

Annual report and accounts 2023-24

Human Tissue Authority

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Presented to Parliament pursuant to Schedule 2(16) of the Human Tissue Act 2004.

Laid before the Welsh Parliament by Welsh Ministers pursuant to Schedule 2(16) of the Human Tissue Act 2004

Ordered by the House of Commons to be printed on 25 July 2024



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ISBN 978-1-5286-4841-7
E03118069 07/24

Printed on paper containing 40% recycled fibre content minimum

Printed in the UK by the HH Associates Ltd. on behalf of the Controller of His Majesty's Stationery Office

Contents

Chief Executive's foreword	6
Performance Report	8
Overview	9
Performance analysis	18
Accountability Report	25
Corporate governance report	26
Remuneration and Staff report	41
Parliamentary accountability and audit report	55
Financial statements	64

Chief Executive's foreword

The Human Tissue Authority regulates the safe and consented use of human tissue and organs, with responsibilities across the UK. We license more than 950 establishments covering a broad range of medical, scientific, research and education settings. We advise Ministers and officials at the Department of Health and Social Care, devolved administrations, and the public and stakeholders in relation to our remit.

I am delighted to present the 2023/24 Annual Report and Accounts for the Human Tissue Authority. This is my second full year as Chief Executive and I am very proud of the work delivered by my dedicated colleagues and the Board. With stretching targets and an ambitious business plan, we have sought to improve the effectiveness and efficiency of our current operations whilst enhancing our approach to regulation.

Last year, in respect of driving a more proportionate approach to regulation, we took the bold decision to accelerate our work to enhance our regulatory approach by increasing our planned inspection target by 50% in 2022/23, and we made a further increase in our target for inspections to 222 in 2023/24. I am very proud to say that we exceeded that target by 4 inspections by the end of this year. Whilst this reflects improved efficiency by doing more with similar resources, it also helps us engage with more establishments annually, reducing the overall regulatory risk. It highlights that we have successfully changed the approach we take with more regulatory tools and a more bespoke approach.

We have continued to have a strong focus on reviewing how we deliver our inspections in 2023/24. We have been trialling the use of evaluated self-assessments for low-risk establishments and we will further develop and implement changes to how we carry out compliance assessments, beginning with the Post Mortem sector, in 2024/25.

In parallel, to help improve our support activities and make them more resilient, we have also been working towards the creation of shared services across the Arm's Length Body (ALB) landscape. We agreed a shared service arrangement with the Care Quality Commission (CQC) in June 2023 which is now providing greater resilience and depth to the HR services that the HTA has available.

In 2023/24, we have also engaged with other ALBs to explore opportunities to share IT services and although we were not able to reach a workable agreement at this stage, we have gained some extremely helpful learning that we have shared with DHSC. I meet regularly with other health ALBs to explore further opportunities for joint working or sharing resources.

Other highlights from 2023/24 include:

- The HTA supported DHSC to introduce the Human Tissue Act 2004 (Supply of Information about Transplants) Regulations 2024. The Regulations came into force on 1 April 2024. The HTA has published guidance to support clinicians who are required to report information to the HTA under the Regulations.
- The HTA has continued to assist and support the Independent Inquiry into the issues raised by the David Fuller case, with any advice or input required, as it reported on Phase 1 in November 2023 and then moved into Phase 2, looking at the broader national picture and in

consideration of procedures and practices in other hospital and non-hospital settings, where deceased people are kept.

- We continue to grow and develop our engagement on social media and with the wider media, in support of our strategy as a modern, accountable regulator.
- We developed a new strategy that will be published in the 2024/25 business year.

Our workforce is our most important resource and I make sure that, although almost all of our staff are on home-based contracts, we take the time to come together regularly to check in with each other, to review our performance and to celebrate our successes. During 2023/24, staff turnover remained at a higher level than we would like, continuing with high levels seen in recent years and before the pandemic. This creates pressures and risks for the HTA that are under regular review by the Board and Senior Management Team. We will work with our new HR delivery partners in 2024/25 to focus on understanding the causes for the turnover rate and work with staff through a new People Strategy to demonstrate and ensure we value, support and reward our staff as well as we can.

The HTA is an ambitious organisation with real drive and determination to ensure that activities involving human tissue are carried out safely, ethically, and in the best interests of patients, donors and the wider public. I am proud of our achievements this year and our plans to further improve how we conduct business over the coming years.



Dr Colin Sullivan
Chief Executive

Performance Report

Overview

We are a Non-Departmental Public Body (NDPB) sponsored by the Department of Health and Social Care (DHSC), established and domiciled in England. Our registered office is 2 Redman Place, Stratford, London E20 1JQ. We were established under the Human Tissue Act (HT Act) 2004 – which covers England, Wales and Northern Ireland – to regulate activities relating to the removal, storage, use and disposal of human tissue.

Our vision

- The **safe** and **trusted** use of human tissue.

Our mission

- To be an **excellent regulator** for the use of human tissue with **consent and safety**, sustaining public and professional **confidence**, today and in the future.

We seek to maintain **public confidence** by ensuring that the removal, storage and use of human tissue and organs is undertaken safely and ethically and with proper consent, in accordance with the provisions of the Human Tissue Act 2004, Human Tissue (Quality and Safety for Human Application) Regulations 2007 (as amended) and the Quality and Safety of Organs Intended for Transplantation Regulations 2012 (as amended).

We also have a role in maintaining **professional confidence**, making sure that human material being used by professionals has been obtained with the proper consent and is managed with appropriate care.

How we work:

- We license organisations that remove, store and use human tissue for certain activities under the Human Tissue Act (2004).
- We license organisations that carry out a range of activities associated with the use of human tissues and cells for patient treatment, as required by the Human Tissue (Quality and Safety for Human Application) Regulations 2007 (as amended).
- We license organisations undertaking organ transplants as required by the Quality and Safety of Organs Intended for Transplantation Regulations 2012 (as amended).
- We monitor and inspect or audit organisations to ensure they comply with the requirements of the legislation and our Codes of Practice.
- We use our powers to take regulatory action where we identify non-compliance.
- We assess and approve living organ donations to ensure donors are protected from duress or coercion, and that no reward is offered or given.

- We provide information, advice and guidance to the public and professionals about the nature and purpose of activities within our remit.
- We monitor developments relating to activities within our remit and advise Government on related issues.

In addition to our statutory role, we are increasingly called upon to provide advice on areas related to, but not specified in, legislation. This is especially important in areas of emerging technology and research not originally envisaged when the Human Tissue Act was enacted.

Whilst the HTA has a statutory duty to superintend compliance and an influential role in promoting good practice, public confidence in the use of human tissue cannot be safeguarded by the HTA alone. Public confidence is also dependent on the individuals and organisations that undertake activities within the HTA's remit acting within the standards and requirements of the legislation.

Our people

The HTA's non-executive Board – currently consists of 10 Members including the Chair, 9 of whom are appointed by the Secretary of State for Health and Social Care; one Member appointed by the Welsh Government's Cabinet Secretary for Health, Well-Being, and Sport and one by the Department of Health in Northern Ireland (but the latter post is vacant at present). Our Board members come from a diverse range of backgrounds including the commercial sector, administration and academia/research, bringing a wide range of business, commercial and public sector experience.

The Board's primary role is to ensure that the HTA discharges its statutory responsibilities effectively. It achieves this by setting the HTA's strategic direction and providing both support and challenge to our Executive team, which is responsible for the delivery of these responsibilities on a day-to-day basis.

The Board is supported by a Senior Management Team (SMT) of five who each have extensive experience within the public sector, and in particular regulation and health and social care. The SMT are in turn supported by a team of 54 staff who bring their experience ranging from scientific and medical backgrounds to commercial and business.

Our values

Following the setting of our revised Vision and Mission, last year we refreshed our values for the important and ambitious role that we play, as we seek to be more inclusive and further improve performance. The way that we are now expressing our organisational values is through, **Collaboration, Openness, Respect and Excellence.**

HTA CORE VALUES



Our Strategy

Our strategic approach is based on being clear about the risks we are regulating, and then being proportionate and targeted in response. In 2023/24 we concluded our last three-year Strategy and developed our next, in which we will focus on the following four strategic themes. Our new strategy will be published early in the 2024/25 business year. As we begin the next three-year period, we are seeking to be bold and ambitious as we focus on efficient delivery whilst striving to develop and innovate even further.



Key issues in 2023/24

Changes to the statutory and regulatory framework to tackle exploitation for the purpose of organ transplantation

Changes in the Human Tissue Act 2004 in July 2022 introduced an extra-territorial aspect to the Human Tissue Act (2004) offence of commercial dealing in organs. This led to significantly increased operational activity in 2023/24. In 2023/24, government laid new regulations introducing a duty on relevant clinicians to report transplants and transplant-related crimes that take place outside the UK, to the HTA. These regulations came into effect on 1 April 2024 and the HTA developed guidance to support clinicians understand the regulations.

Independent Inquiry surrounding the events at Maidstone & Tunbridge Wells NHS Trust

The report of Phase 1 of the Inquiry was published on the 28 November 2023¹. The Phase 1 report focused on events at Maidstone and Tunbridge Wells NHS Trust but with references to the wider

¹ [Independent Inquiry into the issues raised by the David Fuller case](#)

system throughout, including the role of the HTA. Phase 2, looking at the wider system for managing the deceased, launched in July 2023 and is likely to report later in 2024.

During 2023/24, a significant amount of work was undertaken by HTA to provide evidence to the Inquiry, enhance our support to the regulated sector and provide support more widely to other agencies in response to this offending.

The HTA continues to focus on delivering workstreams in response to Phase 1 of the Inquiry, as well as emerging themes from Phase 2. We are progressing HTA priorities concerning our approach to regulation in the Post Mortem sector.

Developments in how we fulfil our regulatory functions

We invested in exploring how to further develop our approach to carrying out inspections during 2023/24, including introducing Evaluated Self-Assessments in the Research Sector. We look to build on this work in 2024/25 and to develop and implement other innovations, including Evidential Compliance Assessments, beginning in the Post Mortem sector.

We also undertook a sector risk-focused Data Collection Exercise across all our licensed establishments to both gain assurance and inform risk profiling.

More widely, we are improving the collection and use of information and data to inform risk analysis and building trust and confidence through strengthening partnerships across the system.

Data Security Protection Toolkit (DSPT)

As an Arm's Length body which has direct access to and handles NHS patient data, as part of its regulated activities, the HTA is required to complete an annual DSPT self-assessment. In the 2023/24 business year, the HTA was required to demonstrate compliance against 108 assertions aligned to 10 national standards encompassing policy, practice and behaviours relating to data protection and security. In the first quarter of 23/24, a similar audit for the 22/23 year resulted in an overall risk assessment of 'moderate'. This is an important achievement, for a small organisation with a "high" assurance level based on the confidence level of the independent audit in the veracity of the HTA's self-assessment. Teams across the HTA are working towards a planned audit in the first part of the 2024/25 business year.

HR Shared Services

In June 2023, the HTA entered into a service level agreement with the Care Quality Commission (CQC), whereby the CQC delivers Human Resources services on behalf of the HTA, with no residual HR expertise remaining within the HTA. The majority of HR services, including recruitment, advice and guidance and HR business partnering transferred from the HTA to our new HR service providers between June and October 2023. The remaining HR services, covering learning and development and organisational development, have been delivered from April 2024.

The HTA will continue to work closely with our new HR providers to ensure that each service line is developed to meet the needs of HTA staff and managers as well as possible, and that the HTA's HR policies are adapted to work better under the new arrangements. The HTA will keep the new

outsourced service under review and how well it meets the organisation's needs, as we work with CQC to evolve the service level agreement.

Risks as at 31 March 2024

The HTA seeks to take all reasonable steps in the management of risk with the overall objective of achieving strategic and business objectives and protecting staff, stakeholders, the public and assets.

As at 31 March 2024, the HTA had eight strategic risks:

The risks listed in the table below are those that the HTA was responding to and managing throughout the 2023/24 business year. These risks have been reviewed and revised at the start of the 2024/25 business year.

The strategic risk register (SRR) is developed annually and reviewed monthly by the Senior Management Team (SMT) to ensure the strategic risks identified are aligned to the objectives and deliverables agreed within the annual business plan.

Strategic Risk	High-level mitigations
<p>1) Failure to regulate in a manner that maintains public safety and confidence and is appropriate</p>	<p>Actions to address this risk:</p> <ul style="list-style-type: none"> Ongoing activity to strengthen our approach to regulation, through projects/core business with particular focus on the Post Mortem sector Evolution of approach to inspection, introducing Evaluated Self-Assessments (ESAs) Refine our approach to living organ donation assessment in recognition of emerging risks Extended approach to transparency by publishing, as open data, further details about licences and regulatory activity Completion of data collection exercise with analysis and use of sector specific risk data collected Sector engagement and awareness-raising with senior representatives of private hospitals, Royal College of Surgeons and the General Medical Council
<p>2) Unable to manage the lifecycle of a significant incident, event or issue impacting on the delivery of HTA objectives</p>	<p>Actions to address this risk:</p> <ul style="list-style-type: none"> Review of the Critical Incident Response plan and the Business Continuity plan annually Conduct annual test with staff to ensure preparedness
<p>3) We will fail to manage public and professional expectations of human tissue regulation stemming from limitations in the current legislation, misperception of HTA regulatory reach and innovations in the use of human tissues and cells</p>	<p>Actions to address this risk:</p> <ul style="list-style-type: none"> Completed year 1 of the delivery of its revised Communications and Engagement Strategy, with a specific focus on a commitment to being more proactive and open in our communication and engagement with professionals and the public.

	<p>Strengthened partnerships with DHSC, ALBs and license holders.</p> <p>Active management of issues raised by the media – including development of the HTA position on issues such as the Fuller Inquiry.</p> <p>Production of an Annual Review of HTA activities i 2023/24 including activity data, case studies and stakeholder feedback (to be published in 2024/25).</p>
<p>4) Failure to adequately deliver the diverse, capable workforce the HTA requires or needs to fulfil its functions and objectives</p>	<p>Actions to address this risk:</p> <p>A focus on staff turnover, recruitment, and retention. Ensuring we are supporting staff, focusing on development, Health, and Wellbeing (and reasonable workloads) and performance management, responding to feedback from the Staff Survey (which we will run early in 2024/25) and other HR MI.</p> <p>Developing a People Strategy in 2024/25, ensuring our leadership and offer to staff supports resilience and a positive culture.</p> <p>Working with our HR Shared Service provider to review the HTA approach to recruitment.</p> <p>A review of HTA HR policies, in particular those relating to Health and Safety.</p> <p>Working with HR Shared Service provider to ensure smooth transition and the HR service meets HTA needs.</p>
<p>5) There is a risk that the HTA has insufficient or ineffective management of its financial resources</p>	<p>Actions to address this risk:</p> <p>Engagement with Directors on budget management to ensure robust forecasting.</p> <p>Review of business plan with SMT to identify pressures and areas that could be de-prioritised if necessary.</p> <p>Close engagement with DHSC finance around our in-year position.</p> <p>Robust budget setting for 2024/25, based on expected income and business plan activities.</p> <p>Focus on finance team capability and capacity.</p> <p>Review of finance systems and oversight across HTA and HFEA for improvements.</p>
<p>6) Failure to take advantage of opportunities that allow the HTA to be an efficient regulator responsive to change and aware of the impact that it has on the sectors and activities that it regulates to ensure public trust and confidence is maintained</p>	<p>Action to address this risk:</p> <p>Identification of priorities for the 2024-27 Strategy through internal and external engagement and review of our previous Strategy.</p> <p>Review of the impact of HTA's activities, including opportunities for improvement, and an ongoing commitment to efficiency in our approach to regulation.</p>

7) Failure to optimise the safe use of existing and emerging digital data and technology	<p>Actions to address this risk</p> <p>Exploration of the adoption of an IT Shared Services model</p> <p>An updated Digital and IT (DIT) Strategy for the next 3 years.</p> <p>Updates to technology and systems to strengthen the resilience, including with the NHS Data Security and Protection Toolkit (DSPT).</p> <p>Updated policies embedded into practice and supported by periodic checks and auditing on user access and system use.</p> <p>Development of a Regulatory Insight Model (RIMI) with indicators of risk.</p>
8) Failure to deliver the agreed Business Plan	<p>Actions to address this risk:</p> <p>Prioritise ambitions for delivery of change activities during 2023/24</p> <p>A robust assessment of our capacity to deliver both core operations and change activities for the 2024/25 Business Plan.</p>

At the end of the 2023/24 business year, seven strategic risks were rated between low and medium. The eighth risk (risk 4) has remained high for most of the business year. Below is a brief summary of each risk.

Failure to regulate effectively and in such a way that protects the public and maintains public and professional confidence is a matter always on our radar, as shown in Risks 1 and 3 of the Summary of Strategic Risks. For Risk 1, inspection is only part of our regulatory toolkit as we manage and respond to incident reports, whistleblowing and informant information and provide advice and guidance to our sectors and the public. We believe we have a sound regulatory framework, which we continue to evolve in response to emerging risks and a desire to be risk-based, proportionate and data-driven.

Risk 2, an inability to manage an incident, has remained stable throughout the year. Our incident management response plans have been rewritten and tested alongside our Business Continuity plan in Q1 2023/24 with the help of an external specialist, which provided assurance of the effectiveness of both.

The Fuller Inquiry could have a general impact on public confidence in the Post Mortem sector and the HTA has assigned notable resources towards providing evidence to the inquiry as well as preparing communications and media products. Delivery of our Comms and Engagement strategy has been a key aspect of mitigating Risk 3 and how we maintain public and professional confidence and understanding of the sectors we regulate.

Risk 4 covers the key issue that faces most small organisations which is the difficulty of maintaining organisational resilience within relatively small teams, particularly specialist areas where there may only be one or two staff with key professional skills (e.g. finance and IT). Approaches to improving resilience have been explored, in particular sharing services with other ALBs where possible. The commencement of an outsourced HR service agreement with the Care Quality Commission in June

2023 provides us with greater resilience in HR service delivery. This risk permeates all the other risk areas as it supports ensuring we have the right staff to deliver our business objectives.

Risk 5 is the insufficient, or ineffective, management of financial resources. This risk remains above tolerance and has been accepted by the executive. During the course of the 2023/24 business year, we experienced periods of projected overspend, driven largely by inflation and unexpected costs such as a one-off cost of living payment to staff. Subsequent engagement with DHSC allowed us to maintain our agreed business plan, although, the business plan was reset to accommodate additional in-year requests from DHSC. Towards the end of 2023/24 we received notification that a rental accrual that had been carried forward since 2020/21 was to be written off, which resulted in a significant underspend at year-end.

Risks 6 and 7 relate to our ability to remain an efficient and responsive regulator (Risk 6) and optimise the safe use of digital data and technology (Risk 7) and ensuring we modernise at a suitable pace. A revised and updated IT Strategy for the next 3 years has been drafted, recognising the changing needs of the organisation as well as focusing on risks, in particular relating to out-dated applications. Two data sets were published in 2023/24 that resulted in complete data from the last six years being available in the public domain for others to use. Our work on developing the Regulatory Insight Model & Index (RIMI) has also been progressed and we successfully delivered a set of agreed indicators as the foundations for RIMI phase 2 and agreed the technical requirements for phase 2.

Our final risk, risk 8 covers the failure to deliver the agreed business plan, and links to risks 4, 5, 6 and 7 in particular. A Portfolio Management approach to business plan delivery has been in operation throughout 2023/24. This approach allows us to be flexible in-year and to consider any changes, pressures and delivery risks as they arise. During the year we were challenged with resourcing pressures and gaps in key staff as well as the additional work we were asked to absorb by DHSC on the new legislation relating to transplants that take place outside the UK.

Going concern

The going concern basis of accounting for the HTA is adopted in consideration of the requirements set out in the International Accounting Standards as interpreted by HM Treasury's Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of their financial statements, where it is anticipated that the services they provide will continue in the future.

Parliament has demonstrated its commitment to continue to fund DHSC for the foreseeable future and as a result the DHSC funds the HTA in part through grant in aid (GIA) with the bulk of our income coming from licence fees from both the private and public sector.

The level of funding from DHSC has been agreed for the next year and will be adjusted in line with the Department's efficiency and reform programme. Licence fees are set in December each year, prior to billing our establishments in the April and September of the following year. We also hold over £1m in reserves which allows the HTA to continue its core operational activities.

The HTA is one of the arm's length bodies that will be subject to the public bodies review process. The date for the review dedicated to the HTA has yet to be confirmed.

Based on the above, the Board has reasonable expectation that it has adequate resources to continue in operational existence for a period of at least 12 months from the date the financial statements are authorised for issue. For this reason, the Authority and the Accounting Officer continue to adopt the going concern basis for preparing the financial statements.

Performance analysis

Measuring performance

Each year, we agree a business plan with the Department of Health and Social Care (DHSC our sponsor department) that includes strategic aims, high level objectives and key performance indicators (KPIs) covering the delivery of our statutory remit and public accountability.

We record performance against key performance indicators monthly and review achievement and action needed at the Portfolio Senior Management Team meetings.

A performance report is made to the Board at each of its meetings and the DHSC every quarter.

Analysis of performance over the year

Business Plan Performance indicators 2023/24

The 2023/24 business year saw a revision to our business plan KPIs. The table below reflects some of those that are of key interest to our Board.

Key Performance Indicators (KPIs)

Targets	2023/24 Year end position	2022/23 Year end position
Compliance		
Inspections covering all sectors	(Target 222) 226	(Target 210) 210
100% of non-panel cases actioned within 5 working days	100%	100%
100% of panel cases actioned within 10 working days	99% (254/256)	99% (219/221)
Communication and information		
95% of enquiries are answered within 10 working days of receipt	94% (1000/1059)	92% (1208/1311)
100% of FOIs responded to within 20 working days	100% (23/23)	89% (24/27)

Targets	2023/24 Year end position	2022/23 Year end position
Corporate		
Staff sickness absence rate no more than 3%	1.77%	0.75%
Attrition rate no more than 15%	30.6%	30.5%

We continue to embed the suite of KPIs implemented in 2022/23. 2023/24 was a challenging year particularly for the Living Organ Donation (LOD) area of the business. The legislative changes in July 2022 to section 32 of the Human Tissue Act (2004) created an increased level of cases requiring consideration for police referral and these need to be processed by the LOD team. Overall, the organisation has performed well against the KPIs that were set and agreed with the Board and DHSC, not least, in meeting an increased target for the number of completed inspections.

Financial review

Accounts preparation and overview

The HTA accounts consist of primary statements which provide summary information and accompanying notes. These statements consist of a statement of comprehensive net expenditure (SoCNE), a statement of financial position (SoFP), a statement of cash flows (SoCF) and a statement of changes in taxpayers' equity (SOCTIE).

The accounts were prepared according to the standards set out in the Government Financial Reporting Manual (FReM) issued by HM Treasury.

How is the HTA funded?

HTA's revenue funding comes from two primary sources. In 2023/24, around 18% was from grant in aid (GIA) from DHSC, who provides baseline funding to support the provision of services for which we do not have legal powers to levy charges. The remaining 82% was from licence fees from both the private and public sectors. We also received non-cash cover for notional charges of depreciation and amortisation of our fixed assets.

Some other income is generated from contributions from the Devolved Administrations (DAs) and recharges for staff seconded out of the organisation.

We have generated the income needed to cover the cost of the activities we licence and delivered within the budget set for the year.

We have a comprehensive fees model that enables us to set our fees according to the regulatory workload and allocate our costs according to our activities as set out in legislation. The fees model was reviewed during 2023/24 to take account of a reduced level of GIA in 2024/25, allowing us to ensure that the increase in the HTA's sectoral fee requirement was fairly balanced across the sectors we regulate.

Summary position as at 31 March 2024

		2023/24	2022/23
	Note	£'000s	£'000s
Income			
From devolved Governments		123	134
Licence fees		4,444	4,285
Other income	(a)	87	70
Total Income		4,654	4,489
Expenditure			
Staff costs		4,025	3,738
General administrative and non-cash costs		990	1,204
Total expenditure		5,015	4,942
Net (expenditure) for the year	(b)	(361)	(453)

(a) Other income is seconded staff costs.

(b) Net expenditure for the year reflects our financial position excluding the GIA funding received from Department of Health and Social Care. The table below reflects the revenue GIA received from DHSC, to arrive at the net operating surplus for HTA.

Net (expenditure) /Income for the year	(b)	(361)	(453)
Revenue Grant in Aid	(c)	703	814
Ring-fenced RDEL	(d)	107	78
Surplus for the year		449	439

(c) GIA is treated as financing within statutory accounts, and it is a requirement to report it this way. GIA is therefore excluded from the Statement of Comprehensive Net Expenditure (SoCNE) on page 65 within the financial statements and included in the Statement of Changes in Taxpayers Equity (SoCTE) on page 68.

(d) In addition, the HTA received cover for its non-cash expenditure (depreciation and amortisation) of £107k. It is not cash and therefore the cover is not shown in the accounts.

Financial performance

We have ended the year with a surplus of £449k due to a late reversal of an accrual relating to the rent of our previous offices which we vacated late in 2020. Without this reversal we saw a small surplus against budget of c£34k.

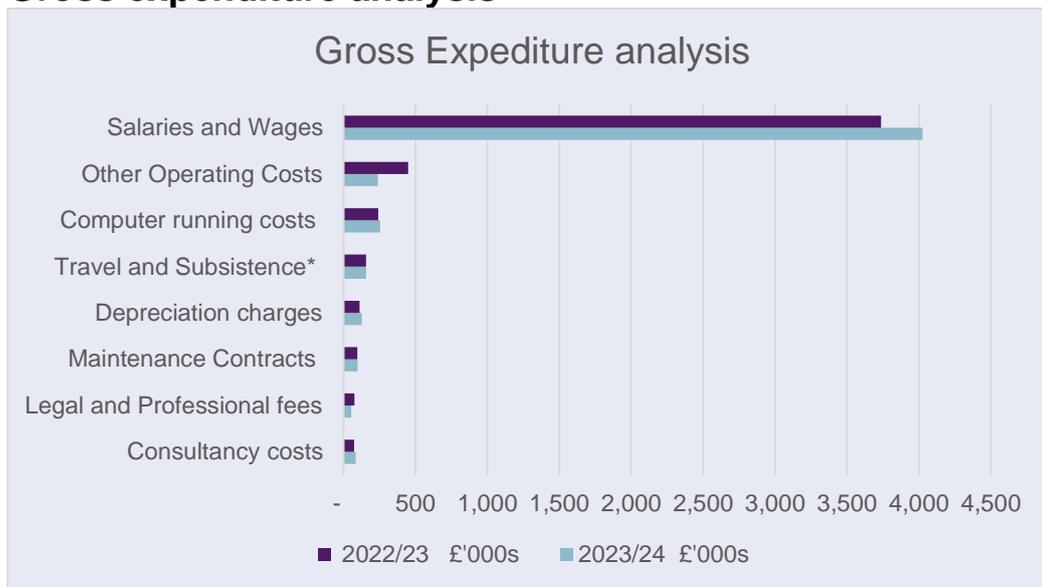
Our Licence Fee income has increased against last year by 4% but came in at 0.8% below budget. Licence revocations and changes in activity by establishments are the main factor for the variance

against budget. The reduction in our grant in aid is part of the DHSC's reform and efficiency programme and is expected to continue into 2024/25.

Our operating expenditure has increased by 1.5% against last year, however this has been impacted by the reversal of an accrual. Without this reversal, the increase is 9.9% against last year (1.6% reduction against budget). Our biggest cost is staffing which has increased against 2022/23 by 7.7% represented by pay awards that were higher than previous years plus the one-off cost of living payments to staff in July 2023.

During 2023/24 the HTA ensured that drawdowns of grant in aid were kept within the DHSC's cash allocation. The total available cash allocation for revenue and capital expenditure was £673k and £30k respectively, (2022/23 £966k and £100k).

Gross expenditure analysis



This graph shows where we have spent our funding during the last two financial years. Our staff costs have always been a significant part of our spend and reflect the nature of what we do.

Supplier payments

We aim to pay suppliers within ten days of receipt of a valid invoice. No interest payments were made to suppliers under the Late Payment of Commercial Debts (Interest) Act 1998.

HTA Target	2023/24	2022/23
90% of payments made within 10 days of receipt of undisputed invoice.	321 invoices received of which 313 (97.5%) were paid within 10 days	379 invoices received of which 329 (87%) were paid within 10 days

Targets were met in 2023/24 through changes in our processes and extending the number of approvers.

The HTA is committed to the Better Payment Practice Code and its target of 95% of payments made within 30 days.

BPPC Target	2023/24	2022/23
95% of payments made within 30 days of receipt of undisputed invoice.	321 invoices received of which 321 (100%) were paid within 30 days	379 invoices received of which 379 (100%) were paid within 30 days

Staff involvement and wellbeing

The HTA keeps members of staff informed about organisational, management and policy issues. There is a weekly exchange call, and all-staff days are held regularly, at least quarterly. We also hold regular in-person team meetings to bring staff together and facilitate discussions around the latest issues/news items that may impact on the HTA. These events enable staff to have their say and be heard. Openness and transparency with staff is a key value of the organisation. Staff were invited to contribute to the development of the HTA's new strategy, where their views were heard and taken into consideration.

Learning and development

Staff are encouraged to have personal development plans and this remains an essential part of our appraisal process. We have three types of training: corporate training including compliance training, role specific training and our career investment scheme.

We have a mandatory training programme which includes several training modules each quarter covering key areas such as whistleblowing, data protection, anti-fraud, records management, interpersonal skills and communication, information security.

Staff have also conducted and attended several online training sessions, sharing their expertise across the sectors we regulate.

Equality Act 2010 – equality and diversity and human rights

The HTA is fully committed to equality of opportunity for both current and prospective employees and in the recruitment of working group members. We expect everyone who works for or with the HTA or applies to work for the HTA to be treated fairly and valued equally.

Our values hope to make it clear that we are committed to providing equal opportunities for all staff. Any form of discrimination against people, because of their race, disability, gender, gender identity, religion/belief, age, sexual orientation or any other protected characteristic is prohibited within the HTA, and we seek to ensure that the Authority abides by all statutory regulations regarding human rights and discrimination. We periodically monitor our performance in this area with reports discussed at management meetings. Any new policies, and those subject to review, are considered from an equality impact assessment perspective. We recognise that ensuring equality of opportunity and treatment is everybody's responsibility and, as a small organisation in relation to some

protected characteristic groupings, we have met with other Health ALBs to discuss how best to share resources and initiatives to support Equality, Diversity and Inclusion (EDI) activity.

Our Chief Executive has engaged with other ALBs that share our offices at Redman Place in Stratford (the Care Quality Commission, the Human Fertilisation and Embryology Authority, the Health Research Authority and the National Institute for Health and Care Excellence) and more widely seeking to expand cross-ALB EDI networks. On our internal intranet, we mark different faith-based and cultural festivals, as well as other significant national and international events, such as Holocaust Memorial Day.

Disabled employees

We have a specific policy of inviting 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 any reasonable adjustments to the workplace or work processes and having advice available through the occupational health service. We keep abreast of any changes in the law or any tribunal rulings that may impact on our policies. The latest is the consideration of menopause symptoms as a disability.

Disability - of the 54 staff who declared in 2023/24, five reported themselves as disabled, 33 reported no disability and 16 did not disclose. An analysis of other characteristics of all staff, as at 31 March 2024, is provided within the Remuneration and Staff Report on pages 50 - 51.

Trade Unions

Under the Facility Time Publication Requirements Regulations of 2017, the HTA is required to disclose the number of staff, cost and time spent on facility time by an employee who is a relevant union official if it meets certain criteria.

The HTA does not employ any staff who devote time to a trade union.

Sustainability and environmental issues

The HTA occupies a small area of a shared building in outer London. Our landlords provide services and encourage behaviour that meets sustainability requirements, this includes recycling, energy efficiency and other facilities. All efforts to adapt our working environment to climate change are reliant on our landlord or through our staff travel policies.

Information that is available and reportable is within the tables below. The HTA is not covered by the Greening Commitments and therefore is not required to prepare disclosure in line with the Taskforce on Climate Related Financial Disclosure.

	2023/24	2022/23	2023-24	2022-23
Total tCO₂e²	Km travelled	Km travelled	Tonnes CO₂e	Tonnes CO₂e
Domestic – Car Hire	36,249	39,592	5.94	6.73
Public Transport – Flights	21,097	18,030	3.40	2.34
Public Transport – Rail	142,034	114,826	5.10	4.08

We are aware of the green agenda in relation to procurement and we use the Crown Commercial Service and other frameworks which have sustainability factored in.

	2023-24	2022-23	2023-24	2022-23
Financial information	Rail	Rail	Air	Air
Expenditure	£55,492	£51,505	£9,029	£7,824
Number of transactions/flights	750	663	29	32

Staff and Members are encouraged to travel on HTA business in the most sustainable and cost-effective way. The increase in rail and air travel reflects the increase in site visits. Also included are staff travel to the office for all-staff and team meetings.

We are also a member of the Cycle to Work scheme, which provides tax efficient incentives and there are cycling facilities at our offices. A review of other types of incentives is to be undertaken in the new business year.



Dr Colin Sullivan
Chief Executive
Accounting Officer

11 July 2024

² The figures within the table have been extracted from data submitted to the DHSC as part of the Greening Government Commitment (GGC) reporting round.

Accountability Report

Corporate governance report

Directors' report

The Board

Our Board consists of up to 12 Members (including the Chair) appointed through an open public process, including three new Board members who joined on 1 December 2023. At 31 March 2024 we had a Board of 10 Members. Below is a list of Board Members during 2023/24. Biographies for each existing member can be found on our website as detailed below.

Authority member	Role	Appointment start date	Appointment end date
Lynne Berry CBE	Chair of the Board	18 November 2019	17 November 2022 (extended to November 2025)
Mhairi Anderson	Board Member	1 December 2023 (appointed)	30 November 2026
Professor Deborah Bowman	Board Member	4 January 2021	30 September 2023 (resigned)
Tom Chakraborti	Board Member	1 April 2022	31 March 2025
Professor Gary Crowe	Board Member ARAC Chair	1 September 2019	1 September 2022 (extended to September 2025)
Helen Dodds	Board Member	1 April 2022	31 March 2025
Ellen Donovan	Board Member	1 April 2021	31 March 2027 (re-appointed 7 December 2023)
Dr Andy Greenfield	Board Member	1 April 2022	31 March 2025
David Lewis	Board Member	1 April 2022	31 March 2025
David Lock	Board Member	1 December 2023 (appointed)	30 November 2026
Jessica Watts	Board Member	1 December 2023 (appointed)	30 November 2026

Member biographies are on the HTA website: <https://www.hta.gov.uk/about-hta/meet-our-board-and-executive-team>

Senior Management Team

Our Chief Executive and Directors during 2023/24 and at 31 March 2024, are set out below.

Senior Management	Post
Dr Colin Sullivan	Chief Executive
Richard Sydee	Director of Resources (resigned 16 June 2023)
Tom Skrinar	Director of Resources (appointed 21 August 2023)
Nicolette Harrison	Director of Regulation
Louise Dineley	Director of Data, Technology and Development
John McDermott	Deputy Director for Performance and Corporate Governance

Interests of Board Members and senior staff

The HTA maintains a register of interests. All Board members and staff declare any company directorships and other significant interests held by them or their close family and friends which may conflict with their HTA responsibilities.

Potential conflicts of interest are managed by all Board Members and staff, declaring in the register of interests any company directorships and other significant interests held by them or their close family and friends which may conflict with their HTA responsibilities.

Members also declare their interest in any items being discussed at Board and Audit, Risk and Assurance Committee (ARAC) meetings. The Chair decides whether there is a conflict of interest and whether the member concerned should remain involved in the discussion.

Members interests are published on our website <https://www.hta.gov.uk/about-hta/committees-and-working-groups/authority-board>

Pensions

Pension benefits are provided by the National Health Service (NHS) Pension Scheme. The HTA recognises the contributions payable for the year. Full details are set out in the remuneration and staff report and note 1.11 to the accounts.

Data incidents

Arrangements for data security and any personal data-related incidents are set out in the annual governance statement.

Our auditors

The Comptroller and Auditor General is the external auditor for the HTA's accounts. The external auditor's remuneration in 2023/24 was £39,000. No fees were incurred for non-audit work.

Statement of the Authority and Accounting Officer's responsibilities

Under the Human Tissue Act 2004, the Secretary of State has directed the HTA to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the HTA and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the accounts, the Authority and the Accounting Officer are required to comply with the requirements of the Government Financial Reporting Manual prepared by HM Treasury, and in particular to:

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make 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 accounts;
- prepare the accounts on a going concern basis.
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and I take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Accounting Officer of the DHSC has appointed the Chief Executive as Accounting Officer for the Human Tissue Authority with responsibility for preparing the HTA's accounts and for transmitting them to the Comptroller and Auditor General.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances, for which the Accounting Officer is answerable, for keeping proper records and safeguarding the HTA's assets, are set out in the Accounting Officers' Memorandum, issued by the DHSC and in Managing Public Money published by HM Treasury.

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

Accounts direction

The Annual Accounts have been prepared and issued by the HTA, under directions given by the Secretary of State for Health and Social Care, with the approval of HM Treasury, in accordance with Schedule 2 (paragraph 16) of the Human Tissue Act 2004. The Accounts report the resources that have been used by the HTA to deliver its objectives. These Annual Accounts have been prepared in accordance with the guidance set out in the Financial Reporting Manual (FReM) 2023/24.

Authority statement

The Senior Management Team (SMT) of the HTA has inputted to this document. The Audit, Risk and Assurance Committee (ARAC), on behalf of the Authority, has reviewed the Annual Report and Accounts.

Governance statement

Scope of responsibility

The Accounting Officer has responsibility for maintaining a sound system of internal control that supports the achievement of the HTA's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to them. The Accounting Officer is also responsible for ensuring that the HTA is administered prudently and economically and that resources are applied efficiently and effectively.

The system of control was in place throughout the year ending 31 March 2024 and up to the point of signing the accounts.

Governance framework

The HTA is an independent regulator established in 2005, following events in the 1990s that revealed incidents of removal and retention of human organs and tissue without consent. The legislation that established the HTA not only addressed this issue but also updated and brought together other laws that relate to human tissue and organs. The HTA was established by the Human Tissue Act 2004 as an arm's length body of the Department for Health and Social Care and is overseen by a Board appointed by the DHSC Secretary of State, and with one member selected by the Health Minister of Wales and another by the Northern Ireland Department of Health.

The DHSC Permanent Secretary nominates a Senior Departmental Sponsor (SDS) who acts as the HTA's designated, consistent point of contact within the Department. The SDS acts as the link at executive level between the HTA and the senior officials of the Department and Ministers. The SDS also supports the Permanent Secretary in holding the HTA to account and in providing assurance on its performance.

A Departmental sponsor team supports the SDS by undertaking the principal day-to-day liaison between the Department and the HTA.

Our board (The Authority)

The Board is responsible for setting strategic direction and risk appetite of the organisation and is the ultimate decision-making body for matters of HTA wide strategic, regulatory or reputational significance. Effective governance facilitates the delivery of HTA's purpose and strategy. The Board is committed, through its governance framework, to appropriate decision making at the correct level within the HTA making sure there is accountability, long term added value and fulfilling our purpose of furthering the interests of our sponsor department and stakeholders.

The Board (the HTA's statutory non-executive board) currently comprises 10 members, including the Chair, who are appointed by the Secretary of State for Health and Social Care, with the exception of one member appointed by the Welsh Government Cabinet Secretary for Health, Well-Being, and Sport. There is currently a vacancy post for the Board Member selected by the NI Department of Health. Members are initially appointed for a three-year term of office.

Details of Board members and Committee attendance are below.

Board members	Board Meetings	Audit, Risk and Assurance Committee	Remuneration Committee
Lynne Berry (Chair)	4 (4) ³	N/a	2 (2)
Mhairi Anderson ⁴	2 (4)	N/a	N/a
Professor Gary Crowe (Audit, Risk and Assurance Chair)	4 (4)	3 (3)	N/a
Professor Deborah Bowman ⁵	3 (4)	N/a	2 (2)
Ellen Donovan	4 (4)	N/a	2 (2)
Helen Dodds	4 (4)	3 (3)	N/a
Dr Andy Greenfield	4 (4)	N/a	N/a
Tom Chakraborti	4 (4)	N/a	N/a
David Lewis	3 (4)	3 (3)	2 (2)
David Lock KC ⁴	2 (4)	N/a	N/a
Jessica Watts ⁴	2 (4)	N/a	N/a

The Board is advised by the Executive Directors who are: Chief Executive; Director of Resources; Director of Regulation; Director of Data, Technology and Development; and Deputy Director for Performance and Corporate Governance.

The Board met 4 times during 2023/24, with Board papers made available on our website, and one of these meetings was open to the public (June 2023). The Board monitors and reviews the organisation's performance regularly, based on the management information briefings and commentaries which the Executive provides.

Biographies of Board Members

Biographies of our board members are available at [Meet our Board and Executive Team | Human Tissue Authority \(hta.gov.uk\)](https://www.hta.gov.uk/about-us/meet-our-board-and-executive-team)

Board Administration

The administration for the Board is the responsibility of the Deputy Director for Performance and Corporate Governance, supported by the Board Secretary/Private Office Lead, who maintains and

³ The figures within brackets are the number of meetings the member was eligible to attend.

⁴ These members joined in December 2023 and therefore could only attend two meetings

⁵ Deborah Bowman resigned on 30 September 2023

keeps up to date the main procedures and policies of the Board, corporate records, and terms of reference of the Board Committees. The Deputy Director for Performance and Corporate Governance also maintains the HTA's Corporate Governance Framework.

Board and committee performance

Quality of information used by the Board

Board members received papers one week in advance of set meetings. Three of the meetings during 2023/24 were in-person (with scope for dialling in) and a fourth meeting was virtual. The Board meetings were efficiently chaired, where challenge and discussion were encouraged. Board papers have followed a standard template to ensure they are comprehensive, taking account of all dependencies such as finance, risk, digital requirements, presentation, and handling. The creation of Board papers goes through a detailed process, which has been reviewed and enhanced. This involves the initial development of "skeleton" papers which set out the structure and purpose of the paper. Initial proposals are then fashioned by the executive into first and final drafts. This process undertaken by SMT provides robust papers and has enabled Board members to make sound decisions.

Board discussions

During the 2023/24 business year, the Board discussed a range of different issues and received updates on various pieces of work including:

- Performance reports – provided quarterly updates focusing on core areas of operations from the Business Plan with formal Key Performance Indicators
- Living Organ Donation; updates, policy revision for the assessment of living organ donation cases and new and emerging risks
- Innovation in Inspection – progress update on our approach to inspection activity through the Review of Inspections Project and Evaluated Self-assessments
- Policy and development – new regulations that introduce a duty to report transplants and transplant-related crimes that take place outside the UK; Assessing our impact; and establishment of an HTA Insight Network to support and strengthen Horizon Scanning capabilities
- HTA Standing Orders review and updates approved including terms of reference for both the Audit, Risk and Assurance and Remuneration Committees
- Updates on HTAs support to the Secretary of State's Independent Inquiry (Fuller)
- Fees review and proposals for 2024/25 (including budgets for approval)
- HR Shared Services – updates on transition
- Risk management updates – key risks impacting on delivery
- Communications (including stakeholder engagement)
- Data Digital updates – the strategic direction of digital and data and progress against the business plan

- Development and approval of the draft Strategy 2024-2027 and the Business Plan 2024/25

Audit, Risk and Assurance Committee (ARAC)

The Audit, Risk and Assurance Committee is made up of three board members and provides an independent view to the Chief Executive and the Board of the organisation's internal controls, operational effectiveness, governance, and risk management. This includes an overview of internal and external audit services, risk management and counter-fraud activities. The committee is authorised to investigate any activity within its terms of reference and to seek any information that it requires from any employee. It is able to seek legal or independent professional advice and secure the attendance of external specialists.

The Committee met three times during 2023/24. At each of these meetings, the Committee received a number of standing agenda items. These include declarations of any identified fraud or losses, including any data losses and updates on strategic risks.

During the year, the Committee also received reports on several other appropriate matters within its terms of reference. These included internal audit plans and reports, cyber security updates and dashboards; an update on progress of the Data Security and Protection Toolkit (DSPT) assessments and responses; risk management policy including an amended risk appetite statement; a deep dive into a key strategic risk areas and critical incident and business continuity and disaster recovery plans.

The Committee reviewed the HTA's counter-fraud arrangements, in the context of the Cabinet Office counter-fraud framework and reviewed the counter-fraud strategy and fraud risk assessments to satisfy itself that appropriate arrangements are in place. In addition, the committee received an update on the work being progressed in respect of Functional Standards – those that are applicable to the HTA and agreed the proportionate approach being taken.

In 2023/24, the ARAC received internal audit reports in the table below with the areas they covered, detailed below:

Audit	Assurance rating	No. of recommendations made		
		High	Medium	Low
Anti-Fraud Controls	Moderate	-	3	-
DSPT	Moderate	-	-	1
Portfolio Management	Moderate	-	4	2
Reportable Incidents	Substantial	-	-	-
Health and Safety	Limited	3	6	1

- Anti-fraud controls. Providing assurance on the adequacy of governance, risk management, and control frameworks. Areas considered were adequacy of anti-fraud controls in place and

staff's understanding of roles and responsibilities in relation to anti-fraud controls. The recommendations which have since been actioned, covered the following areas:

- Alignment of the Action plan with the Counter Fraud Strategy
 - Establishment of a 100% target as a performance metric
 - Inclusion of emerging risk from either external audits or Counter Fraud Liaison Group meetings
- Data Security Protection Toolkit (DSPT). The review was conducted in order to satisfy the annual requirement for assessment of the DSPT submission. The review focused on 13 mandatory assertions and the subsequent evidence. The 'Moderate' rating given related to a single recommendation that required us to address in full the DSPT assertions from 2022/23, prior to the next round of submissions.
 - Health and Safety. The review assessed the adequacy of arrangements in place regarding Health and Safety within the HTA, with a particular focus on ensuring the health and safety of staff who work remotely. A 'Limited' opinion was given due to 3 high-rated risks. This audit was recommended as we were aware that gaps existed due to staff changes (resignation of the Director of Resources), and the move to an HR Shared Service model. The 3 high-rated recommendations relate to the following areas:
 - Management reporting to the Accounting Officer and Authority
 - A Health and Safety forum for staff to raise Health and Safety concerns
 - Inclusion of Health and Safety within the strategic risk register.

Processes for reporting to the Accounting Officer are being developed during quarter 1 of the 2024/25 business year. The Health and Safety forum requires consultation with staff which will be addressed during July/August. The last recommendation has been included within the Strategic risk register, with work on our policies being conducted during quarter 2 and 3 of the 2024/25 business year.

Of the ten Health and Safety recommendations, 9 are due to be completed by quarter 3 of the 2024/25 business year, with the final recommendation which relates to continuous improvements, due by March 2025.

- Portfolio Management. Provision of an independent, objective evaluation of the overall adequacy and effectiveness of the framework of control in place across the HTA's Portfolio Office (PfO) function. Of the 6 recommendations, there are 2 medium, one of which relates to analysis of risk across projects and the second relating to working collaboratively with teams to ensure the necessary governance documentation and reporting requirements are completed in an appropriate level of detail
- HTA Reportable Incidents. Provision of an independent view on the effectiveness of the HTA Reportable Incidents process, and the robustness of the oversight arrangements in place,

with a particular focus on incidents rated as ‘high’ or ‘critical’ severity. A substantial rating with no recommendations was achieved.

Recommendations to deliver remedial actions and new improvements from each of these reports have been agreed between Internal Audit and SMT, and progress against completion of these recommendations is monitored collectively by SMT monthly through our portfolio management process. As a result, during 2023/24 we have reduced the number of outstanding recommendations and the time to completion.

Remuneration Committee (RemCo)

The committee membership currently includes four members including the Chair of the Board, but RemCo is chaired by a separate member. The committee met three times in 2023/24.

The HTA RemCo agrees pay and performance review arrangements for the Chief Executive and HTA staff. At its meeting in January, the committee considered a paper which looked at strategic risk 4 – Failure to adequately deliver the diverse, capable workforce the HTA requires or needs to fulfil its functions and objectives’ as well as the latest EDI statistics for the organisation. In addition, the committee received updates on the transition to HR shared services with the Care Quality Commission (CQC).

Senior Management Team

The HTA Senior Management Team (SMT) is led by the Chief Executive, Dr Colin Sullivan (Accounting Officer), who is responsible for delivery in line with policy direction set by the Board. The Chief Executive is supported by three directors and a deputy director, as detailed below:

Richard Sydee (appointed November 2016 and resigned June 2023) ⁶	Director of Resources
Tom Skrinar (appointed August 2023)	Director of Resources
Nicolette Harrison (appointed June 2018)	Director of Regulation
Louise Dineley (appointed November 2019)	Director of Data, Technology and Development
John McDermott (appointed August 2022)	Deputy Director for Performance & Corporate Governance

The SMT are the decision-making body of the HTA, responsible for the leadership and delivery of the HTA’s strategic aims and objectives. The SMT are supported by eight Heads of Service and collectively are responsible for the day-to-day corporate business.

In addition, the Heads of Service meet every two weeks as the Business Delivery Team (BDT) with these meetings covering discussion of tactical matters and strategic issues, prior to escalation to the

⁶ Richard Sydee was seconded to the HTA from the HFEA for 50% of his time. He resigned on 16 June 2023

SMT. Main areas of focus include the development and delivery of the annual business plan and the associated resources deployment and risk management.

Corporate Governance

We have a Framework Agreement with the DHSC which defines the critical elements of our relationship with them as an Arm's Length Body. The way in which we work with the DHSC and how we discharge our accountability responsibilities effectively is outlined in the agreement. The Senior Departmental Sponsor (SDS) at the DHSC meets with the CEO for a formal accountability meeting every quarter and informally during the year. The SDS also meets with the Chair on a regular basis and agrees and monitors delivery against her annual objectives. In addition, SMT members meet with other DHSC Sponsor Teams at quarterly intervals and as issues require. Representatives from DHSC are also present as observers at Board meetings of the Authority and at the ARAC.

The operational objectives that help us deliver our corporate strategy are set out in our annual business plan. This document is approved by DHSC, and monitoring information is submitted to them on a quarterly basis. Along with formal meetings with the SDS and other officials, this provides assurance to DHSC that the delivery of our objectives is on track.

Our system of corporate governance complies with the requirements of the 'Corporate governance in central Government departments: code of good practice⁷,' in so far as they relate to ALBs. It is designed to ensure that sufficient oversight of operational matters is held by our Board and ARAC, while allowing for clear accountability and internal control systems at Executive level. The HTA is compliant with the provisions of the code with the following exceptions:

- 4.7 – in place of the Permanent Secretary, the HTA Chair and Chief Executive share this responsibility.
- 4.11 – in place of the Board Secretary, the HTA Chair and Chief Executive and the Private Office Lead take responsibility, and
- 5.5 – the Head of Internal Audit only attends the Audit, Risk and Assurance Committee meetings.

Performance Management

Our performance management framework links closely to risk management. It includes periodic reporting at different levels of granularity in performance packs to the Board, the SMT and some of our committees. The portfolio management process has now been fully embedded and is discussed each month at the Portfolio Senior Management Team meetings

As Chief Executive, I am assured that the arrangements in place for internal control are robust and fit for purpose and subject to ongoing review for any lessons learned and continuous improvement.

⁷ <https://www.gov.uk/government/publications/corporate-governance-code-for-central-government-departments-2017>

Annual reviews of committee effectiveness

In the last quarter of 2023/24, the Board undertook an effectiveness review based on the National Audit Office questionnaire which follows HM Treasury's corporate governance in central government departments code of good practice. An external provider was contracted to undertake the review which concluded in early April 2024.

The review was conducted via questionnaire which covered purpose, process, and limitations. A framework which covered resources, competency and execution was used and the feedback from each board member was logged.

Overall, findings were positive in that collectively our board is confident in its performance; there were no areas of clear development identified.

The review concluded that the HTA has a strong sense of its mission and operates in a heavily regulated environment, and its governance arrangements reflect this.

The ARAC undertook its effectiveness review in February 2024 using the National Audit Office Audit and Risk Assurance Committee effectiveness tool. The ARAC will discuss the outcome of this review in June 2024 and develop an appropriate set of actions.

Risk Management

Our system of internal risk management gives assurance that the risks we face when exercising our statutory functions are managed appropriately and mitigated against proportionately.

The HTA manages risk using risk registers. These include the strategic register managed by the Senior Management Team and directorate operational risk registers, where risks are owned by the Heads of Service. At programme and project level, risk logs are maintained. The strategic risk register is presented to the Board at each meeting. The Audit and Risk Assurance Committee monitors the key risks to achieving our strategic objectives.

During 2023/24, a new format of risk register was proposed and agreed by the ARAC. The new format is to be rolled out during quarter one of 2024/25.

Risk process

Our principal risks in 2023/24 are disclosed in the performance report under risks affecting delivery of our objectives on pages 13-15. The process to identify these risks involves horizon scanning by the executive on an annual basis, and escalations as appropriate throughout the year.

Information security and whistleblowing

The Senior Information Risk Owner (SIRO) is responsible for assuring the management of information risk on behalf of the Accounting Officer and the Board, and for providing the necessary assurance.

Any data recorded on the HTA's digital platforms are subject to specific legislative provisions, the Data Protection Act 2018 (DPA) and Freedom of Information (FOI) Act 2000. User access is strictly controlled, and trial logs are kept for security checks and audit purposes. Requests for information are handled in full compliance with both the Data Protection Act and the Freedom of Information Act.

Any operational requirements to deviate from the HTA security policy regarding data security require SIRO agreement.

In total, there were 10 potential data breaches reported for investigation, none of which were judged to be of sufficient gravity to report to the Information Commissioners Office (ICO). The SIRO report which is presented to the Audit, Risk and Assurance Committee at the June meeting includes information on data breaches.

Counter fraud

The HTA is committed to preventing and deterring cases of fraud, bribery, and corruption and, where they do occur, to investigating cases and learning from them in line with our Anti-Fraud and Bribery Policy. Our Fraud Strategy, from which annual action plans are drawn, sets out these aims and actions to improve further and to increase compliance with the Counter Fraud Functional Standard.

When assessing fraud risks, we identify actions to mitigate and reduce these risks. We use the Cabinet Office format for risk-assessing fraud, and this is evolving.

We report to and receive assistance from the DHSC Anti-Fraud Unit who provide specialist expertise to support our investigation of suspected fraud against the authority. The DHSC Anti-Fraud Unit runs regular Counter Fraud Liaison group meetings, of which we are part, and we share best practice and counter fraud briefings.

During 2023/24, we continued to make submissions to the Cabinet Office in compliance with the Government Functional Standards for Counter Fraud (GovS013) and provide reports to the Audit, Risk and Assurance committee.

Whistleblowing

The HTA's whistleblowing policy sets out how any concerns can be raised by staff and what action would be taken. It aims to reassure staff that they should raise concerns openly and that there will be no repercussions for them if they raise concerns in good faith. The policy has been communicated to staff through regular newsletters and all staff meetings.

As well as line management and HR channels, the HTA has both a staff and Board Member Freedom to Speak Up champion with whom staff can raise concerns. The Board Member is the Chair of ARAC who meets the staff member before each ARAC meeting to review what has been discussed at staff forum meetings or equivalent and give the staff Freedom to Speak Up champion an opportunity to discuss any concerns that they or any other staff member may have. Contact details for the DHSC, National Audit Office (NAO) and the whistleblowing helpline are also provided to staff.

During the 23/24 year, there have been no cases progressed under the HTAs whistleblowing arrangements.

Functional standards

The UK government has created a suite of management standards and associated documentation to create a coherent, effective, and mutually understood way of doing business within government organisations and across organisational boundaries, and to provide a stable basis for assurance, risk management, and capability improvement⁸.

Compliance with the standard is mandated across government since March 2022.

During 2022/23, the HTA identified the appropriate functional standards that were applicable, and plans were put in place to enable it to monitor and evaluate compliance against them.

There are 14 standards of which nine are applicable to the HTA. During 2023/24, the Functional Leads updated their respective functional standard assessments and have set a percentage ambition against the full standard, provided a rationale for the ambition (especially if not aiming for 100% compliance) and evidenced alignment with each standard. This work was necessary in preparation for an internal audit later in the 2024/25 business year.

Pensions

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer contributions and payments into the scheme are in accordance with rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in regulations.

Internal audit arrangements

The HTA uses the Government Internal Audit Agency (GIAA) to deliver its Internal Audit requirements. The Head of the GIAA team is fully independent and remains free from interference in determining scope of internal audits, in performing their work throughout the year and in communicating results and opinions to management and the HTA Audit, Risk and Assurance Committee (ARAC). The Head of Internal Audit has direct access to the Accounting Officer (Chief Executive) and the Chair of ARAC.

The Head of Internal Audit has provided the Accounting Officer with an overall opinion of 'moderate assurance'; on the framework of governance, risk management and internal control with the HTA for the 2023-24 financial year. The definition of moderate opinion is that some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

⁸ <https://www.gov.uk/government/collections/functional-standards>

Review of effectiveness

As Accounting Officer, I place reliance on the internal system of control. These include but are not limited to:

- oversight by the Board and its sub-committees, not least, the Audit and Risk Assurance Committee.
- the work and opinions provided by GIAA our internal auditors.
- senior managers within the organisation, who had responsibility for the development and maintenance of the system of internal control, and
- regular reporting to the Executive Team on performance and risk management.

I have noted the GIAA's annual report which, in accordance with the Public Sector Internal Audit Standards, concludes that the HTA "has maintained an adequate system of governance, risk management and internal control": They have arrived at this opinion through:

- Conducting a detailed risk-based internal audit needs assessment, from which they have prioritised activity over a three-year planning period to design an internal audit strategy and annual operational plan.
- All audits conducted during 2023/24.
- Monitoring the implementation of internal audit recommendations throughout the year.



Dr Colin Sullivan
Accounting Officer
Human Tissue Authority

Date: 11 July 2024

Remuneration and Staff Report

The remuneration and staff report provides details of the remuneration (including any non-cash remuneration) and pension interests of board members and the directors who regularly attend board meetings.

Audit

Specific areas of the remuneration and staff report are audited by the HTA's external auditors. These sections are labelled 'Subject to audit.'

Senior staff remuneration

The remuneration of the chair and non-executive directors is set by the Secretary of State for Health and Social Care. The salaries of the staff employed on NHS conditions and terms of service are subject to direction from the Secretary of State for Health and Social Care.

The remuneration of the chief executive and all executive senior managers (ESMs) is first subject to independent job evaluation and then approved by HTA's remuneration committee with additional governance oversight from the DHSC remuneration committee. Any salary in excess of £150,000 requires both Secretary of State and DHSC remuneration committee approval. The remuneration of the executives and senior managers is detailed in the table on pages 44-45.

Information on HTA's remuneration policy can be found on pages 42-43 and the membership of the remuneration committee can be found on page 35 within the annual governance statement and has not been audited.

Performance appraisal

A personal objective-setting process that is aligned with the business plan is agreed with each member of staff annually and all staff are subject to an annual performance appraisal.

Policy on duration of contracts, notice periods and termination payments

Terms and conditions: non-executive directors and chair

Below are the terms and conditions for the chair and non-executive directors.

Statutory basis for appointment

The chair and non-executive directors of non-departmental public bodies (NDPBs) hold a statutory office under the Health and Social Care Act 2012. Their appointment does not create any contract for services or of service between them and the Secretary of State for Health and Social Care or between them and the HTA.

Employment law

The appointments of the chair and non-executive directors of the HTA are not within the jurisdiction of employment tribunals. There is also no entitlement for compensation for loss of office through employment.

Reappointments

The chair and non-executive directors are eligible for reappointment at the end of their period of office, which is currently 3 years, but they have no right to be reappointed. The Department of Health and Social Care (DHSC) will have a view as to who should be appointed to the office.

Termination of appointment

A chair or non-executive director may resign by giving notice in writing to the Secretary of State for Health and Social Care, otherwise their appointment will terminate on the date set out in their appointment letter unless terminated earlier in accordance with schedule 2 to the Human Tissue Act.

Remuneration

Under the Act, the chair and non-executive directors are entitled to be remunerated by the HTA for as long as they hold office.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the HMRC as a taxable emolument. The HTA has agreed a PAYE Settlement Agreement (PSA) with HMRC for taxable emoluments of HTA Board Members. This covers travel and subsistence.

Information regarding travel and subsistence claimed by Authority Members and senior management is published on the HTA's website -<https://www.hta.gov.uk/about-hta/transparency/workforce-and-expenses-information> .

Conflict of interests

The Code of Conduct for Board Members of Public Bodies published by the Cabinet Office applies to NDPB boards. The Code requires chairs and board members to declare, on appointment, any business interests, positions of authority in a charity or voluntary body in health and social care, and any connection with bodies contracting for NHS services. These must be entered into the HTA's register of interest, which is available to the public. Any changes should be declared as they arise.

Terms and conditions of the HTA executive team

Basis of appointment

All executive directors and other directors who are members of the executive team, are appointed on a permanent basis under a contract of service at an agreed annual salary with eligibility to claim allowances for travel and subsistence costs, at rates set by HTA, for expenses incurred on its behalf.

Termination of appointment

Directors who are members of the executive team have to give three months' notice. There is no provision for compensation included in the HTA's annual accounts for the early termination of any executive director's contract of service in 2023/24.

Terms and conditions of HTA staff

The HTA provides for staff salaries to be uplifted annually in August. Any uplifts are in line with HM Treasury pay guidance and approved by the HTA's Remuneration Committee and by DHSC.

Members of staff in Bands 1 – 3 (Assistants, Officers, and Managers) are required to give the HTA eight weeks' notice for termination of contract. Members of staff in Bands 4 (Heads of Service), Bands 5 (Deputy Directors) and ESM (Directors) are required to give three months' notice. The HTA is required to give the notice period of between one and twelve weeks in line with the Employment Rights Act 1996.

Termination payments are made only in appropriate circumstances and may arise where staff are not required to work their notice period. One payment was made in 2023/24 (and three in 2022/23).

Single total figure of remuneration – Board members' (subject to audit)								
2023/24					2022/23			
Name of Board member	Salary in bands of £5'000	Non-cash benefits total to nearest £100	Pension Benefits to the nearest £1000	Total	Salary in bands of £5'000	Non-cash benefits total to nearest £100	Pension Benefits to the nearest £1000	Total
	£'000's	£	£'000's	£'000's	£'000's	£	£'000's	£'000's
Lynne Berry, Chair	40-45	0	0	40-45	40-45	0	0	40-45
Professor ⁹ Deborah Bowman	0-5	0	0	0-5	5-10	0	0	5-10
Tom Chakraborti	5-10	0	0	5-10	5-10	0	0	5-10
Professor Gary Crowe, ARAC Chair	10-15	900	0	10-15	10-15	1,100	0	10-15
Helen Dodds	5-10	400	0	5-10	5-10	100	0	5-10
Ellen Donovan	5-10	600	0	5-10	5-10	800	0	5-10
Dr Andy Greenfield	5-10	200	0	5-10	5-10	300	0	5-10
Dr Charmaine Griffiths ¹⁰	N/a	N/a	N/a	N/a	0-5 (Fye 5-10)	0	0	0-5
Glenn Houston ¹¹	N/a	N/a	N/a	N/a	0-5 (Fye 5-10)	0	0	0-5
David Lewis	5-10	500	0	5-10	5-10	100	0	5-10
Mhairi Anderson	0-5(Fye 5-10)	0	0	0-5	N/a	N/a	N/a	N/a
David Lock	0-5(Fye 5-10)	0	0	0-5	N/a	N/a	N/a	N/a
Jessica Watts	0-5(Fye 5-10)	0	0	0-5	N/a	N/a	N/a	N/a

⁹ Prof Deborah Bowman resigned from the Board on 30/11/2023

¹⁰ Dr Charmaine Griffiths resigned from the Board on 31/8/2022

¹¹ Glen Houston's term ended on 30/04/2022

Single total figure of remuneration – Executive Team (subject to audit)										
2023/24						2022/23				
Name of Officer	Salary in bands of £5'000	Bonuses in bands of £5'000	Non-cash benefits total to nearest £100	Pension Benefits to the nearest £1000	Total	Salary in bands of £5'000	Bonuses in bands of £5'000	Non-cash benefits total to nearest £100	Pension Benefits to the nearest £1000	Total
	£'000's	£'000's	£	£	£'000's	£'000's	£'000's	£	£	£'000's
Dr Colin Sullivan	140-145	5-10	0	31,000	175-180	135-140	0	0	31,000	165-170
Louise Dineley	105-110	0	0	0	105-110	95-100	0	0	11,000	105-110
Nicolette Harrison,	105-110	0-5	0	14,000	120-125	100-105	0	0	25,000	125-130
John ¹²	85-90	0	0	6,000	90-95	55-60 (Fye 85-90)	0	0	25,000	80-85
Richard Sydee ¹³	10-15 (Fye 95-100)	0	0	2,000	10-15	45-50 (Fye 95-100)	0	0	0	45-50
Tom Skrinar	25-30 (Fye 90-95)	0	0	140,000	165-170	N/a	N/a	N/a	N/a	N/a

PENSION COSTS

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation,

¹² John McDermott joined the HTA 1 August 2022

¹³ Richard Sydee was 0.5Fte as he worked for the HFEA for 50% of his time.

the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years.”

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the Statement by the Actuary, which forms part of the annual NHS Pension Scheme Annual Report and Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Pension Benefits – Executive Team (subject to audit)								
Name of Officer	Real increase in pension at age 60 (a)	Real increase in pension lump sum at age 60 (b)	Total accrued Pension at 31/03/24 (c)	Lump sum at age 60 at 31/03/24 (d)	CETV at 31/03/24 (e)	Real increase in CETV as funded by employer 2023/24 (f)	CETV at 31/03/23 (g)	Employers' contribution to stakeholder pension
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Dr Colin Sullivan	2.5-5	0	5-10	N/a	102	30	48	0
Louise Dineley	0-2.5	25-27.5	5-10	95-100	793	116	603	0
Nicolette Harrison	0-2.5	0	10-15	N/a	214	41	144	0
John McDermott	0-2.5	0	15-20	N/a	186	40	122	0
Richard Sydee	0-2.5	0	35-40	100-105	815	0	801	0
Tom Skrinar	5-7.5	0	20-25	N/a	398	104	275	0

Cash Equivalent Transfers

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital 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 (or other allowable beneficiary's) pension payable from the scheme. CETVs are calculated in accordance with SI 2008 No.1050 Occupational Pension Schemes (Transfer Values) Regulations 2008.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2023. HM Treasury published updated guidance on 27 April 2023 and this guidance will be used in the calculation of 2023-24 CETV figures.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

Pay ratio (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director / member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce. Total remuneration is further broken down to show the relationship between the highest paid director's salary component of their total remuneration against the 25th percentile, median and 75th percentile of salary components of the organisation's workforce.

The banded annualised remuneration of the highest paid director in the Human Tissue Authority in the financial year 2023-24 was £145k-£150k (2022-23, £135k-£140k). The relationship to the remuneration of the organisation's workforce is disclosed in the table below:

		Financial Year		Change
		2023-24	2022-23	
	Remuneration banding for highest paid individual	£145,000 to £150,000	£135,000 to £140,000	7.30%
25 th Percentile	25 th percentile total remuneration and salary	£46,000	£43,100	£3,100
	Total remuneration ratio	3.21 : 1	3.19 : 1	0.02
	Salary only	£44,266	£42,000	£2,266
Median	50 th percentile total remuneration and salary	£48,070	£46,128	£1,942
(50 th Percentile)	Total remuneration ratio	3.07 : 1	2.98 : 1	0.09
	Salary only	£46,338	£45,000	£1,338
75 th Percentile	75 th percentile total remuneration and salary	£50,523	£51,007	£(484)
	Total remuneration ratio	2.92 : 1	2.70 : 1	0.22
	Salary only	£49,221	£49,352	£(131)

The highest paid individual for this comparison was the Chief Executive. There has been a small change (4.21%) in the median remuneration of staff since last year. This has been affected by the pay award to staff that ranged between a 4.5% increase or £2,000. The latter attributed to more junior staff at the lower pay bands.

There has been an increase in the 75th percentile of total remuneration from 2022/23 to 2023/24 of 0.22 (0.95%)%. This is attributable to total remuneration of the highest paid person.

In 2023/24, 0 (2022/23, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £32,000 to £150,000 (2022/23 £25,000 to £135,000). Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include the employer pension contributions and the cash equivalent transfer value of pensions.

The figures compared to prior year, have changed in the above table due to pay awards and an increase in staff at a higher pay band.

Percentage change in remuneration of the highest paid director (subject to audit)

Director	2023/24	2022/23	%ge Change
Salary and allowances	£147,500	£137,500	7.3%
Performance pay and bonuses	5-10	0	N/a

The table above shows the mid-point of the salary band of the highest paid director and their performance pay. In 2023/24 the highest paid staff member did not receive a consolidated pay award; however, a non-consolidated bonus was paid for the first time in 2023/24.

The table below shows the average percentage change from the previous financial year in respect of HTA staff.

Staff	2023/24	2022/23	Change
Salaries and allowances	£49,626	£47,967	3.5%

In line with Cabinet Office pay policy, HTA staff received a pay award ranging from 4.5% to an average flat award of £2,000 during the reporting year. Anomalies within our manager pay bands (band 3) were also corrected in year which has impacted on the increase in performance pay compared to 2022/23.

The average performance pay award per Fte has increased from £587 in 2022/23 to £1,424 in 2023/24. This reflects the increase in pay awards and correction of pay anomalies as mentioned above.

Analysis of staff costs (subject to audit)

The HTA is structured as follows: ten Authority Members including the Chair and an Executive of 54 staff. For 2023/24, the HTA staff costs were:

	Permanently employed staff	Members	Seconded Staff	Total 2023/24	Total 2022/23
	£'000s	£'000s	£'000s	£'000s	£'000s
Wages and salaries	2,940	106	82	3,128	2,906
Social security costs	336	5	20	361	327
Pension costs	500	0	36	536	505
Subtotal	3,776	111	138	4,025	3,738
Less recoveries in respect of outward secondments	0	0	(81)	(81)	(63)
Total net costs	3,776	111	57	3,944	3,675

For 2023/24 all contributions were paid to the NHSPS at rates prescribed by HM Treasury. Contribution rates were amended again later in October 2023. Details can be found on NHS

Business Services Authority's website [Cost of being in the Scheme | NHSBSA](#). The current employer's rate for the NHSPS is 20.68% of pensionable pay according to salary level.

Average number of persons employed (subject to audit)

The average number of whole-time equivalent (Wte) persons employed or outwardly seconded during the year was as follows.

	Permanently employed staff	Seconded Staff	Total 2023/24	Total 2022/23
SCS	3	0.5	3.5	3.5 ¹⁴
Other	49	2	51.0	52.0
Total staff	52	2.5	54.5	55.5

Staff reported in the above table are only those directly employed by the HTA. During the year, two staff members were on secondment to the HFEA for approximately half of their time. As at 31 March 2024, the HTA employed 54 Wte staff (2022/23, 58). The total number of contract (temp) staff in 2023/24 was 0 (2022/23, 1).

Staff Turnover

Staff turnover was 30.6% (2022/23, 30.5%).

Gender mix as at 31 March 2024

An analysis of gender mix for the headcount as at 31 March 2024 is provided below. The figures exclude the shared Director who is accounted for within the Human Fertilisation and Embryology Authority (HFEA) and temporary staff.

Gender	Male	Female	Total 2023/24	Total 2022/23
Authority Members	5	5	10	9
Directors	1	2	3	3
Total staff (including Directors and excluding Authority Members) ¹⁵	20	34	54	58

Below are additional statistics around the mix of HTA staff.

¹⁴ Figures for 22/23 restated to include the seconded Directors' time at 0.5Fte

¹⁵ Last year (Male 14/Female 31)

Staff mix according to age as at 31 March 2024

Age range	2023/24	2022/23
18-29	1	1
30-39	12	13
40-49	25	31
50-59	11	8
60+	5	5

Staff mix according to ethnicity

Ethnicity	2023/24	2022/23
Asian	4	4
Black	3	2
Mixed	0	0
White	41	35
Other	1	0
Undefined	5	17
TOTAL	54	58

Time in service

Age range	2023/24	2022/23
0 – 4 years	32	36
5 – 9 years	14	13
10 – 19 years	8	9

Sickness and absences

During the year ended 31 March 2024 the total number of whole-time equivalent days (Wte) lost to sickness absence was 347 days (2022/23 98 days). The significant increase is impacted by staff who were on long term sickness. This information is disclosed in accordance with the Financial Reporting Manual (FRoM).

Consultancy expenditure

For the year ended 31 March 2024 the HTA spent £255,163 on consultancy services which includes legal fees, technical consultancy, and HR consultancy (2022/23 £149,846)

Off-payroll assurance statement

The HTA seeks to ensure that any engagements of more than six months in duration, for more than a daily rate of £245, include contractual provisions that allow us to seek assurance regarding the income tax and National Insurance Contribution obligations of the person engaged, and to terminate the contract if that assurance is not provided.

For all new off-payroll engagements, or those that reached six months duration, as at 31 March 2024, for more than £245 per day and that last for longer than six months. There were no staff who met this criteria.

For all new off-payroll engagements, or those that reached six months duration, between 1 April 2023 and 31 March 2024, for more than £245 per day and that last for longer than six months. There were no staff who met this criteria.

Number of existing engagements as of 31 March 2024	0
Of which....	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to department) and are on the department payroll	0
No. of engagements reassessed for consistency/assurance purposes during the year	0
No. of engagements that saw a change to IR35 status following the consultancy review	0

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024.

No. of off-payroll engagements of board members, and/or senior officials with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or senior officials with significant responsibility,” during the financial year.	15

Exit packages (subject to audit)

2023/24

Exit package cost band	No. of compulsory redundancies	Cost of compulsory redundancies	No. of other departures	Cost of other departures	Total # of exit packages	Total cost of exit packages	No. of departures where special payments have been made	Cost of special payment element included in exit packages
		£	#	£	#	£	#	£
Less than £10,000	0	0	1	3,205	1	3,205	0	0
£10,000-£25,000	0	0	0	0	0	0	0	0
£25,001-£50,000	0	0	0	0	0	0	0	0
£50,001-£100,000	0	0	0	0	0	0	0	0
£100,001-£150,000	0	0	0	0	0	0	0	0
£150,001-£200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Totals	0	0	1	3,205	1	3,205	0	0

Type of Other Departures	No. of Agreements	Total value of Agreements £000s
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contracts		
Contractual payments in lieu of notice	1	3
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval		
Total	1	3

Exit costs in this note are accounted for in full in the year of departure.

2022/23

Exit package cost band	No. of compulsory redundancies	Cost of compulsory redundancies	No. of other departures	Cost of other departures	Total # of exit packages	Total cost of exit packages	No. of departures where special payments have been made	Cost of special payment element included in exit packages
		£	#	£	#	£	#	£
Less than £10,000	0	0	3	13,500	3	13,500	0	0
£10,000-£25,000	0	0	0	0	0	0	0	0
£25,001-£50,000	0	0	0	0	0	0	0	0
£50,001-£100,000	0	0	0	0	0	0	0	0
£100,001-£150,000	0	0	0	0	0	0	0	0

£150,001- £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Totals	0	0	3	13,500	3	13,500	0	0

Type of Other Departures	No. of Agreements	Total value of Agreements £000s
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs		
Early retirements in the efficiency of the service contracts		
Contractual payments in lieu of notice	3	13.5
Exit payments following Employment Tribunals or court orders		
Non-contractual payments requiring HMT approval		
Total	3	13.5

Parliamentary accountability and audit report

Accountability (the details below are subject to audit)

Fees charging and cost allocation

Our licence fees are set to recover the full cost incurred in the granting of licences and regulation. The table below shows the income from each sector, other income for licensing activities and the costs of licensing activities. The income shown is that which relates to licensable activities and therefore excludes an element of rent and income from secondments.

We confirm that we have complied with the cost allocation and charging requirements as set out in HM Treasury's guidance.

SECTOR	31 March 2024	31 March 2023
	£'000s	£'000s
Applications	136	106
Anatomy	130	118
Post-Mortem	1,298	1,277
Public Display	21	19
Research	843	778
Human Application	1,663	1,642
Organ Donation/ Transplantation	352	344
Other income for licensing activities ¹⁶	104	114
Total Income from contracts with Customers¹⁷	4,547	4,398
Costs allocated to licensing activities	(4,237)	(4,011)
Surplus/(Deficit) on activities	310	387

In addition, there are elements of our work that do not relate directly to the cost of regulating the sectors above, such as, supporting DHSC on policy related matters and the Live Organ Donation approvals. The DHSC accordingly contributes to the funding of these activities through the provision of Grant-in-aid.

The surplus generated during the year was due to the release of a one-off accrual as detailed in the financial statements note 3 on page 75.

¹⁶ Figure includes income from Devolved Governments and EU income from previous projects

¹⁷ This is the total income allocated to licensable activities and therefore differs from that on page 20.

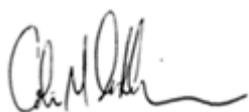
Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled.

There were no losses or special payments over £300,000, either individually or in aggregate, made in 2023/24.

Remote contingent liabilities

As at 31 March 2024, the HTA did not have any remote contingent liabilities (2022/23: none)



Dr Colin Sullivan
Accounting Officer
Human Tissue Authority

11 July 2024

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT, THE NORTHERN IRELAND ASSEMBLY AND THE SENEDD CYMRU

Opinion on financial statements

I certify that I have audited the financial statements of the Human Tissue Authority for the year ended 31 March 2024 under the Human Tissue Act 2004.

The financial statements comprise the Human Tissue Authority's

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

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted International Accounting Standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Human Tissue Authority's affairs as at 31 March 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Human Tissue Act 2004 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the Human Tissue Authority in accordance with the

ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Human Tissue Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Human Tissue Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

Other Information

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

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

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

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions issued under the Human Tissue Act 2004.

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with Secretary of State directions made under the Human Tissue Act 2004 and
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Human Tissue Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Statutory Other Information.

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

- Adequate accounting records have not been kept by the Human Tissue Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- The financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- Certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Authority and Accounting Officer for the financial statements

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

- maintaining proper accounting records.
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters.
- providing the C&AG with additional information and explanations needed for his audit.
- providing the C&AG with unrestricted access to persons within the Human Tissue Authority from whom the auditor determines it necessary to obtain audit evidence.
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error.
- preparing financial statements which give a true and fair view in accordance with Secretary of State directions issued under the Human Tissue Act 2004.
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Human Tissue Act 2004 and

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

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Human Tissue Act 2004.

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

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

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

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

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

- considered the nature of the sector, control environment and operational performance including the design of the Human Tissue Authority's accounting policies.
- inquired of management, the Human Tissue Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Human Tissue Authority's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Human Tissue Authority's controls relating to the Human Tissue Authority's compliance with the Human Tissue Act 2004 and Managing Public Money;

- inquired of management, the Human Tissue Authority's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Human Tissue Authority's framework of authority and other legal and regulatory frameworks in which the Human Tissue Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Human Tissue Authority. The key laws and regulations I considered in this context included the Human Tissue Act 2004, Managing Public Money, employment law and pensions legislation.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Human Tissue Authority Board and internal audit reports;
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date: 15 July 2024

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

Financial statements

Statement of Comprehensive Net Expenditure for the twelve months ended 31 March 2024

	Note	<u>2023/24</u> £'000s	<u>2022/23</u> £'000s
Income from sale of goods and services			
Revenue from contracts with customers	4	(4,444)	(4,285)
Other Operating income	4	(210)	(204)
Total operating income		<u>(4,654)</u>	<u>(4,489)</u>
Expenditure			
Staff costs	3.1	4,025	3,738
Purchase of goods and services	3	945	884
Other operation expenditure	3	(135)	229
Non-cash items	3	179	91
Total operating expenditure		<u>5,015</u>	<u>4,942</u>
Net Expenditure		<u>361</u>	<u>453</u>

There are no items of expenditure that should be shown as Other Comprehensive Expenditure. All items of income and expense arise from continuing activities.

Notes 1 to 14 on pages 69 to 85 form part of these financial statements.

Statement of Financial Position as at 31 March 2024

	Note	31-Mar-24 £'000s	31-Mar-23 £'000s
Non-current assets:			
Property, plant and equipment	5	99	110
Right of Use Asset	5	579	642
Intangible assets	6	0	0
Total non-current assets		678	752
Current assets:			
Trade and other receivables	8	279	176
Cash and cash equivalents	9	4,501	4,611
Total current assets		4,780	4,787
Total assets		5,458	5,539
Current liabilities			
Trade and other payables	10	405	743
Lease liability	11	114	114
Total current liabilities		519	857
Total assets less current liabilities		4,939	4,682
Non-current liabilities			
Lease liability	11	489	574
Total Non-current liabilities		489	574
Total assets less total liabilities		4,450	4,108
Taxpayers' Equity			
I&E Reserve		4,450	4,108
Total equity		4,450	4,108

Notes 1 to 14 on pages 69 to 85 form part of these financial statements.

The financial statement were signed on behalf of the Human Tissue Authority by:



(Signed)
Dr Colin Sullivan
Accounting Officer

11 July 2024

Statement of Cash Flows for the twelve months to 31 March 2024

	Note	<u>2023/24</u> £'000s	<u>2022/23</u> £'000s
Cash flows from operating activities			
Net operating expenditure	SoCNE	(361)	(453)
Adjustment for depreciation and amortisation	3	126	112
Interest paid on Lease Liabilities	3	6	7
Movement in Lease Liabilities		(22)	22
(Increase)/Decrease in trade and other receivables	8	(103)	182
(Decrease) in provision	12	0	(25)
Increase/(Decrease) in trade payables	10	(338)	37
Net cash (outflow)/inflow from operating activities		(692)	(118)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(30)	(95)
Net cash outflow from investing activities		(30)	(95)
Cash flows from financing activities			
Grants from sponsor department	1.7	703	814
Capital repayments made under lease liabilities		(85)	(63)
Interest payments made under lease liabilities		(6)	(5)
Net financing		612	746
Net increase/(decrease) in cash and cash equivalents in the period		(110)	533
Cash and cash equivalents at the beginning of the period	9	4,611	4,078
Cash and cash equivalents at the end of the period		4,501	4,611

Notes 1 to 14 on pages 69 to 85 form part of these financial statements.

Statement of Changes in Taxpayers' Equity For the twelve months ended 31 March 2024

	Note	I&E Reserve
		£'000s
Balance at 1 April 2022		3,747
Changes in taxpayers' equity for 2022/23		
Net Expenditure		(453)
Total recognised Income and expense for 2022/23		(453)
Grant from sponsor department		814
Balance at 31 March 2023		4,108
Balance at 1 April 2023		
Changes in taxpayers' equity for 2023/24		
Net Expenditure		(361)
Total recognised Income and expense for 2023/24		(361)
Grant from sponsor department		703
Balance at 31 March 2024		4,450

Notes 1 to 14 on pages 69 to 85 form part of these financial statements.

Notes to the accounts

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. Statement of accounting policies

These financial statements have been prepared pursuant to the Human Tissue Act 2004, Schedule 2 (paragraph 16) and in accordance with the Financial Reporting Manual (FRoM). The accounting policies contained in the FRoM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Human Tissue Authority (HTA) for the purposes of giving a true and fair view has been selected. The particular policies adopted by the HTA for the year ended 31 March 2024 are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Going concern

The going concern basis of accounting for the HTA is adopted in consideration of the requirements set out in the International Accounting Standards as interpreted by HM Treasury's Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements, where it is anticipated that the services they provide will continue in the future.

1.2 Accounting convention

The accounts have been prepared under the historical cost convention.

1.3 Non-current assets

Noncurrent assets are property, plant and equipment and intangible assets including the costs of acquiring or developing computer systems and software. Only items or groups of related items costing £5,000 or more are capitalised. Items costing less are treated as revenue expenditure in the year of acquisition.

All property, plant and equipment and intangible assets held by the HTA at 31 March 2024 are carried in the Statement of Financial Position at depreciated historical cost. The depreciated or amortised historical cost is used as a proxy for fair value, for the classes of assets listed below, since the useful life over which the asset class is depreciated or amortised is considered to be a realistic reflection of the consumption of that asset class. Depreciation and amortisation are provided on a monthly basis from the date of deemed economic benefit, at rates calculated to write off the costs of each asset evenly over its expected useful life.

Plant and Equipment

Information Technology	4 years
Furniture and fittings	3 or 5 years
Refurbishment Costs	5 or 10 years
Right of Use Assets (Leases)	Lease term

Intangible assets

Information Technology	5 years
Websites	3 years

1.4 Assets under Construction (Development expenditure)

These are the costs related to the upgrade of HTA systems whether that be the hardware or applications that are yet to be deployed. These assets are not depreciated. They are depreciated from the point they come into use.

1.5 Impairments

The simplified approach to impairment, in accordance with IFRS 9, measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses (stage 1).

For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2).

An assessment of all of the HTA's financial assets has resulted in movement in the value of the impairment of receivables. In carrying out the assessment of licence fee debtors, account is taken of the sector, economic climate (past and future) and previous losses and the impact of COVID-19. A default loss rating is applied to debts aged over a period of 28, 42 and 56 days.

DHSC provides a guarantee of last resort against debts of its arm's length bodies and NHS bodies and as such the HTA does not recognise stage 1 or 2 losses against these bodies.

1.6 Critical accounting judgements and key sources of estimation uncertainty

In the application of the HTA accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are reviewed annually. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods. The judgements that management has made in the process of applying HTA's accounting policies and that may have significant effect on the amounts recognised in the financial statements are:

IFRS 9: expected credit losses (ECL) – an impairment review was conducted where historical debtor information, current economic climate, profile of the sector is taken into account. A weighting is applied to each debt according to the number of days outstanding. This results in a

provision (expected credit loss) for these outstanding amounts. Excluded from this review are NHS debtors (see note 1.5).

1.7 Grant-in-aid

Grant-in-aid (GIA) received is used to finance activities and expenditure which support the statutory and other objectives of the HTA. Grant-in-aid is treated as financing and credited to the income and expenditure reserve, because it is regarded as contributions from a controlling party.

1.8 Leases

Scope and classification

Contracts that convey the right to use an asset in exchange for consideration are classified as leases and are accounted for in accordance with IFRS 16 leases. The HTA has one lease which is for its offices at 2 Redman Place, Stratford.

Rentals payable under operating leases, were expensed on a straight-line-basis over the lease term.

Low value contracts defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items, and contracts with a term shorter than twelve months.

Recognition and initial measurement

At the commencement of a lease (or the IFRS effective dates) HTA recognises a right-of-use asset and a lease liability. The lease is measured as the payments for the remaining lease term net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or where this cannot be determined, HTA's incremental cost of borrowing rate. For the HTA, the incremental cost of borrowing is the rate advised by HM Treasury for that financial. The lease term is as reflected in the lease agreement. The liability is presented within note 11.

The right-of-use asset is initially measured at the value of the liability. The liability is adjusted for the accrued interest and repayments.

Expenditure includes interest and straight-line depreciation. Lease payments reduce the lease liability. If applicable, rental payments for leases of low value items or shorter than twelve months are expensed. The HTA does not currently have low value items or leases shorter than twelve months.

The asset is subsequently measured using the fair value model. The HTA considers the cost model to be a reasonable proxy for this. The liability is adjusted for the accrued interest and repayments.

1.9 Income

Our main source of income takes the form of fees for licences from establishments who have human tissue on their premises and fixed fees from devolved administrations, for work on policies and transplants.

Under IFRS 15 and the 5-step model:

- There is a contractual arrangement between the HTA and its establishments as per IFRS 15 and the 5-step model. The underlying legislation is deemed to enforce contractual obligations on both parties, and thus these arrangements are viewed as contracts under the standard.
- Performance obligations exist between the HTA and those establishments within the private and public sectors it regulates. The establishments must maintain standards in line with our Codes of Practice and submit details of activities being undertaken. The HTA if satisfied grants a licence.
- A transaction price (lice fee) is chargeable for granting of licences and for ongoing regulation. The cost of ongoing regulation is based on the sector, type of activity undertaken by each establishment.
- The transaction price is allocated to the obligation on the HTA to regulate the establishments and grant a licence.
- Income is recognised over time across the financial year to which the licence relates.

Other income received by HTA relates to seconded staff. Income is recognised on an accruals basis, with the performance obligation deemed to be the point at which these goods or services are delivered.

1.10 Employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

1.11 Pensions

Past and present employees are covered by the provisions of the NHS Pensions Scheme (NHSPS). Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The Scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying Scheme's assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the HTA of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

1.12 Financial assets

Financial assets are recognised when HTA becomes party to the financial instrument contract or, in the case of contract receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired, or the asset has been transferred.

1.13 Financial liabilities

Financial liabilities are recognised on the statement of financial position when HTA becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been paid or expired.

1.14 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents would be investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.15 IFRS issued but not yet effective

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2023/24. The application of the Standards as revised would not have a material impact on the accounts in 2023/24, were they applied in that year.

IFRS 17 - Insurance Contracts - applicable for accounting periods beginning on or after 1 January 2021. This Standard has not yet been adopted by the FReM which is expected to be from April 2025. The HTA does not have any assets or liabilities recognised as insurance contracts, and therefore this standard will have no impact on the HTA's financial statements.

IFRS 18 - Presentation and Disclosure in the Financial Statements was issued in April 2024 and applies to periods beginning on or after 1 January 2027. The standard has not yet been adopted by FRAB for inclusion within the FReM and therefore it is not yet possible to confirm how this will impact on our accounts in the future.

1.16 Provisions

Provisions are recognised when the HTA has a present legal or constructive obligation as a result of a past event, it is probable that the HTA 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. Where the expenditure does not materialise or the best estimate crystallises, the provision is released.

2. Analysis of Net Expenditure by Segment

Under the definition of IFRS 8 the HTA is a single operating segment whose objectives are the licensing and inspection of premises involved in the storage and use of human tissue for purposes such as research, patient treatment, post-mortem examination, teaching and public exhibitions.

The HTA also gives approval for organ and bone marrow donations from living people.

The HTA charges fees for its licensing activities which, along with Grant-in-aid from the DHSC, its sponsoring body, are applied in pursuit of these objectives.

3. Other Expenditure

	Notes	2023/24 £000's	2022/23 £000's
Staff Costs	3.1	4,025	3,738
Purchase of goods and services			
Computer running costs		255	242
Staff recruitment, training and welfare		97	115
Consultancy		85	74
Office and administration costs		21	16
Maintenance Contracts		97	96
Travel subsistence and hospitality		157	157
Conference & Events		0	5
Stationery and publications		17	22
Shared Services		73	0
Auditors Remuneration	(a)	92	82
Legal and professional fees		52	75
		<u>946</u>	<u>884</u>
Other operating costs			
Accommodation		(316)	169
Project costs		171	55
Telecommunications		10	7
Bad Debt Write Offs		0	(2)
		<u>(135)</u>	<u>229</u>
Non-cash items			
Depreciation and amortisation	5.6	126	112
Movement in impairment for expected credit loss	8	47	(3)
Lease interest		6	7
Provision provided/(released) in year		0	(25)
		<u>179</u>	<u>91</u>
Total		<u>5,015</u>	<u>4,942</u>
Notes			
(a) Audit fees	Internal	53	53
	External	39	30
		<u>92</u>	<u>83</u>

The HTA did not make any payments to its auditors for non-audit work.

b) The significant negative value against our accommodation costs is due to an accrual for rent c£415k for the period ended March 202, for our previous offices of 151 Buckingham Palace

Road, which the HTA vacated late in 2020, that were written off by the managing agents and has therefore been reversed.

3.1 Staff numbers and related costs

Staff costs comprise:

	2023/24	2022/23
	£000's	£000's
Wages and salaries	3,128	2,906
Social security costs	361	327
Pension costs	536	505
Sub Total	<u>4,025</u>	<u>3,738</u>
Less recoveries in respect Of outward secondments	<u>(81)</u>	<u>(63)</u>
Total net costs	<u>3,944</u>	<u>3,675</u>

Details of remuneration paid to Members and the Senior Management team are given in the Remuneration and Staff Report.

For 2023/24 contributions of £499,652 (2022/23, £471,147) were paid to the NHS Pensions (NHSPS) at rates prescribed by HM Treasury. The current rate for the NHSPS is 20.68% of pensionable pay according to salary level.

Average number of persons employed

The average number of whole-time equivalent (Wte) persons employed or seconded during the year was as follows:

	2023/24	2022/23
	Total	Total
Directly Employed	<u>54</u>	<u>55</u>
Total WTE staff	<u>54</u>	<u>55</u>
Temporary staff	<u>0</u>	<u>1</u>
Total	<u>54</u>	<u>56</u>

During the year, two staff were on secondment for part of their time to the HFEA for two and a half days per week. As at 31 March 2024 the HTA employed 54 Wte staff (2022/23, 55).

The number of contractors engaged during the year was nil.

4. Income

Income comprises:

	Note	2023/24	2022/23
		£000's	£000's
Revenue from contracts:			
Licence Fee income		(4,444)	(4,285)
Income from Devolved administrations		(123)	(134)
Sub Total		<u>(4,567)</u>	<u>(4,419)</u>
Other Operating Income	4.1	<u>(87)</u>	<u>(70)</u>
Total Income		<u>(4,654)</u>	<u>(4,489)</u>

The HTA's remit is to regulate the removal, storage, use and disposal of human organs and tissue from the deceased. In accordance with section 16, schedule 3, paragraph 2 (4)(f) and paragraph 13 of the Human Tissue Act 2004. The HTA may grant licences to other organisations and charges fees for those licences.

4.1 Other operating Income

	2023/24	2022/23
	£000's	£000's
Other income – Outward secondees	(81)	(63)
Other income – Miscellaneous	<u>(6)</u>	<u>(7)</u>
Total	<u>(87)</u>	<u>(70)</u>

Other income – outward secondees relates to two members of staff who worked for another organisation part-time.

5. Property, Plant and Equipment

	Right of Use asset - property	Information Technology Hardware	Assets under construc- tion	Total	Of which Leases within the DHSC Group £000's
	£000's	£000's	£000's	£000's	£000's
Cost or valuation					
At 1 April 2023	727	239	0	966	727
Additions	0	30	0	30	0
Adjustments	22	0	0	22	22
At 31 March 2024	749	269	0	1,019	749
Depreciation					
At 1 April 2023	85	129	0	214	85
Charge for the year	85	41	0	126	85
At 31 March 2024	170	170	0	340	170
Net book value at 31 March 2024	579	99	0	678	579
Assets owned by the HTA	0	99	0	99	0
Assets leased by the HTA	579	0	0	579	579
Net book value at 1 April 2023	579	99	0	678	579
Cost or valuation					
At 1 April 2022	0	135	9	144	0
Additions	727	95	0	822	727
Disposals	0	0	0	0	0
Transfers	0	9	(9)	0	0
At 31 March 2023	727	239	0	966	727
Depreciation					
At 1 April 2022	0	102	0	102	0
Charge for the year	85	27	0	112	85
At 31 March 2023	85	129	0	214	85
Net book value at 31 March 2023	642	110	0	752	642
Assets are owned by the HTA	0	110	0	110	0
Assets leased by the HTA	642	0	0	642	642
Net book value at 1 April 2022	0	33	9	42	0

5a. Carrying value of right of use assets split by counterparty

	£000's
Leased from DHSC	579
Total	579

6. Intangible Assets

	Information Technology	Total
	£000's	£000's
Cost or valuation		
At 1 April 2023	1,132	1,132
At 31 March 2024	1,132	1,132
Amortisation		
At 1 April 2023	1,132	1,132
At 31 March 2024	1,132	1,132
Net book value at 31 March 2024	0	0
Net book value at 1 April 2022	0	0

All assets are owned by the HTA

The gross cost of our Customer Relationship Management (CRM) system is £1,132k and its net book value is nil. The CRM is an internally generated asset that came to the end of its useful life in March 2022. It will remain on the fixed asset register as it is still in use, and plans for an upgrade are developed.

Cost or valuation		
At 1 April 2022	1,132	1,132
At 31 March 2023	1,132	1,132
Amortisation		
At 1 April 2022	1,108	1,108
Charge for the year	24	24
At 31 March 2023	1,132	1,132
Net book value at 31 March 2023	0	0
Net book value at 1 April 2022	0	0

7. Financial instruments

IFRS 7 Financial Instruments Disclosure requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Financial instruments play a much more limited role in creating or changing risk at the HTA than would be typical of the listed companies to which IFRS 7 mainly applies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the HTA in undertaking activities.

Liquidity risk

The HTA receives the majority of its income from annual licence fees payable by establishments mainly in the public sector. Other revenue resource requirements are financed by a grant from the DHSC. These, together with a robust debt recovery, cash flow forecasting and payment process, ensure that the HTA is not exposed to significant liquidity risk.

Market and interest rate risk

At 31 March 2024, the HTA's financial liabilities carried nil rates of interest. The HTA's financial assets relate to receivables and cash balances held at 31 March 2024 within the Royal Bank of Scotland bank account and Barclays commercial current account, which are not interest bearing. Interest on cash balances are set by the banks. The HTA is therefore not exposed to significant interest-rate risk.

Credit risk

The HTA receives most of its income from licence fees from within both the NHS and non-NHS market. It has in place and operates a fit for purpose credit control policy and, where applicable, provides for the risk of debts not being discharged by those establishments it licenses. The HTA is therefore not exposed to significant credit risk.

The aged debtor report for NHS and non-NHS receivables at the 31 March 2024 was:

	£000's
Accounts not past due	0
Past due 0-28 days	22
Past due 29 plus days	243

Currency risk

The HTA is principally a domestic organisation with the great majority of transactions, assets and liabilities being UK and sterling based. HTA has no overseas operations. HTA therefore has low exposure to currency rate fluctuations.

Financial instruments held by the HTA

By category

Receivables and other financial assets

Financial assets measured at amortised cost

	31 March
	£'000s
Contract receivables (net of provisions)	185
Other receivables	7
Cash at bank and in hand	4,501
Total at 31 March 2024	4,693

Contract receivables (net of provisions)	84
Other receivables	4
Cash at bank and in hand	4,611
Total at 31 March 2023	4,699

Financial liabilities

By category

Other financial liabilities

Financial liabilities measured at amortised cost

	31 March
	£'000s
Contract payables	36
Other payables	27
Accruals	253
Total at 31 March 2024	316

Contract payables	39
Other payables	18
Accruals	686
Total at 31 March 2023	743

As at 31 March 2024 none of the HTA's liabilities carried a floating rate of interest.

Fair values

The fair value of the financial assets and liabilities was equal to book value.

8. Trade receivables and other current assets

	31-Mar-24 £000's	31-Mar-23 £000's
Amounts falling due within one year		
Contract receivables	265	117
Impairment for credit losses	(80)	(33)
Other Receivables	7	4
Prepayments	87	88
	<u>279</u>	<u>176</u>

Amounts falling due after more than one year

There are no debtors falling due after more than one year.

9. Cash and cash equivalents

	£000's
Balance at 1 April 2023	4,611
Net change in cash and cash equivalent balances	(110)
Balance at 31 March 2024	<u>4,501</u>

	31-Mar-24 £000's	31-Mar-23 £000's
The following balances were held at:		
Commercial banks	1,295	4,565
Government Banking Services	3,206	46
	<u>4,501</u>	<u>4,611</u>

10. Trade payables and other current liabilities

	31-Mar-24 £000's	31-Mar-23 £000's
Amounts falling due within one year		
Contract payables	36	39
Other payables	116	18
Accruals	253	686
	<u>405</u>	<u>743</u>

There are no creditors falling due after more than one year.

11. Lease liabilities

	Property, plant and equipment (Buildings)
	£000's
Operating lease obligations at 1 April 2023	688
Additions	0
Disposal	0
Payments	(91)
Interest	6
At 31 March 2024	603

Lease commitments by maturity

Commitments under operating leases to pay rentals during the year following the year of these accounts are given below, analysed according to the period in which the lease expires.

Total future minimum lease payments	Right to Use Assets £000's
Payable:	
Not later than one year	114
Later than one year, not later than five years	364
Later than five years	144
Less interest element	(19)
Present value of obligations	<u>603</u>

12.Provisions

	2023/24	2022/23
	Office	Office
	Relocation	Relocation
	(Travel)	(Travel)
	£'000	£'000
Balance at 1 April 2023	0	25
Provided in year	0	0
Provisions utilised in year	0	0
Release of provision for the period	0	(25)
Balance at 31 March 2024	0	0

The HTA relocated to its new offices in 2021. The HTA's agreement to fund excess fares for staff, is a constructive obligation under IAS 37. The HTA consulted staff in 2020/21 and expects there to be a transfer of economic benefits. The estimate of the provision was based upon the number of staff who had applied to work flexibly.

The provision remained unutilised and was fully released in 2022/23.

13.Related party transactions

During the period none of the Department of Health and Social Care Ministers, HTA Board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the HTA.

The Department of Health and Social Care is regarded as a related party. During the year HTA has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department, including:

Organisations

NHS Blood and Transplant (NHS BT)
Human Fertilisation and Embryology Authority (HFEA)
Care Quality Commission (CQC)

Below are a list of individuals that the Department of Health and Social Care identifies as meeting the definition of Related Parties as set out in IAS 24 (Related Party Transactions) and are therefore deemed to be related parties of the HTA who are within the Departmental Group.

Ministers

The Rt Hon Victoria Atkins MP
The Rt Hon Andrew Stephenson MP CBE
The Rt Hon Andrea Leadsom MP
Maria Caulfield MP
Lord Markham

Below are details of our Board Members who are regarded as related parties as they have interests in establishments that hold an HTA licence.

Board Members

Lynne Berry	University of Westminster
Helen Dodds	Vertex Pharmaceuticals UK and Ireland
Dave Lewis	Poole Hospital

14.Events after the reporting period

In accordance with the requirements of International Accounting Standard 10, reports after the accounting period are considered up to the date the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General.

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978-1-5286-4841-7