultancies	Scientific Director and Person Responsible, The London Bridge Fertility, Gynaecology and Genetics Centre, London
Fee-paid work other than HFEA	Various academic presentations (for which expenses and honoraria awarded) Ad hoc consultancy work: Clinica Genesys, Bucharest, Romania, Eurordis - Rare Diseases Europe
Shareholdings	None
Other public appointments and committee memberships	Secretary of the Alpha Scientists in Reproductive Medicine
Other	None
Registration of hospitality	None

4

Remuneration Report



Remuneration Report

The HFEA develops its remuneration recommendations based on the Civil Service Pay Guidance issued annually by HM Treasury. Our reward systems are therefore aligned to central government recommendations, and should:

- Reflect organisational needs and be sufficiently flexible to adjust to changing business circumstances
- Improve the operation of the delegated pay arrangements by reducing divergence for staff with similar skills doing similar work from the same relevant labour market, where this is not justified by business needs
- Support the public service ethos and values, be transparent and meet the commitment to equal pay
- Recognise and reward results and performance – pay should reflect output, results and performance, with the best performers (both individual and/or teams) and those who contribute the most receiving the highest reward.

The HFEA sets its pay rates at median levels compared to the market.

Reward agreements must be within the HFEA budget set through the Arm's Length Body (ALB) team at the Department of Health.

Reward Systems and Approval Mechanisms

Pay levels are reviewed annually through the Remuneration Committee which has specific responsibility to monitor overall levels of remuneration and to approve the remuneration of the Chief Executive and the Directors.

Duration of Contracts, Notice Periods and Termination Payments

Members of staff in Bands 1 (Assistant grade) and 2 (Officers) have six weeks notice of termination of contract. Members of staff in Band 3 (Managers) and above have three months notice of termination of their contracts.

Termination payments are made only in appropriate circumstances and may arise when staff are not required to work their period of notice, with the exception of cases where gross misconduct has arisen in which no termination payments are made.

Chair and Non Executive Members

The Chair of the Authority, Professor Lisa Jardine, was appointed on 1 April 2008, initially on a part-time secondment basis from Queen Mary, University of London. With effect from 1 October 2009, Professor Jardine was remunerated on a part-time basis directly by the Authority. Details of the remuneration of the Chair are set out on page 53 to these accounts.

The remuneration levels of the Non-Executive Authority Members are set nationally. Revisions are made in accordance with the agreement on the Pay Framework for ALB Chairs and Non-Executive Directors, announced in March 2006. The HFEA implements the revisions when instructed.

With effect from 1 April 2010, all Non-Executive Authority Members were transferred from a daily rate basis of remuneration to fixed salary rates consistent with comparable ALBs.

Chief Executive and Directors

Until 31 May 2010, the remuneration of the Chief Executive was subject to the terms of the Department of Health's Senior Civil Service Pay Strategy and was recommended by the Chair, subject to the review of the Remuneration Committee, and agreed with the sponsor branch at the Department of Health.

With effect from 1 June 2010, and following his appointment as Chief Executive on 24 March 2010, the Chief Executive's remuneration was set within the HFEA's terms and conditions. The Chief Executive's pay is set in accordance with the recommendation of the Chair subject to the review of the Remuneration Committee and agreement of the sponsor branch at the Department of Health.

Remuneration of the Directors must be approved by the Remuneration Committee and is based on proposals received from the Chief Executive.

All Staff

In the Performance Development Planning (PDP) process, all staff are assessed on their performance and given a performance category box marking, which is then translated into performance related pay.

Remuneration Report

In line with public sector pay constraints in force during financial year 2010/11, no consolidated pay increases were awarded to staff with the exception of two consolidated uplifts of £250 awarded to staff earning below the £21,000 threshold set by HM Treasury. A number of non-consolidated small bonus awards were paid to other qualifying members of staff also in accordance with HM Treasury parameters.

Consistent criteria are applied to all staff, including Directors. To ensure fairness across the organisation, there is a moderation process managed by the Senior Management Team (SMT).

Recommendations for revised salary bands and increases for each level of performance are reviewed by the SMT and approved by the Remuneration Committee.

New posts

All new posts or posts with changed responsibilities are subject to a formal job evaluation process (Paypoints II) before recommendations for pay or changes to pay are made.

Appointments

All appointments are made in accordance with the HFEA's Recruitment and Selection Policy (revised January 2007). The aim is to ensure that all appointments of HFEA staff are made on the basis of merit and in accordance with equal opportunities.

Retirement

Staff may access their Civil Service pension from the age of 60 (65 for those in the Nuvos scheme). However, the HFEA recognises that some staff may wish to work beyond this age and in line with the Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011, coming into force on 6 April 2011, the HFEA updated its retirement policy so that it does not operate a compulsory retirement age for its employees.

Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Salary and Pension Entitlements

The following sections provide details of the remuneration and pension interests of the Chief Executive and Directors. Figures in the following tables are subject to audit.

Chief Executive: Mr Alan Doran CB

From 1 October 2007, Mr Alan Doran CB was seconded from the Department of Health to be Interim Chief Executive of the Authority.

Mr Doran was appointed as Chief Executive with effect from 24 March 2010 and was directly employed by the Authority from 1 June 2010.

From 1 April 2010 to 31 March 2011, Mr Doran's salary and pension entitlements were:

Salary	Real Increase in Pension at age 60	Real Increase in Lump Sum	Total Accrued Pension at age 60 at 31 March 2011	Related Lump Sum at 31 March 2011	CETV at 1 April 2010	CETV at 31 March 2011	Real Increase in CETV as Funded by HFEA
Band £'000	Band £'000	Band £'000	Band £'000	Band £'000	Nearest £'000	Nearest £'000	Nearest £'000
170-175 (2009/10 175-180)	2.5-5 (2009/10 2.5-5)	0-2.5 (2009/10 0-2.5)	95-100 (2009/10 90-95)	0-5 (2009/10 0-5)	1,804	1,841	(9)

Remuneration Report

Mr Doran's salary and associated costs for the period to 31 May 2010 (including his bonus paid in relation to the previous financial year in the band £5,001 - £10,000 [2009/10: £10,001- £15,000]) were paid by the Department of Health, and were reimbursed by the HFEA. From 1 June 2010 Mr Doran's salary was paid directly by the Authority. No benefits in kind were paid by the HFEA to Mr Doran.

Further information in respect of the Department of Health's Senior Civil Service Pay Strategy is provided in the Department of Health's Annual Report and Accounts.

Directors

The Government Financial Reporting Manual requires the HFEA to provide information on the salary and pension rights of the named individuals who are the most senior managers of the HFEA, subject to the individuals concerned consenting to disclosure.

The salary and pension entitlements of the most Senior Managers in the HFEA during the period were.

Name of Senior Manager	Salary	Real Increase in Pension at age 60	Real Increase in Lump Sum	Total Accrued Pension at age 60 at 31 March 2011	Related Lump Sum at 31 March 2011	CETV at 1 April 2010	CETV at 31 March 2011	Real Increase in CETV as Funded by HFEA
	Band £'000	Band £'000	Band £'000	Band £'000	Band £'000	Nearest £'000	Nearest £'000	Nearest £'000
Mr Mark Bennett Director of Finance and Facilities	95-100 (2009/10 90-95)	0-2.5 (2009/10 0-2.5)	0-2.5 (2009/10 0-2.5)	0-5 (2009/10 0-5)	0-5 (2009/10 0-5)	31	57	21
Mr Nick Jones Director of Compliance (appointed 1 June 2010)	75-80 (full year equivalent 95-100)	0-2.5	0-2.5	0-5	0-5	0	17	14
Mr Peter Thompson Director of Strategy and Information	90-95 (2009/10 90-95)	0-2.5 (2009/10 5-7.5)	0-2.5 (2009/10 0-2.5)	20-25 (2009/10 20-25)	0-5 (2009/10 0-5)	269	304	9

Salary

'Salary' includes gross salary, performance pay or bonuses, and any other allowance to the extent that it is subject to UK taxation. This report is based on payments made by the HFEA and thus recorded in these accounts.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer.

Civil Service Pensions

As per 2001 Statutory Instrument No. 1587, HFEA staff were conditionally admitted to the Principal Civil Service Pension Scheme (PCSPS) as from 1 April 2000, transferring from the HFEA by-analogy Scheme.

The PCSPS is an unfunded multi-employer defined benefit scheme but the HFEA is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007 by the Scheme Actuary, Hewitt Bacon Woodrow. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, staff may be in one of four defined benefit schemes; either a "final salary" scheme (Classic, Premium, or Classic Plus) or a "whole career" scheme (Nuvos).

Remuneration Report

The statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased in line with Pensions Increase legislation. New entrants joining from October 2002 may opt for either the appropriate defined benefit arrangement or a “money purchase” stakeholder pension with an employer contribution (Partnership Pension Account).

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

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

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

For 2010/11, employer’s contributions of £598,961 were payable to the PCSPS in respect of staff directly employed by the Authority (2009/10 £595,515) at one of four rates

in the range 16.7% to 24.3% (2009/10 16.7% to 24.3%) of pensionable pay, based on salary bands. The scheme’s actuary reviews employer contributions every four years following a full scheme valuation. From 2011/12 the rates will be in the range 16.7% to 24.3%. The contribution rates are set to meet the cost of benefits accrued during 2010/11 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

For 2010/11, Partnership Pension Account employer’s contributions of £14,510 were payable in respect of staff directly employed by the Authority (2009/10 £18,854) to one or more companies chosen by employees from the panel of three appointed stakeholder pension providers. Contributions of £nil were due to partnership pension providers at the balance sheet date (2009/10 £2,990).

Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/my-civil-service/pensions/index.aspx.



Remuneration Report

Cash Equivalent Transfer Values

The tables on pages 49 to 50 show the Chief Executive's and Directors' Cash Equivalent Transfer Values (CETV) accrued at the beginning and the end of the reporting period as provided by the Civil Service Pension Scheme.

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing pension benefits at their own cost.

CETVs are worked out within the guidelines and framework prescribed by the Institute and Faculty of Actuaries and do not take account of any actual or potential reduction to benefits from the Lifetime Allowance Tax which may be due when pension benefits are taken.

The factors used in the CETV calculation were revised during the year, mainly to account for the change from the use of the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) to calculate future pensions increase. This means that the opening CETV values shown in this year's report will differ to the amount shown as the closing CETV values in last year's report.

Real Increase in Cash Equivalent Transfer Values

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

Register of Interests

Details of company directorships and other significant interests declared by Authority Members can be found in Appendix VI and on our website, www.hfea.gov.uk.

The HFEA also maintains a register of company directorships and other significant interests declared by senior management. Persons wishing to view this register should apply in writing to the Director of Finance and Facilities at info@hfea.gov.uk.

Remuneration of Authority Members

Membership of the Human Fertilisation and Embryology Authority during the year ended 31 March 2011 was as follows:

Prof Lisa Jardine CBE

(Chair of the Authority and Remuneration Committee)

Prof Emily Jackson

(Deputy Chair and member of the Remuneration Committee)

Mr Hossam I Abdalla FRCOG

Prof David Archard

Mrs Debbie Barber

Ms Anna Carragher

Mrs Sally Cheshire

(Chair of the Audit and Governance Committee and member of the Remuneration Committee)

Dr Mair A Crouch

Ms Jane Dibblin

Ms Rebekah Dundas

Mrs Ruth Fasht OBE

Dr Andy Greenfield

Prof Neva Haites OBE

Ms Gemma K Hobcraft

Rev Mr Ermal Kirby

Prof William Ledger (resigned 19 April 2011)

Mrs Clare J Lewis-Jones MBE (formerly Brown) (resigned 31 May 2011)

Ms Lillian Neville

Dr Susan M Price

Prof Lesley Regan

Dr Alan R Thornhil

Remuneration Report

Chair's Remuneration

Professor Lisa Jardine was employed as Chair on a part-time secondment basis from Queen Mary, University of London from 1 April 2008 until 30 September 2009. From 1 October 2009, Professor Jardine was remunerated directly by the Authority as Chair on a part-time basis.

During financial year 2010/11 the salary of Professor Jardine from the Authority was in the band £55k - £60k. No pension contributions were paid.

Other Members' Remuneration

With effect from 1 April 2010, all Non-Executive Authority Members were transferred from a daily rate basis of remuneration to fixed salary rates consistent with comparable ALBs. No pension contributions were paid on behalf of any Member.

Aggregate remuneration payable to individual Members was in the following bands:

£5,001 - £10,000

Mr Hossam I Abdalla FRCOG	Ms Gemma K Hobcraft
Prof David Archard	Prof Emily Jackson (Deputy Chair)
Mrs Debbie Barber	Rev Mr Ermal Kirby
Ms Anna Carragher	Prof William Ledger
Dr Mair A Crouch	Mrs Clare J Lewis-Jones (formerly Brown)
Ms Jane Dibblin	Ms Lillian Neville
Ms Rebekah Dundas	Dr Susan Price
Mrs Ruth Fasht OBE	Prof Lesley Regan
Dr Andy Greenfield	Dr Alan R Thornhill
Prof Neva Haites OBE	

£10,001 - £15,000

Mrs Sally Cheshire (Chair of the Audit and Governance Committee)

Appeals Committee

The Appeals Committee Chair receives a fee of £273 per day. The Deputy Appeals Committee Chair receives a fee of £208 per day and Appeals Committee Members receive a fee of £190 per day. No pension contributions were paid on behalf of any Appeals Committee Member.

Remuneration payable to individual Members for attendance at meetings during the year was in the following band:-

£0 - £5,000

Mr Jonathan Watt-Pringle QC (Chair)

Travel and Subsistence

From September 2009 information regarding travel and subsistence claimed by Authority Members and senior management has been published on the Authority's website, www.hfea.gov.uk.

This move follows the Cabinet Secretary's decision to publish expenses incurred by senior civil servants at the Cabinet Office.

Remuneration Report

Travel and Subsistence paid to Authority Members and Senior Management during 2010/11 is as follows:

Name	Air	Rail / Tube	Taxi/Car / Parking	Accommodation/ Meals	Other	Total
	£	£	£	£	£	£
Senior Management	501	520	690	1,112	0	2,823
Authority Members	8,185	19,003	1,799	4,440	1,397	34,824
Appeals Committee Members	-	-	-	-	-	-
TOTALS	8,686	19,523	2,489	5,552	1,397	37,647

Audit

Certain of the disclosures in the Remuneration Report are subject to audit. These include salaries and allowances, bonuses, expense allowances, compensation for loss of office and non-cash benefits for each Senior Manager and Member who served during the year.



Mr Alan Doran CB

Chief Executive

28 June 2011

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Statement of the
Responsibility of
the Authority and
Chief Executive



Statement of the Responsibility of the Authority and Chief Executive

Authority Members' Responsibilities

Under section 6(1) of the Human Fertilisation and Embryology Act 1990 (as amended), the Human Fertilisation and Embryology Authority is required to prepare a statement of accounts for each financial year in the form and on the basis determined by the Secretary of State, advised by HM Treasury. The accounts are prepared on an accruals basis, and must show a true and fair view of the Authority's state of affairs at the year-end, its net expenditure, changes in taxpayers' equity, and cash flow for the financial year.

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

- Observe the Accounts Directions issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Authority will continue in operation.

Accounting Officer's Responsibilities

The Accounting Officer of the Department of Health has designated the Chief Executive of the Human Fertilisation and Embryology Authority as the Accounting Officer for the Authority. His relevant responsibilities as Accounting Officer are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum. These include his responsibility for the propriety and regularity of the public finances for which he is answerable, for the keeping of proper records and for safeguarding the Authority's assets.

The following section on the Statement of Internal Control describes how the Accounting Officer fulfils these responsibilities and manages risk, whilst maintaining a sound system of controls. The external auditors, the National Audit Office (NAO), then assess and report in their Certificate in section 7 on the performance of this framework of responsibilities and controls.

Statement of the Responsibility of the Authority and Chief Executive



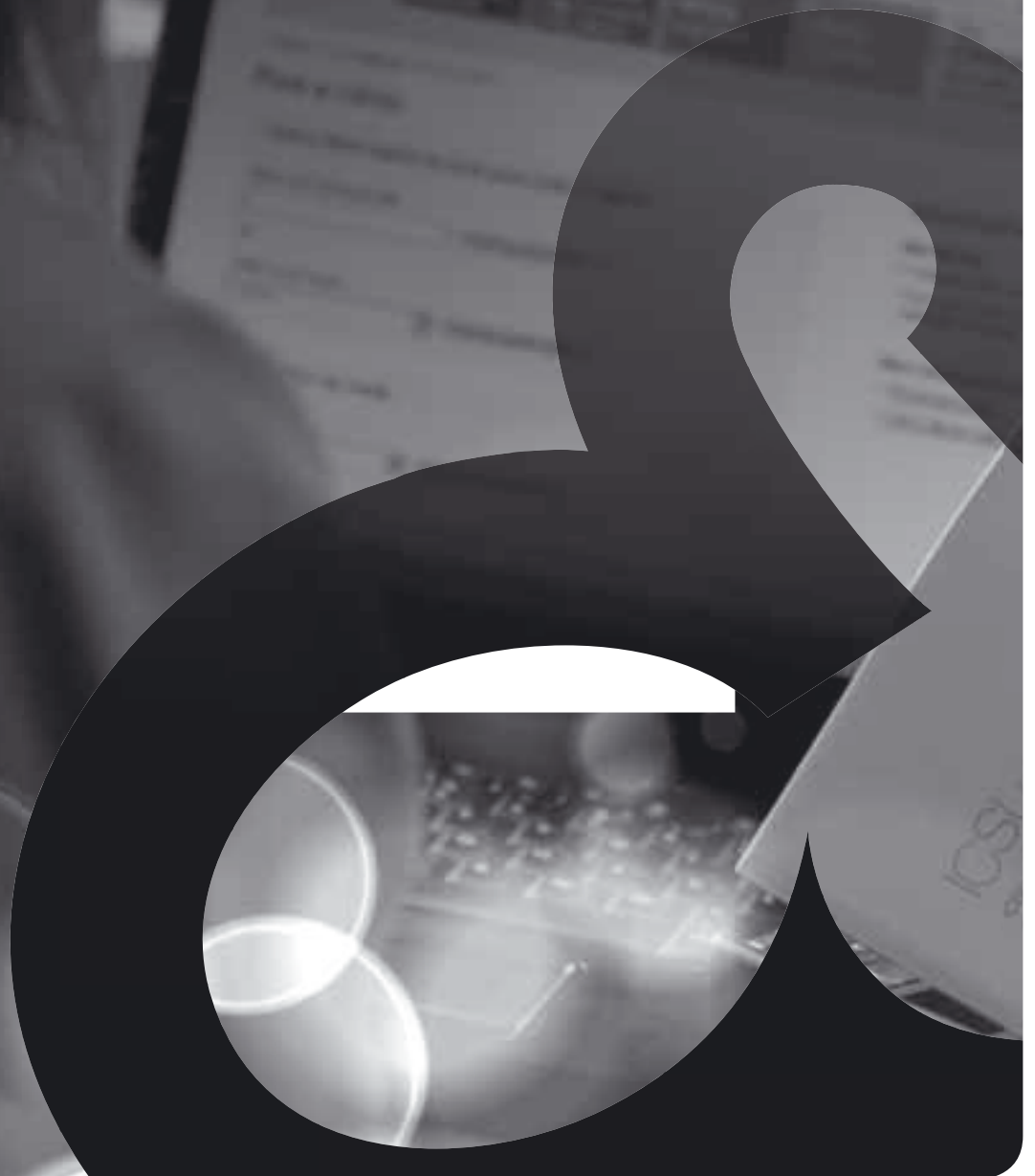
“

It will be important for the HFEA, in common with all public sector organisations, to continue to demonstrate real cost benefits and value for money in the outcomes it delivers and the resources it uses to deliver them.

”

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Statement on Internal Control



Statement on Internal Control

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the HFEA policies, aims and objectives, as set out in the Human Fertilisation and Embryology Act 1990 (as amended), the Authority's Business Plan, and by Ministers within the Department of Health, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*¹⁴.

The Management Statement, agreed between the Department of Health and the HFEA, sets out the accountability framework within which the Authority's work will be monitored.

This requires:

- Prior approval by the Department of the HFEA Annual Business Plan
- Submission to the Department of quarterly monitoring information on progress in implementing the Business Plan
- An annual accountability meeting between Department of Health Ministers and the Chair and Chief Executive of the HFEA.

Department of Health representatives regularly attend Authority meetings and meetings of the Audit and Governance Committee (AGC).

The HFEA programme of change to prepare for the HFE Act (as amended) was completed during 2010/11. Close liaison has been maintained with the Department given the changes arising from the Government's Arm's Length Bodies (ALBs) review¹⁵ and Department of Health restructuring. This liaison has developed, despite considerable uncertainty in respect of the survival of continued integration of the HFEA statutory functions. In addition to the formal accountability framework, there have been regular meetings with the Department of Health sponsor and transition teams.

A particular feature of the year has been the withdrawal and restriction of several of the procurement responsibilities of all ALB Accounting Officers.

Developed by the Cabinet Office, introduced by the Efficiency Reform Group there, and controlled by the Department of Health for its ALBs, these have meant adjusting plans, delaying projects and, in several cases, being unable either to recruit to vacant posts or obtain services. The requirement to submit lengthy business cases for minor matters and respond to uncoordinated or repetitive information requests was needlessly bureaucratic and obstructed good local initiatives.

For a small organisation with an ambitious workload, we have endeavoured to comply with the intent of the controls. We therefore have fewer people and have spent much less in restricted areas than our original budget anticipated. The recent relaxation to permit recruitment to business critical posts is welcome and the HFEA intends to use this economically and carefully.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, statutory functions, aims and objectives.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of HFEA policies, statutory functions, aims and objectives. It also evaluates the likelihood of those risks being realised, the impact should they be realised and the controls in place to mitigate them efficiently, effectively and economically. The system of internal control has been in place in the HFEA for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk or Organisational Disruption

The HFEA operates in a high risk area with a significant public profile, which means that decisions can be heavily scrutinised. The Government has stated its intention to abolish the HFEA and transfer its statutory functions during this Parliament. The proposals are provisional and create their own uncertainties and risks. It is critically important therefore, that risks are identified and managed appropriately.

¹⁴ www.hm-treasury.gov.uk/psr_mpm_index.htm

¹⁵ www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_117691

Statement on Internal Control

The HFEA corporate risk management process aims to help Members and staff to consider risk, its probability and impact, and the controls in place for management and mitigation purposes, in a consistent manner. This is achieved using a High Level Risk Register, team level operational risk logs, and the monitoring of project-specific risks. The process also recognises that risk exposure varies with new activities, or changes to existing activities, and therefore regular reviews are conducted. Such a process is of particular value in the circumstances the HFEA currently faces.

The AGC reviews strategic risks associated with the achievement of key Business Plan objectives, using a framework based on the Treasury model. Risks are also considered regularly by the Corporate Management Group (CMG). This monthly meeting is attended by key managers, including the Senior Management Team (SMT). The Authority also has regular oversight of the High Level Risk Register, recently increasing the frequency from the previous annual to three times a year.

It is recognised that effective risk management requires adequate resourcing and this is reflected in the organisation structure – however, due to the imposed restrictions, staffing levels are below complement and this features prominently in the risk register to help the HFEA mitigate any resulting exposure. The Head of Business Planning has specific responsibility for supporting risk management across the organisation and inducting new staff in risk management processes. It is recognised that all staff must be involved in, and have some understanding of, risk management. All operational managers and project managers are actively involved in risk management and all either attend or are represented on CMG and/or Programme Board.

The HFEA also has in place a business continuity plan setting out back-up working arrangements in the event that the HFEA's office building, or the area around it, is affected by accident or disruption. The contact cascade for the business continuity plan was tested successfully during 2010/11, and all managers keep a hard copy of the plan at home for reference during any emergency that may arise.

Attitude to Risk

The HFEA attitude to risk is to adopt a proportionate and balanced approach. Risk is defined as something that may jeopardise the Authority's ability to perform its statutory functions or something that may lead to an inability to achieve Business Plan objectives. This could also include failure to identify and take advantage of new opportunities.

During the past year, the HFEA has had to assess which risks, or parts of risks, it could influence, and focus on achievable mitigations and practical opportunities.

Appetite for Risk

As a regulator, the HFEA intrinsic risk appetite should reflect that of its sector. Whereas some aspects, e.g. 'standard' In vitro fertilisation treatment, may be considered mature or maturing and therefore low risk, there are others where social, political and medical technologies change and interests are high. There are a number of factors involved in this appraisal:

- The continued implementation of the amended Act
- The continuing impact of Government in redrawing the public sector in the UK
- The changes arising to ALBs, the NHS and Department of Health
- Fertility developments within the EU and internationally
- The coming to maturity of donor-conceived children in increasing numbers.

The HFEA risk appetite reflects this and continues to increase in 2010/11. From being low in 2008/09, the HFEA now has a medium risk appetite as it seeks to respond positively to change and be proactive and resilient through challenges and uncertainties. The HFEA considers it has a sound approach to most of the major issues and trends for change that it faces and is aware of the risks of complacency and of managing an organisation and staff with an uncertain future.

The Risk and Control Framework

Risk Register and Operational Risk Logs

The main focus for consideration of risk is the High Level Risk Register, which identifies the probability and impact of each risk and the mitigating controls that are in place. The risk management process also includes consideration of the tolerance threshold for each risk, with a requirement to put additional controls in place if residual risks exceed this threshold. The Risk Register has been regularly monitored during the year by CMG, which reviews the content in detail on a quarterly basis.

Statement on Internal Control

The High Level Risk Register is underpinned by a system of individual departmental operational risk logs. This operational risk system enables risks, if relevant, to be escalated to the High Level Risk Register via Directors or the Head of Business Planning. In this way, serious issues are referred to CMG for further consideration.

The assessment of risks is integrated into the business planning process, and the Risk Register is reviewed against the new objectives being developed for the Business Plan each year. The system of internal control includes an identification of key risks associated with delivery of operational objectives within each Directorate, and within individual projects, and the controls to mitigate them. Individual Directors have formally assured that these key elements of risk management and control are functioning within their respective directorates.

Information Management

A Knowledge and Information Management Strategy was developed and approved during 2010/11. This strategy will be reviewed every three years, with the main objectives being to:

- Interrogate and add value to the data held in the Register and other repositories, sharing what is permitted within statutory limitations, and making greater use of trends analysis to inform HFEA work and the sharing of information
- Promote openness and transparency by proactively publishing information, making greater use of social media and stakeholder events, and to fulfil statutory information provision functions
- Ensure that the HFEA collection of data and information is restricted to what is either required by statute or what is necessary to carry out regulatory activity, develop evidence-based policy or to better inform patient choice and service the HFEA role as an information provider
- Ensure the HFEA achieves best practice in its corporate and information governance, conforming to recognised standards and maintaining accurate, timely records
- Increase the capabilities and efficiency of HFEA staff, creating a culture where knowledge sharing is powerful and where expertise is shared by many in a learning environment.

Information Security

In accordance with our responsibilities under section 33A of the HFE Act (as amended), the HFEA has in place various robust and specific arrangements to ensure information security, including a Security Policy that applies to all staff.

This meets the requirements of the Security Policy Framework (SPF) and Information Governance Assurance Process (IGAP).

The HFEA has a register of its information assets in an Information Assets Owners log, which identifies responsible officers and enables the HFEA to help them manage their responsibilities in respect of these systems properly, particularly in respect of personal data. It has also developed a systems map showing key interdependencies between shared data and systems.

Other arrangements include:

- Secure and confidential storage of and limited access to Register information
- Prevention of any unauthorised use of removable media such as USB memory sticks and data CDs with HFEA laptops and PCs
- A fixed asset register to record the location of and responsibility for items of IT equipment
- Stringent encryption standards
- A standard, thorough data wiping process for all obsolete and retired data-storage equipment
- All staff and Members completing the online annual National School of Government course for protecting information to Level 2 or 3.

Office Management

The HFEA operates a clear desk policy and has on-site shredders and confidential disposal arrangements in place. During 2010/11, the HFEA defined electronic documents as its primary medium to record information and destroyed a large quantity of paper records in a controlled manner. The HFEA began to embed a more effective and efficient culture of records management in early 2011 as a result of a large records management project. Searching for and managing records has improved and is expected to improve further in advance of the planned office move in summer 2011.

Regulatory Risk Management

A central feature of the work of the HFEA is to regulate the sector and assess specific and general compliance with statute, regulation and good practice. From the sound platform constructed in response to the new Act, further developments and improvements were made or started during the year. The HFEA launched a new tool to assess clinic compliance risk at the end of 2010/11 and a new centres database is nearing

Statement on Internal Control

completion for launch early in 2011/12. These new systems, rationalising the information that flows to and from them, further updates to the Code of Practice and regular review of evidence from self-assessment questionnaires, incidents and inspections are all designed to improve our capacity to use information in a coherent manner. Our ability, therefore, to appraise the overall compliance of the sector, the risks of its activities and to understand the singularity of a particular clinic or reported change should improve significantly over time.

Internal Incidents

The HFEA internal incidents procedure is used to identify when something significant has gone wrong and to enable the root causes of the failure to be identified and then addressed. A small number were reported during the year and actions undertaken as a result. One near miss was also reported to the Information Commissioner (case now closed) during the year and, during April 2011, we were made aware by our archiving contractor of the inability to retrieve and destroy, as intended, a box of records from our archive. This was further investigated and subsequently found in the archive, I am pleased to report. The box has now been securely destroyed and this near miss has also been reported to the Information Commissioner. I and my Directors are promoting constructive use of incident reports and ensuring they are not seen as tools for assigning blame but as a means of improvement. The Compliance Directorate also successfully implemented a quality management system and will use the quality indicators arising to improve their processes. It is intended to extend this to the licensing function during 2011/12.

Financial and Payroll Management

A system of financial management is in place beginning with clear delegation of financial powers from myself to named officers. A revised statement of Financial Procedures and an updated set of Financial Instructions have also been introduced to reflect updated governance and organisation. Duties over payments and handling of cash are clearly segregated and have appropriate oversight and departments are required to manage procurement and contracts in accordance with the published procedures.

Myself and my Directors, assisted by the Heads of Human Resources and Finance, perform the key roles in payroll matters and approvals. Finally, detailed transaction listings and management accounts enable the proper scrutiny, review and forecasting needed to manage the HFEA budget. An increasing data series is now publicly available from the HFEA website and **www.data.gov.uk** in accordance with Government requirements.

Changing Environment

In 2010/11, as the HFEA and its sector became more familiar with the Human Fertilisation and Embryology Act 1990 (as amended), the new Coalition Government introduced changes to how ALBs operate and the Department of Health set out plans to completely reorganise itself, the NHS and its ALBs. ALBs are now required to be more transparent about many types of transactions and are quite restricted in certain categories of expenditure and recruitment. Whilst some aspects had unforeseen consequences, for example creating bureaucratic obstacles to publishing the annual report as required, the HFEA has managed well and considers this to be mostly following a trend it was setting itself anyway. For example, the HFEA has for some years published the salaries of its most senior officers.

More fundamentally, the ALB Review proposes the abolition of the HFEA over an ill-defined period whilst its statutory functions remain but are potentially transferred and dispersed. There are not many successful precedents for managing such a change and so the HFEA finds itself in a pathfinder position with a Department sponsor itself going through immense upheaval. The HFEA is determined to ensure the quality of its statutory work and morale of its staff remain as high as possible to better enable the needed transitions and to avoid the negative outcomes that might otherwise result.

Intertwined with this functional change is the need to reduce expenditure and, although the HFEA contribution will only be small and has not yet been defined by the Department (itself a cause of uncertainty), the Authority has begun planning to reduce its overall costs by 10% in successive years. One consequence is that various components of previously almost self-sufficient office services are likely to be aggregated or standardised.

In response to the changes expected of it, the HFEA Executive developed a proactive approach, in agreement with Members, to developing plans that delivered realistic outcomes and benefits, whatever the eventual decisions regarding the HFEA. The Department has supported this and the result is a developing relationship with the Care Quality Commission (CQC), with which the HFEA expects to co-locate during 2011. This provides a relatively fixed office and organisational reference point against which to prepare the HFEA for the further changes needed. After preliminary discussions and planning, this work with CQC started in earnest during February 2011 and is likely to lead to changes during the remainder of the year.

Statement on Internal Control

Review of Effectiveness

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

The HFEA's organisation-wide approach to managing risk was described earlier. This takes place at departmental and strategic level through the SMT, CMG, Standing Committees, the Authority itself and internal audit. The Authority reviews the effectiveness of risk management regularly during the year. Each functional committee of the HFEA reviews its activities and arrangements at least once each year, with actions reported to Authority as appropriate. During the year, the effectiveness of the newly operational Executive Licensing Panel was successfully assessed, internally and externally, and this too was reported to the Authority.

The AGC is the main source of assurance to the Authority on the effectiveness of risk management, and receives a report on risk at each meeting. The format and content of the High Level Risk Register was reviewed during 2010 to ensure that the correct strategic risks were captured, and to include a tolerability threshold for residual risks, in order to provide an automatic trigger for additional controls to be developed as necessary.

Directors and Departmental Heads are actively involved in ensuring that operational and high level strategic risks are identified and managed. Current risks and risk management processes are reviewed and considered by CMG, supported by the Head of Business Planning.

Programme 2010 Evaluation

The 2010/11 Business Plan included an external review of Programme 2010. It was agreed with the Department during the year that the costs of this fell within the central spending restrictions and that the likely benefits did not justify seeking ministerial approval. An internal end of project report is being prepared instead, covering a similar scope.

Programme and Project Management

Programme and project level controls are also in place, with a Programme Officer to assist in the development of effective project management practice. Project managers consider the risks associated with delivery of their objectives within each project and report to a monthly Programme Board, which in turn reports each month to CMG. All new pieces of work proposed must have a supporting business case and project initiation document, which contains an analysis of the risks of doing and not doing the work. Project management templates were overhauled during 2010/11 and more 'project geniuses' trained to PRINCE2 practitioner level. Finally, the role of project sponsor (usually a Director for high-profile projects) has been refreshed to assist project managers to both 'keep their eyes on the ball' and also obtain needed support from around the organisation to deliver project objectives.

Internal Audit has reviewed the management of key areas of work during the year. It has reported to the AGC that in respect of the arrangements made by the Authority and examined by it for the year to 31 March 2011 for risk management, control and governance and economy, efficiency and effectiveness, it found no fundamental weaknesses or deficiencies and was of the opinion that the Authority could rely on the arrangements in all material respects.

The corporate risk process now in place serves to highlight the relationships between key risks and the importance of a coordinated approach to managing them. I consider, as do my fellow Directors who have each signed a copy that the HFEA has a robust proportionate and cost-effective framework in place to manage risk and ensure organisational and financial control is effective.



Mr Alan Doran CB

Chief Executive

28 June 2011

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

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 Human Fertilisation and Embryology Authority ("the Authority") for the year ended 31 March 2011 under the Human Fertilisation and Embryology (HFE) Act 1990 (as amended). 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 Authority, Accounting Officer and Auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Authority and Accounting Officer are 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 Human Fertilisation and Embryology Act 1990 (as amended). 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 Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Authority; 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 Authority's affairs as at 31 March 2011 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Human Fertilisation and Embryology Act 1990 (as amended) and directions issued thereunder by the Secretary of State.

Opinion on Other Matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Secretary of State's directions issued under the Human Fertilisation and Embryology Act 1990 (as amended); and
- the information given in the Chair and Chief Executive's Foreword, the Management Commentary and its Appendices included within the Annual Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Matters on which I Report by Exception:

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

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse

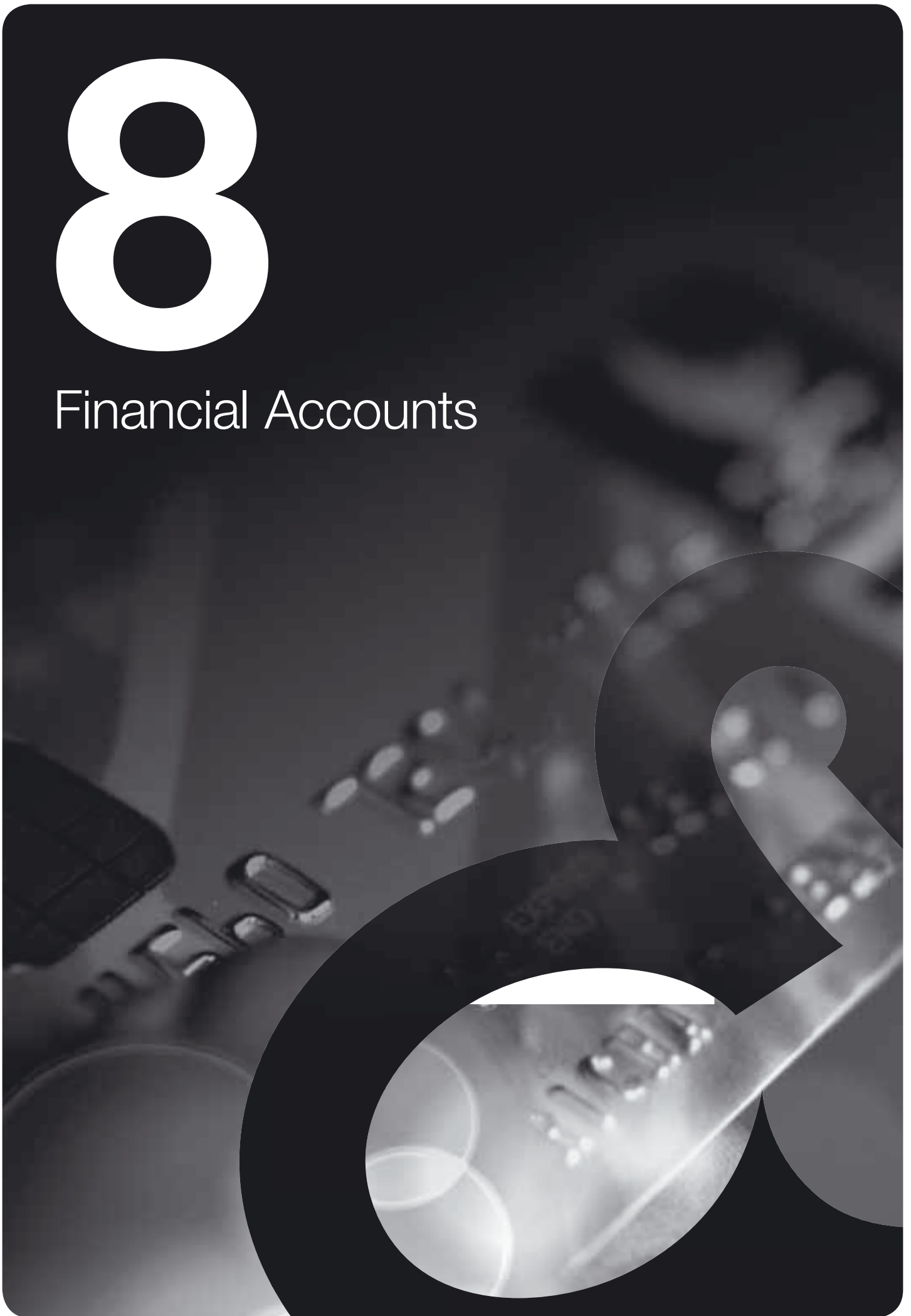
Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP

Date: 30 June 2011



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Financial Accounts



Financial Accounts

Annual Report and Accounts 2010/11

Statement of Comprehensive Net Expenditure
for the year ended 31 March 2011

	Note	2010/11	2009/10
		£	£
Expenditure			
Staff Costs	2	4,582,781	4,693,717
Depreciation	3	332,763	262,682
Loss on Disposal of Assets	3	393	15,065
Other Expenditures	3	2,126,929	2,109,461
		7,042,866	7,080,925
Income			
Income from Activities	4	5,915,560	5,650,612
Other Income	4	27,736	16,072
		5,943,296	5,666,684
Net Expenditure		1,099,570	1,414,241
Interest Receivable		(2,702)	(895)
Net Expenditure after Interest		1,096,868	1,413,346
Other Comprehensive Expenditure			
Exceptional Items : Provisions provided for in the year	11	1,030,000	0
Taxation		549	681
Total Comprehensive Expenditure for the year		2,127,417	1,414,027

Financial Accounts

Statement of Financial Position as at 31 March 2011

	Note	31 March 2011		31 March 2010	
		£	£	£	£
Non-current Assets					
Property, Information Technology and Office Equipment	5	135,777		414,525	
Intangible Assets	6	<u>87,620</u>		<u>28,193</u>	
Total Non-current Assets			223,397		442,718
Current Assets					
Trade and Other Receivables	8	1,569,184		2,006,648	
Cash and Cash Equivalents	9	<u>2,576,737</u>		<u>739,316</u>	
Total Current Assets			4,145,921		2,745,964
Total Assets			4,369,318		3,188,682
Current Liabilities					
Trade and Other Payables	10	<u>616,734</u>		<u>559,652</u>	
Total Current Liabilities			616,734		(559,652)
Non-current Assets plus Net Current Assets			3,752,584		2,629,030
Non-current Liabilities					
Provisions	11	<u>1,167,533</u>		<u>167,562</u>	
Total Non-current Liabilities			1,167,533		(167,562)
Assets less Liabilities			2,585,051		2,461,468
Taxpayers' Equity					
I&E Reserve			2,585,051		2,461,468
Total			2,585,051		2,461,468



Mr Alan Doran CB

Chief Executive

28 June 2011

Financial Accounts

Statement of Cash Flows for the year ended 31 March 2011

		2010/11	2009/10
	Note	£	£
Cash flows from operating activities			
Net Expenditure after interest		(1,096,868)	(1,413,346)
Decrease (Increase) in trade and other receivables	8	437,464	(654,580)
Increase (Decrease) in trade and other payables	10	57,082	(298,152)
Depreciation Charges	3	332,763	262,682
Loss on Disposals of non-current Assets	3	393	15,065
Taxation		(549)	(681)
Movement in provisions	11	(30,029)	(232,296)
Net cash outflow from operating activities		(299,744)	(2,321,308)
Cash flows from investing activities			
Purchase of property, computer and office equipment	5	(28,909)	(136,419)
Purchase of intangible assets	6	(85,276)	(2,141)
Proceeds of disposal of property, computer and office equipment		350	110
Net cash outflow from investing activities		(113,835)	(138,450)
Cash flows from financing activities			
Grants from parent department (Department of Health)		2,251,000	2,052,301
Net financing		1,837,421	(407,457)
Net increase in cash and cash equivalents in the period	9	1,837,421	(407,457)
Cash and cash equivalents at the beginning of the period	9	739,316	1,146,773
Cash and cash equivalents at the end of the period		2,576,737	739,316

As at 31 March 2011 there were no fixed asset accruals (2009/10: £6,909)

Financial Accounts

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2011

	Note	I&E Reserve	Total
		£	£
Balance at 1 April 2009		1,823,194	1,823,194
Changes in Taxpayer's Equity 2009/10			
Grant from Department of Health		2,052,301	2,052,301
Comprehensive Expenditure for the year		(1,414,027)	(1,414,027)
Balance at 31 March 2010		2,461,468	2,461,468
Changes in Taxpayer's Equity 2010/11			
Grant from Department of Health		2,251,000	2,251,000
Comprehensive Expenditure for the year		(2,127,417)	(2,127,417)
Balance at 31 March 2011		2,585,051	2,585,051

Notes to the accounts:

1. Statement of Accounting Policies

The HFEA's accounts are prepared in accordance with the provisions of the Human Fertilisation and Embryology Act 1990 (as amended) and an Accounts Direction issued by the Secretary of State for Health in June 2007.

The accounts are prepared in accordance with the accounting and disclosure requirements given in HM Treasury's Financial Reporting Manual (FReM), insofar as these are appropriate to the HFEA and are in force for the financial year for which the statements are prepared. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstance of the HFEA for the purpose of giving a true and fair view has been selected.

The particular policies adopted by the HFEA are described below. They have been applied consistently in dealing with items that are considered material to the Accounts.

(a) Accounting Convention

The financial statements are prepared under the modified historical cost convention by the inclusion of non-current assets at their value to the business by reference to current costs, where there is a material difference between historic cost and current replacement cost.

(b) Non-Current Assets

Non-current assets include property, information technology and office equipment together with intangible assets which relate to constructed software and software licenses.

Only items, or groups of related items, costing £1,000 or more and with individual values over £250, are capitalised. Those costing less are treated as revenue expenditure.

Non-current assets are stated at their depreciated historical cost as the Authority considers this an appropriate basis for calculating their current value, after taking into consideration the estimated useful economic lives of the assets and their values.

Financial Accounts

(c) Depreciation and Amortisation

Depreciation is provided on all non-current assets on a monthly basis from the date of acquisition at rates calculated to write off the cost of each asset evenly over its expected useful life.

Expected useful lives are as follows:

Leasehold improvements	Length of lease to next breakpoint
Information technology	3 years
Office equipment	4 years
Furniture, fixtures and fittings	4 years

Amortisation is provided on intangible non-current assets (which comprise constructed software and software licences) on a monthly basis at a rate calculated to write off the cost of each intangible asset over its expected useful life. The expected useful life of this software is 3 years.

(d) Grant-in-Aid

Grant-in-Aid received is used to finance activities and expenditure which supports the statutory and other objectives of the entity and is treated as financing and credited to the General Reserve, because it is regarded as contributions from a controlling party.

(e) Operating Income

Licence fee income is recognised at the time of treatment date. An estimate of the income for treatments provided by the clinics, but not reported to the HFEA at 31 March 2011 is accrued based on the historical data of the typical delay between the clinic providing the treatment to the patient and reporting the treatment to the HFEA.

Deferred income is recognised in respect of income for annual licence fees.

(f) Operating Leases

Operating leases are charged to the accounts on a straight line basis over the lease term.

(g) Capital charges

No capital charges have been provided in accordance with FReM Chapter 11 (Income and Expenditure.)

The removal of previous years' charges has no impact on the Income and Expenditure Reserves therefore no restatement of prior years is provided.

(h) Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit elements of the scheme are unfunded and are non-contributory except in respect of dependents' benefits. The HFEA recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution elements of the scheme, the HFEA recognises the contributions payable for the year.

Further information in respect of Civil Service Pensions is provided in the Remuneration Report.

(i) Disclosure of Fees and Costs Information

In accordance with the principles of HM Treasury's Managing Public Money and section 35B of the Human Fertilisation and Embryology Act 1990 (as amended), the Authority sets its regulatory fees with the objective of recovering the full costs of the primary regulatory services it provides.

There are some elements of the Authority's work that do not relate directly to the regulatory process, and the Department of Health accordingly contributes to the funding of these activities through the provision of annual Grant-in-Aid.

The key areas of work funded in this way are the maintenance of the Authority's Register of IVF and Donor Insemination (DI) treatments and their outcomes; policy development and communications; the production of publications (that do not relate to the regulatory process); and associated overhead and management costs.

Grant-in-Aid is also received for the purchase of IT, furniture and other office equipment.

Further information in respect of Grant-in-Aid received in the year is provided in the Statement of Changes in Taxpayers' Equity.

Further information in respect of fees income and related costs is provided in note 4(b) to these accounts.

Financial Accounts

(j) Value Added Tax

The Authority was not registered for VAT during financial year 2010/11.

(k) Cash

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. The Authority manages its cash in accordance with the terms of its Financial Memorandum which is contained within the Authority's Management Statement.

(l) Financial Instruments

Financial assets and financial liabilities arise from the Authority's normal operational activities and are recognised in accordance with standard accruals accounting principles.

The Authority's financial assets comprise cash at bank and in hand, licence fee debtors, balances with Central Government bodies, and other debtors.

The Authority's financial liabilities comprise trade creditors and other creditors.

The fair values of financial assets and liabilities are deemed to be their book values, unless there is appropriate cause to apply an alternative basis of valuation.

To date, the fair values of all financial assets and liabilities of the Authority are deemed to be their book values, and the Authority has not entered into any transactions involving derivatives.

(m) Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the obligation. The amount recognised as a provision is the best estimate of expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties.



Financial Accounts

2. Staff numbers and related costs

Staff costs comprise:

	2010/11				2009/10
	Total	Permanently Employed Staff	Members	Others	Total
	£	£	£	£	£
Wages and salaries	3,779,241	3,045,733	223,657	509,851	3,894,786
Social security costs	289,536	236,312	13,220	40,004	310,329
Other pension costs	637,710	613,471	0	24,239	673,048
Staff Costs	4,706,487	3,895,516	236,877	574,094	4,878,163
Less recoveries in respect of outward secondments	(123,706)	(123,706)	0	0	(184,446)
Total Net Costs	4,582,781	3,771,810	236,877	574,094	4,693,717

Other staff costs relate to staff employed on fixed term contracts together with agency and other temporary staff.

As noted in paragraph 1(h) above, further information in respect of Civil Service Pensions is provided in the Remuneration Report on pages 50 to 51.

Average number of persons employed

The average numbers of persons employed during the year were as follows:

	2010/11			2009/10
	Total	Permanent staff	Others	Total
Directly Employed	92	78	14	82
Other	3	0	3	6
Total	95	78	17	88

The total for directly employed permanent staff includes 2 (3 in 2009/10) full-time equivalent staff seconded out of the Authority.

Other staff directly employed by the Authority relate to the full-time equivalent of staff on fixed term contracts.

Staff not directly employed by the Authority relate to staff on secondment to the Authority together with agency and other temporary staff.

Financial Accounts

3. Other Expenditure

		2010/11	2009/10
	Note	£	£
Running Costs		1,276,486	1,321,025
Professional and Administrative Fees	a	388,767	256,814
Rentals under operating leases		364,648	428,074
Audit Fees	b	97,028	103,548
Other Expenditure		2,126,929	2,109,461
Non-Cash Items			
Depreciation and Amortisation		332,763	262,682
Loss on disposal of assets		393	15,065
Provisions provided for in the year		1,030,000	0
Total		3,490,085	2,387,208

Notes

- a. Professional and administrative fees include litigation and other legal costs arising during the period.
- b. Audit fees paid are split as follows:

	2010/11	2009/10
	£	£
External Audit Fee	45,000	47,900
Internal Audit Fee	52,028	55,648
	97,028	103,548

Financial Accounts

4. Income

(a) Summary of Income

Gross income is made up of licence fee and other incomes which are recorded on an accruals basis.

Analysis of Income		
	2010/11	2009/10
	£	£
Licence Fee Income	5,915,560	5,650,612
Other Income	600	8,975
EU (EUSTITE) Project Funding	27,136	7,097
Total Income for the Year	5,943,296	5,666,684

(b) Fees and Related Costs

In accordance with section 35B of the Human Fertilisation and Embryology Act 1990 (as amended), the Authority may charge fees in respect of its licensing activities.

For the purposes of providing information on fees and charges, these fees are calculated on a full cost recovery basis, in order that all costs incurred by the HFEA in the grant of and superintending of compliance with the terms of licences, are included in the final fees invoiced to the licensee. During the period to 31 March 2011, the licence fee income received by the HFEA represented the costs incurred in the granting of new licences and the regulation of licences in force for the period.

The fees and associated costs for these activities are summarised below.

	2010/11	2009/10
	£	£
Licence Fee Income	5,915,560	5,650,612
Costs allocated to regulatory activities	5,604,103	4,880,944
Surplus	311,457	769,668

In addition, there are elements of the Authority's work that do not relate directly to the above regulatory process. The Department of Health accordingly contributes to the funding of these activities through the provision of annual Grant-in-Aid. The balance of costs relating to these activities is funded from fees income.

This disclosure is provided for the purposes of providing information on fees and charges, not IFRS 8 purposes.

(c) Operating Segmental Reporting

Under the definition of IFRS 8 the HFEA is a single operating segment as the UK's independent regulator of treatment using eggs and sperm, and of treatment and research involving human embryos, setting standards for, and the issue of licences to, centres together with the provision of information for the public and determining the policy framework for fertility issues.

Financial Accounts

5. Property, Information Technology and Equipment

2010/11					
	Leasehold Improvements	Information Technology	Office Equipment	Furniture & Fittings	Totals
	£	£	£	£	£
Cost/valuation					
At 1 April 2010	569,041	609,616	167,510	78,895	1,425,062
Additions	0	19,397	9,512	0	28,909
Disposals	0	(183,316)	(116,816)	(5,797)	(305,929)
At 31 March 2011	569,041	445,697	60,206	73,098	1,148,042
Depreciation					
At 1 April 2010	306,714	514,151	152,461	37,210	1,010,536
Charged in year	203,776	82,277	6,489	14,373	306,915
Disposals	0	(182,966)	(116,816)	(5,404)	(305,186)
At 31 March 2011	510,490	413,462	42,134	46,179	1,012,265
Net Book Value at 31 March 2011	58,551	32,235	18,072	26,919	135,777
Net Book Value at 31 March 2010	262,327	95,465	15,048	41,685	414,525
Asset Financing					
Owned	58,551	32,235	18,072	26,919	135,777
2009/10					
	Leasehold Improvements	Information Technology	Office Equipment	Furniture & Fittings	Totals
	£	£	£	£	£
Cost/valuation					
At 1 April 2009	545,400	678,248	160,224	80,176	1,464,048
Additions	59,775	19,342	9,560	11,292	99,969
Disposals	(36,134)	(87,974)	(2,275)	(12,573)	(138,956)
At 31 March 2010	569,041	609,616	167,509	78,895	1,425,061
Depreciation					
At 1 April 2009	215,833	502,028	146,790	35,873	900,524
Charged in year	112,133	100,097	7,652	13,911	233,793
Disposals	(21,252)	(87,974)	(1,981)	(12,574)	(123,781)
At 31 March 2010	306,714	514,151	152,461	37,210	1,010,536
Net Book Value at 31 March 2010	262,327	95,465	15,048	41,685	414,525
Net Book Value at 31 March 2009	329,567	176,220	13,434	44,303	563,524
Asset Financing					
Owned	262,327	95,465	15,048	41,685	414,525

Financial Accounts

6. Intangible Assets

2010/11			
	Software Licences	Constructed Software	Total
	£	£	£
Cost/valuation			
At 1 April 2010	321,236	510,752	831,988
Additions	23,632	61,644	85,276
Disposals	(17,413)	0	(17,413)
At 31 March 2011	327,455	572,396	899,851
Amortisation			
At 1 April 2010	293,043	510,752	803,795
Charge for the year	25,848	0	25,848
Disposals	(17,412)	0	(17,412)
As at 31 March 2011	301,479	510,752	812,231
Net Book Value at 31 March 2011	25,976	61,644	87,620
Net Book Value at 31 March 2010	28,193	0	28,193
Asset Financing			
Owned	25,976	61,644	87,620
2009/10			
	Software Licences	Constructed Software	Total
	£	£	£
Cost/valuation			
At 1 April 2009	408,392	510,752	919,144
Additions	2,141	0	2,141
Disposals	(89,297)	0	(89,297)
At 31 March 2010	321,236	510,752	831,988
Amortisation			
At 1 April 2009	353,451	510,752	864,203
Charge for the year	28,889	0	28,889
Disposals	(89,297)	0	(89,297)
As at 31 March 2010	293,043	510,752	803,795
Net Book Value at 31 March 2010	28,193	0	28,193
Net Book Value at 31 March 2009	54,941	0	54,941
Asset Financing			
Owned	28,193	0	28,193

Financial Accounts

7. Financial Instruments

IFRS 7 requires disclosure of the role financial instruments have had during the period in creating or changing the risks an entity faces when undertaking its activities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The Authority has no powers to borrow funds, and financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the Authority in undertaking its activities.

a) Liquidity Risk

73% of total gross income (including Grant-in-Aid) during the year was derived directly from the number of IVF and DI treatment cycles performed by the licensed clinics and reported to the HFEA, together with licences issued to clinics.

There are procedures in place to identify late and non-reporting of treatment cycles by clinics and also procedures for chasing up debts.

The remaining main source of revenue is derived from Government grants made on a cash basis.

Therefore, the HFEA is not exposed to significant liquidity risks.

b) Investments and Interest Rate Risk

The HFEA follows an investment policy of placing any surplus funds on overnight deposit in an interest bearing bank account. The Authority's banking arrangements are risk assessed.

Gross interest income was 0.03% of the total revenues of the HFEA (including Grant-in-Aid). HFEA is therefore not reliant on this income and is not exposed to significant interest rate risk.

c) Credit Risk

The Authority receives most of its income from the clinics it regulates. It operates a robust debt management policy and, where necessary, provides for the risk of particular debts not being discharged by the relevant party. The Authority is therefore not exposed to significant credit risk.

d) Financial Assets and Liabilities

The only financial asset held at a floating rate was cash at bank of £2,576,365. Petty cash held on site amounted to £372. As at 31 March 2011, none of the Authority's financial liabilities were carried at a floating rate. The fair value of the financial assets and liabilities was equal to the book value.

e) Foreign Currency Risk

Consistent with previous accounting periods there were minimal foreign currency transactions conducted by the HFEA during the year ended 31 March 2011. There was therefore no significant foreign currency risk during the year.

Financial Accounts

8. Trade Receivables and Other Current Assets

	31 March 2011	31 March 2010
	£	£
Analysis by Type		
Trade receivables – licence fee debtors	539,869	527,270
Prepayments and accrued income	986,583	1,449,826
Other receivables	42,732	29,552
	1,569,184	2,006,648
Intra – Government Balances		
Other Central Government Bodies	109,827	619,800
NHS Bodies	522,788	535,834
Total Intra – Government Balances	632,615	1,155,634
Bodies External to Government	936,569	851,014
	1,569,184	2,006,648

Prepayments and accrued income include calculations of the fees due to be invoiced to clinics after the balance sheet date in respect of chargeable treatments undertaken before the balance sheet date.

Balances with other central government and NHS bodies include accrued income that can be directly attributed to them.

All debts were due for settlement within one year of the balance sheet date. No provision for bad or doubtful debts has been made as all debts are anticipated to be recoverable.

9. Cash and Cash Equivalent

	£
Balance at 1 April 2009	1,146,773
Net change in cash	(407,457)
Balance at 31 March 2010	739,316
Net Change in cash	1,837,421
Balance at 31 March 2011	2,576,737

All cash balances were held at Commercial banks and cash in hand.

The sum of £113,093 held on behalf of a consortium of NHS and Department of Health's ALBs is included in the cash balance held at 31 March 2011. This relates to a training and development programme, further information in respect of which is contained in note 15 b) to these accounts.

No cash equivalents were held by the Authority during the year.

Financial Accounts

10. Trade Payables and Other Current Liabilities

	31 March 2011	31 March 2010
	£	£
Analysis by Type		
Accruals and deferred income	427,858	491,408
Trade payables	75,783	628
Other taxation and social security	0	2,990
Other payables	113,093	64,626
	616,734	559,652
Intra – Government Balances		
Other Central Government Bodies	151,181	64,521
Balances With Bodies External to Government	465,553	495,131
	616,734	559,652

All creditors were due for settlement within one year of the balance sheet date.

11. Provisions for Liabilities and Charges

	Free Rent	Legal	Early Retirement Costs	Relocation Costs	Total
	£	£	£	£	£
Balance at 1 April 2009	38,766	210,000	151,092	0	399,858
Provided in the Year	0	0	0	0	0
Paid in the Year	0	(88,754)	(11,520)	0	(100,274)
Release of Provision for the Year	(10,776)	(121,246)	0	0	(132,022)
Balance at 1 April 2010	27,990	0	139,572	0	167,562
Provided in the Year	0	250,000	0	780,000	1,030,000
Paid in the Year	0	0	(6,623)	0	(6,623)
Release of Provision for the Year	(23,406)	0	0	0	(23,406)
Total Provision for Liabilities and Charges	4,584	250,000	132,949	780,000	1,167,533

Financial Accounts

Analysis of Expected Timing of Payment or Release of Provisions

	Free Rent	Legal	Early Retirement Costs	Relocation Costs	Total
	£	£	£	£	£
Not later than one year	4,584	0	4,175	780,000	788,759
Later than one year and not later than five years	0	250,000	20,875	0	270,875
Later than five	0	0	107,899	0	107,899
Total Provision for Liabilities and Charges	4,584	250,000	132,949	780,000	1,167,533

The lease for the premises that the HFEA currently occupy included a rent free period. The rent reduction was formally spread over the lease up to the first break clause in 2012. In view of the Authority's planned co-location with the Care Quality Commission in July 2011, the remaining provision is being written off to July 2011. On the grounds of materiality no prior year adjustment has been provided.

A provision has been made for relocation costs, chiefly anticipated dilapidation and vacant period costs in respect of the Authority's current premises.

Based on current information a provision of £250,000 has been provided for litigation costs in relation to the judicial review of actions taken by the Authority.

The legal and professional fees of defending actions brought against the Authority are accounted for in the period in which they arise.

As noted in the Remuneration Report for financial year 2008/09, early retirement costs were provided in that financial year. No discounting has been applied to this residual sum during financial year 2010/11 on the basis that the net impact on the balance at the year end is not anticipated to be material.

12. Capital Commitments

There were no capital commitments as at 31 March 2011 (2009/10 - £'nil).

13. Commitments Under Leases

Operating Leases

The HFEA is committed to the following operating lease payments:

	Rent	Other	31 March 2011	31 March 2010
	£	£	£	£
Obligations under operating leases comprise:				
Total Future Minimum Lease Payments Payable :				
During Financial Year 2011/12	134,508	12,491	146,999	413,933
During Financial Years 2012/13 – 2016/17	0	2,740	2,740	657,947
	134,208	15,231	149,739	1,071,880

Costs of the Authority's proposed new premises from August 2011 have not been included as no lease has been signed at the date of finalising these accounts.

Financial Accounts

14. Contingent Liabilities Disclosed under IAS 37

Details in respect of litigation undertaken against the Authority in recent years have been noted in the Annual Reports and Accounts for financial years 2006/07 to 2009/10 inclusive.

At the date of the finalising of these accounts, aside from the litigation provision noted in note 11 above, the Authority is not a party to any other legal proceedings.

The Authority regulates a sector that addresses some highly charged issues of both a personal and clinical nature, which may generate close scrutiny. Some of the projects and work that the Authority has undertaken as well as certain decisions that the Authority has made in 2010/11 may give rise to later challenge, including a risk of legal action.

15. Related Party Transactions

The Department of Health is regarded as a related party. During the year the HFEA had various material transactions with the Department of Health and with some NHS Trusts for which the Department of Health is regarded as the parent Department.

- a) During the period the HFEA invoiced the Department of Health £125,214 for staff costs relating to the secondment of three members of staff. At 31 March 2011 there was no outstanding balance to be invoiced for seconded staff at the Department of Health.

The Department of Health invoiced the Authority £50,997 during the period in respect of their secondment to the HFEA of two members of staff, including the interim Chief Executive.

At 31 March 2011, the HFEA did not owe any sum to the Department of Health, whilst the Department of Health owed the HFEA £13,952.

- b) During the period to 31 March 2011 the Authority continued to co-ordinate a training and development programme for staff at management levels in the following NHS bodies and Department of Health ALBs: The General Social Care Council; the NHS Litigation Authority; NHS Blood and Transplant; The Health Protection Agency; and NHS South West Strategic Health Authority. Contributions of £20,000 from all bodies including the authority were received.

Costs totalling £71,533 arose in respect of the programme during the period and were settled by the Authority on behalf of the consortium.

The closing balance of net contributions of £113,093 is contained within these accounts. It is anticipated that this sum will be expended in full during the financial year 2011/12.

- c) The following Members of the Authority have senior management responsibilities at either NHS Trusts or private clinics that are regulated by the HFEA:

Mr Hossam I Abdalla, FRCOG – Director and Person Responsible of the Lister Fertility Clinic. Fees invoiced by the HFEA to the Lister Hospital during the year amounted to £321,421. The balance on the Lister's account as at 31 March 2011 was £32,027.

Prof Neva Haites OBE – Vice-Principal and Head of College of Life Science and Medicine, University of Aberdeen. Fees invoiced by the HFEA to the University of Aberdeen during the year amounted to £70,486. The balance on the University of Aberdeen's account as at 31 March 2011 was £nil.

Prof William Ledger – Person Responsible for the Centre for Reproductive Medicine and Fertility, Sheffield. Fees invoiced by the HFEA to the Centre for Reproductive Medicine and Fertility during the year amounted to £73,902. The balance on the Centre for reproductive Medicine and Fertility's account as at 31 March 2011 was £nil.

Mr Roger Neuberg – Consultant Obstetrician and Gynaecologist at the Leicester Royal Infirmary. Fees invoiced by the HFEA to Leicester Royal Infirmary during the year amounted to £62,208. The balance on the Leicester Royal Infirmary's account as at 31 March 2011 was £4,543.

Prof Lesley Regan – Professor and Head of Department of Obstetrics and Gynaecology, St Mary's Hospital, Imperial College Health Care NHS Trust. Fees invoiced by the HFEA to St Mary's Hospital during the year amounted to £2,950. The balance on St Mary's Hospital's account as at 31 March 2011 £nil.

Dr Alan R Thornhill – Scientific Director and Person Responsible for the London Bridge Fertility, Gynaecology and Genetics Centre, London. Fees invoiced by the HFEA to the London Bridge Fertility, Gynaecology and Genetics Centre during the year amounted to £182,942. The balance on the London Bridge Fertility, Gynaecology and Genetics Centre's account as at 31 March 2011 was £15,883.

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At 31 March 2011, it was anticipated that there was, in addition to the sums noted above, some accrued income due from the above mentioned clinics. This sum is estimated in its totality, based on a global average of treatment reporting delays and the amount due from each clinic cannot be quantified precisely as at the date of signing these accounts.

- d) Mrs Clare J Lewis-Jones (formerly Brown)** is the Chief Executive of Infertility Network UK. Payments totalling £311 were made to Infertility Network UK by the HFEA during the year for reimbursement of travel and subsistence expenses incurred by Mrs Lewis-Jones and other members of the organisation in respect of HFEA business.
- e)** In the Annual Report all Members' interests are disclosed and Members are expected to declare any conflict of interest in discussions held by the Authority. A system to record conflicts of interests involving staff of the HFEA was implemented in September 2003.

16. Losses and Special Payments

No losses or special payments arose during the year.

17. IFRSs, Amendments and Interpretations in Issue but not yet Effective, or Adopted

International Accounting Standard (IAS) 8: Accounting policies, Changes in Accounting Estimates and Errors, requires disclosures in respect of new IFRSs, amendments and interpretations that are, or will be applicable after the reporting period.

There are a number of IFRSs, amendments and interpretations that have been issued by the International Accounting Standards Board that are effective for financial statements after this reporting period. The following have been considered as relevant but have not been adopted early by the HFEA:

IFRS 9 Financial Instruments: This is a new standard intended to replace IAS 39. The effective date is for accounting periods beginning on or after 1 January 2013.

IAS 24 Related Party Disclosures: This amends the existing standard. The effective date is for accounting periods beginning on or after 1 January 2011.

None of these new or amended standards and interpretations are anticipated to have a future material impact on the financial statements of the HFEA.

18. Events after the Reporting Period

The date on which the accounts are authorised for issue is the date on which the accounts are certified by the Comptroller and Auditor General.

Financial Accounts





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