



**Health Research  
Authority**

**Health Research Authority**

# **Annual report and accounts 2023-2024**

**For the year 1 April 2023 to 31 March 2024**

Presented to Parliament pursuant to Schedule 7 of the Care Act 2014

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# 1. Overview

This section provides an overview of the Health Research Authority and our work. This includes our performance highlights and analysis, providing details of our key activities over the past year delivering our strategy and statutory functions.

## Our vision

Our vision is for high quality health and social care research today that improves everyone's health and wellbeing tomorrow.

## Our purpose

Our purpose is to protect and promote the interests of patients and the public in health and social care research.

## Our values

In all our work, we are guided by our organisational values:

- inspiring leadership: enabling people and teams to develop and deliver dynamic, innovative and transformative services and systems
- integrity: being fair, ethical and honest in everything we do
- trusted: being respected for delivering to consistently high standards
- transparent: being accountable and open about all aspects of our work
- collaborative: listening to and working with others to identify and make improvements to the health research environment
- empowering: supporting independent thinking and decision-making

## About us

The Health Research Authority is a non-departmental public body, set up in 2011 with a mission to protect NHS patients, your tissue and your data when you are involved in research. We have transformed UK research regulation and governance by simplifying processes, removing duplication and reducing timelines. We have better supported the research community by putting people first.

To make it easy to do research that people can trust, we:

- work with people to understand what you want research to look like, and act on this so that you can trust research
- make sure that people taking part in research are treated ethically and fairly, by reviewing and approving health and social care research studies that involve people, their tissue, or their data

- work with other organisations across the UK to make sure that, wherever you are, research studies can be set up smoothly and are always subject to the same scrutiny before they start
- work with others to coordinate and standardise the way research is set up and managed
- encourage and support transparency about research so that you can find out what research is taking place, and what it found
- are one of the gatekeepers of patient data, making sure that your information is protected if it's used for research
- put in place and support the digital platforms to help research get set-up and managed in the UK

## How we work

Our 260 staff, who work at home and in our offices in Bristol, London, Manchester, Newcastle and Nottingham, provide services to the research community and support over 60 committees and advisory groups. They provide specialist advice and learning to researchers about research ethics and governance and develop policies.

Our staff work with users of our services to design and put in place the digital systems used to set up studies, and to effectively administer the process for review and approval of research.

We could not operate without our HRA Community.

The Community is made up of our Research Ethics Committees (REC) members, Confidentiality Advisory Group (CAG) members, and our Public Involvement Network (PIN) - which includes members of the public who have experience of, or have been impacted by, research.

They all make an invaluable contribution to our work and the experience of people taking part in research. They help us make sure that people can trust the research that we approve, so the research findings can improve care. They give their time generously, enabling the HRA to operate efficiently and respond rapidly when needed.

To deliver our ambition to make it easier to do research that people can trust and ensure that health and social care research is conducted with and for everyone, it is important that we are informed by a range of insights and experiences that reflect the populations we serve.

We can make better decisions by working with a diverse group of people. And we work with our HRA Community to ensure working with us is a positive experience, open to everyone.

# Who are we?



Subscribers to our Public Involvement Network email list



Research Ethics Committee members



Confidentiality Advisory Group members



Technical Assurance reviewers



Board and sub-committee members (executive and non-executive directors)

## Inclusivity highlights



**Organisation-wide participation in a learning programme on reproductive health** which led to staff contributing to guidance on fertility journeys.



**Design of a simpler process for putting reasonable adjustments in place**, which supports disabled colleagues to work safely and with dignity.



**Increase in disability disclosure by 2%**, meaning that 11% of colleagues have disclosed they have a disability.

## Our strategy: we make it easy to do research that people can trust

Our strategy puts earning and maintaining trust in research at its centre - we strive to make it simple and fast to deliver research that people can trust.

To do this, we are committed to working with our HRA Community of volunteers and public contributors, the public and the research community, to deliver our strategic aims - and we are grateful for all of their hard work and contributions.

It is important to us that we include and involve as many and as diverse a range of voices and experiences in developing and implementing our strategy.

We seek to ensure that we can think in different ways, reflect different views and needs from across all the communities we serve, and embed that thinking in our plans and approach.

We are now two years through our current three-year period, and you can see below (and throughout this report) updated information on our progress, which also includes information on what we still have left to do.



It includes four strategic pillars that guide our work:

**Include** – so that health and social care research is done with and for everyone

**Accelerate** – so that research findings improve care faster, because the UK is the easiest place in the world to do research that people can trust

**Digital** - use digital technology well to do our work

**Improve** - always looking for ways to do things better

More information about our strategy can be found at [Our Strategy - Health Research Authority \(hra.nhs.uk\)](https://www.hra.nhs.uk/our-strategy) and the strategy performance report (page 20) describes how we have delivered against our strategy this year.

## 2. Performance report

### Performance overview 2023-24

#### Chief Executive's introduction

This year we have much to celebrate, as we continue to work with and across the wider health and social care research community – recognising good practice where we find it, encouraging and driving improvement when and where necessary.

Our primary focus during 2023 was to build on the work we already do, through the valuable public involvement we undertake, insight we collect, and ongoing engagement with the research community. Our current three-year strategy – which launched in June 2022 - provided a bold new vision for us to work more closely with those involved in, and affected by, health and social care research. We look to be inclusive, consultative, and to involve people in our work in meaningful ways.

At the end of last year, we took some time to reflect on our progress against this strategy - to mark the halfway point - and to evaluate our overarching objective to make it simple and fast to deliver research that is fair and trustworthy. We know we still have more to do to fully deliver on and continue to develop against our strategy commitments, but we have much to be proud of.

We ensure that what we do is meaningful to people through public and professional involvement, and by co-develop supporting and explanatory materials. And as we look to improve awareness, and the quality and accessibility, of information on and about research in the UK, increasing involvement is one way in which we can encourage a greater diversity of research participants. All of this is with the overarching aim of enhancing public trust in health and social care research, for the benefit of all.

My huge thanks go to our teams and communities both internal and external to the HRA, who have driven so much of this work over the last year, which is having a real impact and consistently delivering on our commitments.

Staying true to the overarching principle and best practice of “no decision about me, without me” that those of us working in health and social care are guided by, we look



to continually improve how we consult and involve people in our work. Building on some of the foundations laid in previous year, we hit three notable 'twos' in 2023-24.

Firstly, since announcing the establishment of our Community Committee in 2023, we have held two full successful meetings of the new group, helping to ensure decisions taken at the highest level at the HRA are informed by public involvement.

Secondly, we celebrated our second annual Make it Public Week in March this year, with almost 200 tickets requested for our free workshop held during the week, and a range of communications and engagement activities to support this event. This year's focus for Make it Public was on clinical trial registration, with our bold aim for 100% of HRA-approved clinical trials to be available on public registries. We know from our recently commissioned [public perception survey](#), run by YouGov in 2023, that adding a research study to a public register before it starts increases the public's trust and confidence in research findings.

And this year we published, for the first time, a full list of all HRA approved clinical trials with details of which were, and which were not, listed on a public registry. We will continue to work with our Make it Public Campaign group and external partners to encourage research sponsors to register all their trials as we follow up on feedback and insight from our Make it Public workshop during 2024.

Thirdly, in keeping with this theme of notable seconds, earlier this year we celebrated the second anniversary of our [Shared Commitment to Public Involvement](#) in health and social care research.

As part of the wider health and care system we look to work in partnership with other national bodies in the health and social care research space. We had 12 partners sign up to the commitment on launch two years ago in 2022, and in 2024 we came together - now as 22 organisations - to look at the difference we are making, and what more we can do.

Since we launched the Shared Commitment, we have collectively committed to 70 new actions to improve public involvement in health and social care research, and in 2024 have launched new Learning and Sharing meetings, to establish regular forums to develop ideas and address challenges together.

We have also taken time to act on recommendations from independent reviews and government priorities for the research sector over the last 12 months. 2023 saw the publication of Lord O'Shaughnessy's independent review of the UK's commercial clinical trials landscape, and the government's response. Additionally, the government published its response to The Tickell review early in 2024, on plans to reduce bureaucracy in the research system. We exist to help make it easier to do research that people can trust, and so have a key role in implementing recommendations included in both the O'Shaughnessy and Tickell reviews and responses.

To drive this improvement activity forward, we have been working with our key stakeholders and partners to ensure review and response timelines are as expeditious as possible. We had already made some of the improvements highlighted in the reviews as part of the UK-wide collaboration to improve clinical research and deliver a shared vision for clinical research delivery, to improve the lives of people across the UK, and through streamlining the UK approval system. We were very pleased to see this recognised by the government.

This has also included working with the Medicines and Healthcare products Regulatory Agency (MHRA) on our combined review process – saving researchers time on administrative procedures - and working with NHS England, the Department of Health and Social Care (DHSC), and the National Institute for Health and Care Research (NIHR), to address delays in the set-up of research.

I would like to acknowledge the ongoing hard work, commitment, and professionalism of my colleagues at the HRA. With our established staff networks and external public and professional groups, we continue to strive for inclusivity and to promote diversity in everything we do, and to foster an environment where we can continue to learn and improve, both internally and externally, and through enabling research that the public can trust.

We continue to prepare for improvements to our own systems and ways of working, not least with 2024 looking like a pivotal year for health and medical technology and new AI support tools. These developments will inevitably affect how we continue to deliver our core services, and we will work collaboratively with our key partners and stakeholders, as well as external developers and innovators across the health and social care system, to make best use of any new tools and ways of working.

It has been a very busy year for digital projects. We're committed to making things easier for researchers and everyone who uses our systems by improving our Integrated Research Application System (IRAS), which people use to apply to do, and then manage, health and social care research in the UK.

We've been working hard to put strong foundations in place to deliver what is a large-scale, complex programme to design and build the IRAS of the future. This has included increasing capability within the HRA, appointing a delivery partner to support us and preparing for digital change.

At the same time, of course, we need to support our existing services until new ones are ready. During 2023-24, we completed a major schedule of work to make sure all current systems are more robust, reliable and continue to provide a good service to our research community in the intervening period. And as you will see below, we continue to deliver on our day to day, core functions, with 3,864 studies approved to start in 2023-24, maintaining an 83% satisfaction rate.

So, whilst we are not complacent and will be undertaking a significant system transformation programme in 2024, we remain committed to providing the best service to our research community. I would like to end by thanking all those who have engaged and collaborated with us at the HRA over the last year to help us continue to improve and deliver our services.

## What we did



**3,957** applications reviewed,  
made up of:

**3,597** REC (Research Ethics Committee) and  
HRA Approval

**360** Pharmacy and Radiation Assurances



**3,864** studies approved to start,  
made up of:

**3,539** REC and HRA Approval

**325** Pharmacy and radiation assurances



**6,103**  
amendments  
reviewed



**20** complaints and  
concerns about studies  
were investigated by  
the HRA

## How we did



**83%**

**of applicants rate our overall service highly**



Our REC meeting was chaired very well. Each member had the chance to ask questions regarding our application. The investigators responses to questions were considered fairly by the committee and helpful suggestions were made.



Communication with the approvals team was prompt and polite. Queries were answered satisfactorily enabling me to progress my application in a timely manner.



Approvals Manager and other staff were available, knowledgeable and responsive whenever I needed to speak with them.



Everyone I spoke to or received emails from was extremely helpful and informative. I did not feel as if my queries were silly or too small. Excellent.

## Key issues and risks

As with all organisations, there are risks that we face in the implementation of our strategy and statutory functions. We actively and effectively manage these to minimise any impact on users of our services, as well as other stakeholders and our people. Notable risks this year include:

### **Delivery of transformed and improved research systems**

This risk relates to the development and implementation of a new and improved research system, so that it meets the needs of the health research community, making the UK an attractive place to conduct research. The research system has multiple connections and dependencies across several organisations and is a complex programme to deliver.

To address this we have enacted the recommendations from an independent [Gate Review 0](#), conducted in 2022-23 and now have a delivery partner in place.

Essential programme roles have been recruited, and a robust governance structure has been put in place. The road map for the programme has been developed with a model for managing this in place.

A further [Gate Review 0](#) is scheduled for summer 2024.

### **Successful delivery of the objectives of the organisation due to financial pressures**

We recognise the challenges in delivering our business plan objectives due to increased cost pressures such as inflation, agenda for change pay award increases, and uncertainty surrounding the required finances for the successful delivery of the research systems programme. This potential for a shortfall in funding would impact on successfully fulfilling the HRA's strategic objectives.

To manage this we have put in place rigorous business and financial planning for 2023-24 and 2024-25, identifying the risks associated with budget shortfalls. A new role, the Chief Business Transformation Officer, has been appointed to create greater capacity to focus on cash releasing efficiencies from process improvements.

Business planning for 2024-25 has identified the key priorities for the organisation to ensure these can be successfully achieved within ongoing financial pressures.

### **Recruitment and retention of an effective workforce to meet the objectives of the organisation**

Due to the current employment market and competition in the public sector and specialist areas, such as technological roles, we have recognised it is difficult to recruit to vacant positions, increasing pressure in retaining staff. This scarcity of suitable candidates for positions has resulted in under-resourcing, impacting on our ability to deliver our business plan.

We have updated our People Strategy, intending to improve our attractiveness to candidates, with strong employee benefits and total reward packages in place.

Strategic workforce planning has been undertaken with resource planning a key component of business planning for 2024-25.

## **Performance analysis**

### **Performance management**

We plan our work in order to achieve our strategy and statutory functions. We do this by preparing an annual business plan, which sets out how we will deliver our strategy and our statutory functions. This plan is prepared with the involvement of a wide stakeholder group, and is embedded throughout the organisation in our performance, people and risk management processes.

These processes help to make sure we successfully achieve our strategic goals and meet our statutory functions. Importantly, it also helps our people understand their role in delivering our plans.

We monitor and evaluate our performance against our strategy, business plan and financial plan every three months, and we collate a strategic performance report for our Executive Committee and Board to review. This includes key performance metrics including user satisfaction data, an analysis of our change portfolio, a strategy performance report, risk management reporting and finance report. These reports combined provide assurance on how we are delivering on our strategy and highlights areas for focus and improvement.

Individual staff objectives that complement and support these organisational objectives are developed during the annual appraisal process and monitored throughout the year during regular one-to-ones between staff and their managers.

The way that we manage our performance and its relationship with risk and uncertainty is explained in more detail in our corporate governance report on page 32.

As a learning organisation, we regularly review and refine our performance management and reporting systems, to ensure we continue to fulfil our strategy ambition and statutory functions.

We also set operational key performance indicators, which are collated and monitored by delivery teams, focussing on continuous improvement and statutory compliance. Operational metrics are reported every three months to our Executive Committee.

### **Performance reporting**

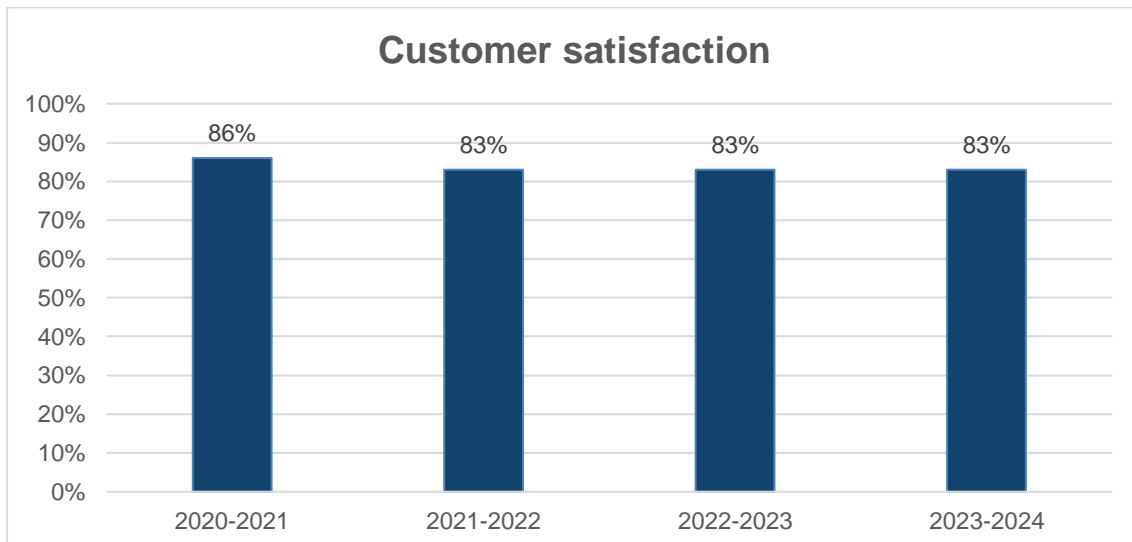
Our performance reporting focuses on four areas:

- customer satisfaction
- our services performance
- our people
- financial

## Customer satisfaction

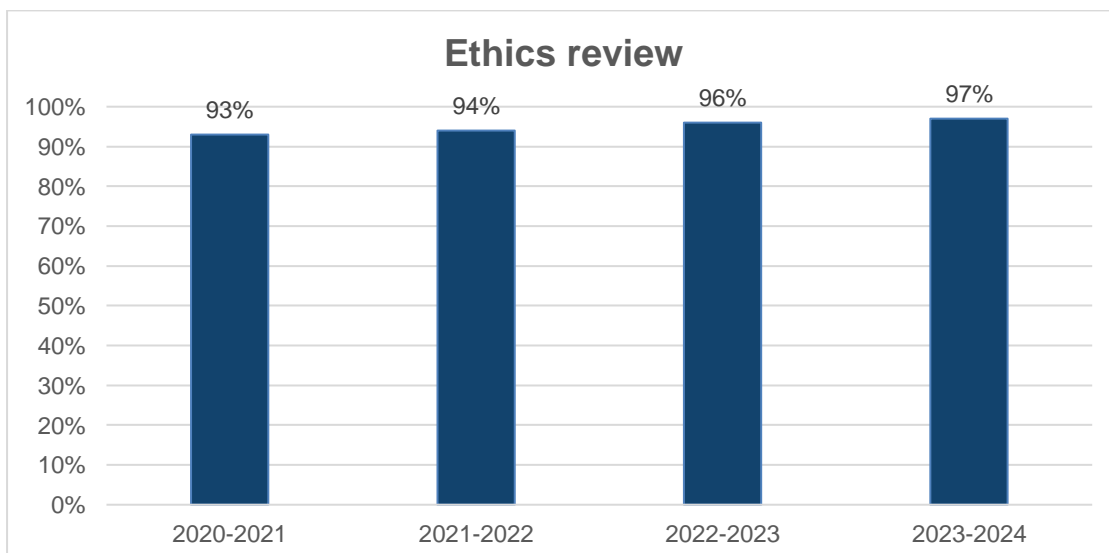
We're pleased that satisfaction with our overall performance has remained consistently high throughout the year, always exceeding our 75% target.

Our staff continue to score the highest in our satisfaction surveys, with IRAS scoring the lowest. Our transformation programme for IRAS intends to improve user experience and streamline the process.



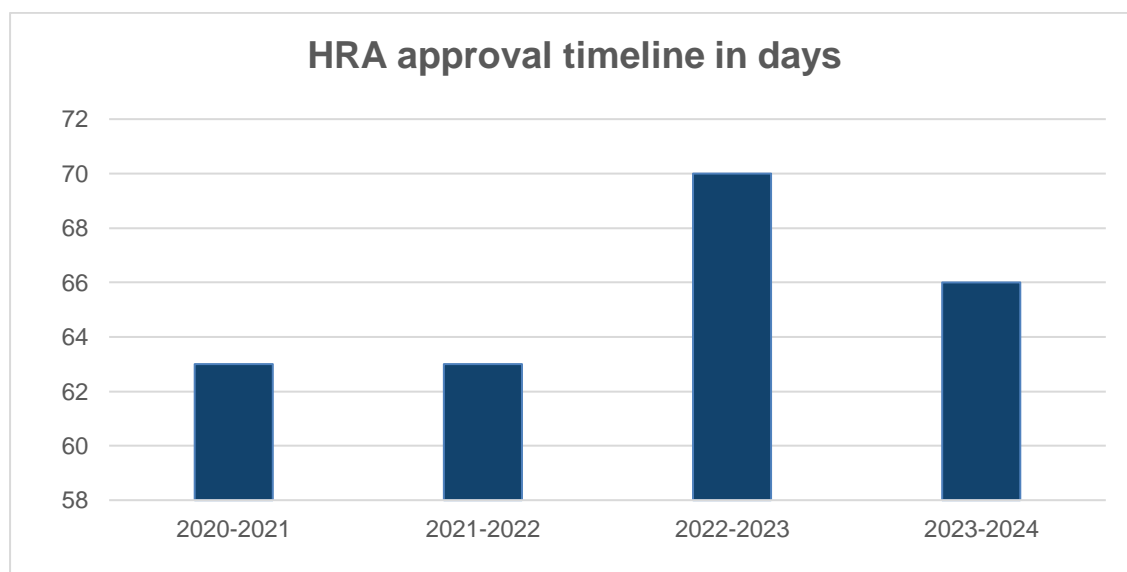
## Our services performance

We measure our performance by the time it takes to conduct ethics review of clinical trials of investigational medicinal products (CTIMPs). Ethics review is provided by Research Ethics Committees (RECs) that assess research applications to determine whether they meet ethical standards. Our statutory performance target requires all ethical reviews of CTIMPs to be performed within 60 days. This graph sets out the percentage of reviews that were performed within this target.



This year 4% of these reviews resulted in an unfavourable opinion – consistent with 2022-23.

We also measure our performance by the time it takes to deliver our HRA approval service. This service brings together the assessment of governance and legal compliance, undertaken by dedicated HRA staff, with ethics review, performed by a Research Ethics Committee. This timeline is not completely within our control as parts of the process rely on other review bodies and coordinating organisations to deliver a combined outcome to researchers. We work collaboratively with these organisations to make sure timelines are predictable and streamlined. In 2023, the research regulator Medicines and Healthcare products Regulatory Agency (MHRA) experienced delays in their approval timelines. This affected the time it took to give HRA Approval in 2022-23 and 2023-24. This backlog at MHRA has now been resolved and both their and our timelines are back to expected levels.

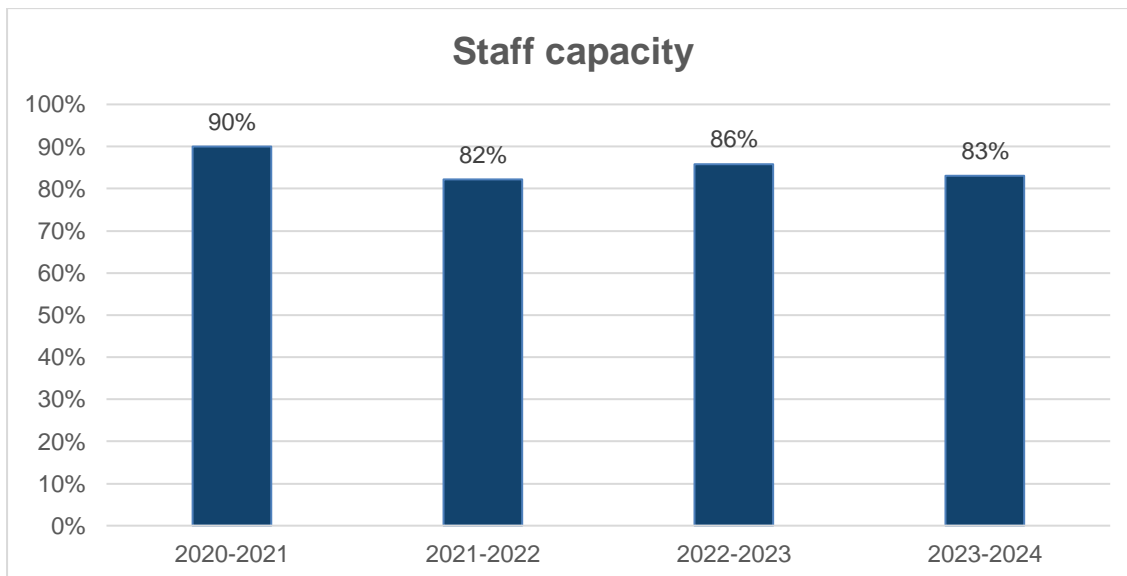


## Our people

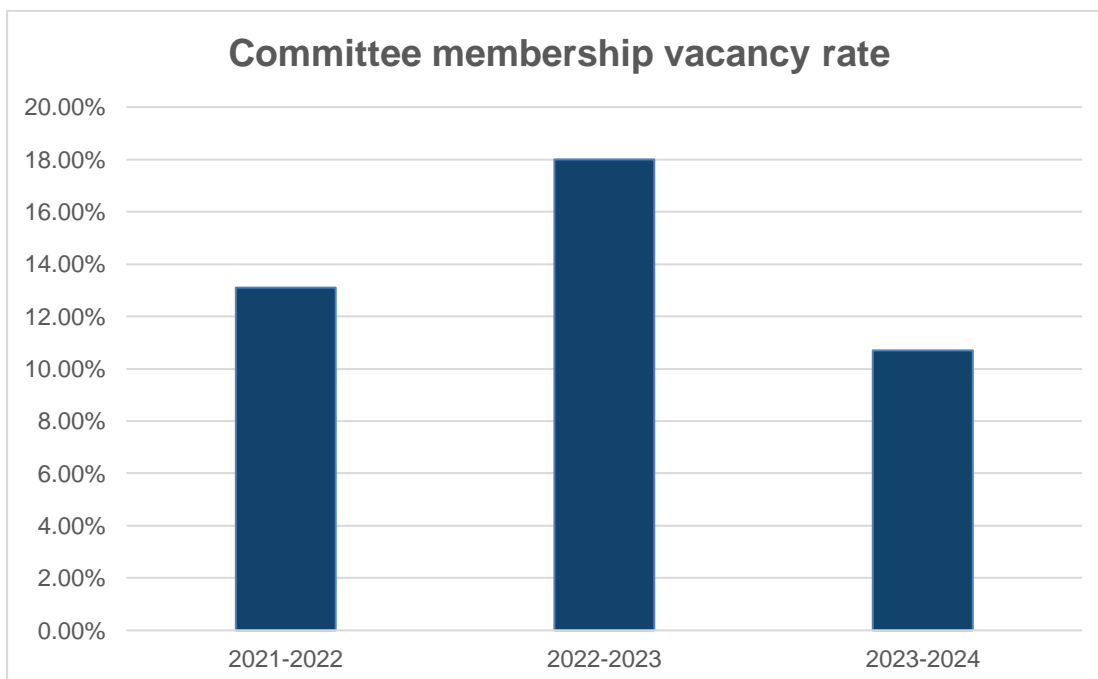
Our staff and Community members have continued to demonstrate an outstanding commitment to UK health and social care. Our people make sure our statutory services are on time and consistently of high quality. They are also key to implementing our strategic goals. We measure capacity to help us understand where our services may be under pressure so that we can put in place mitigations to maintain good services. We measure both staff and committee membership capacity to:

- compare our actual staff capacity compared to planned levels
- monitor our committee membership vacancy rate





Staff capacity is below our target capacity level of 91%. Although our staff turnover rate is within sector ranges, we have found it difficult to recruit to specialist roles such as digital and programme management. We have put in place several actions to address this including revising job descriptions to reflect professional standards, offering recruitment and retention premia where appropriate as well as offering internal development opportunities to grow our capabilities and capacity.



Committee membership vacancy rate has been higher than our 8% target due to workforce pressures in the NHS and slower recruitment of new members compared to those leaving the service. This high vacancy rate makes it difficult to support the ethics service, creating a higher workload for our volunteer members. This year, we launched a reinvigorated recruitment campaign as well as an online application form

and a streamlined interview process. As a result, the vacancy rate has fallen and is now 6%, well within our target rate for the last three months of this year.

## Financial review

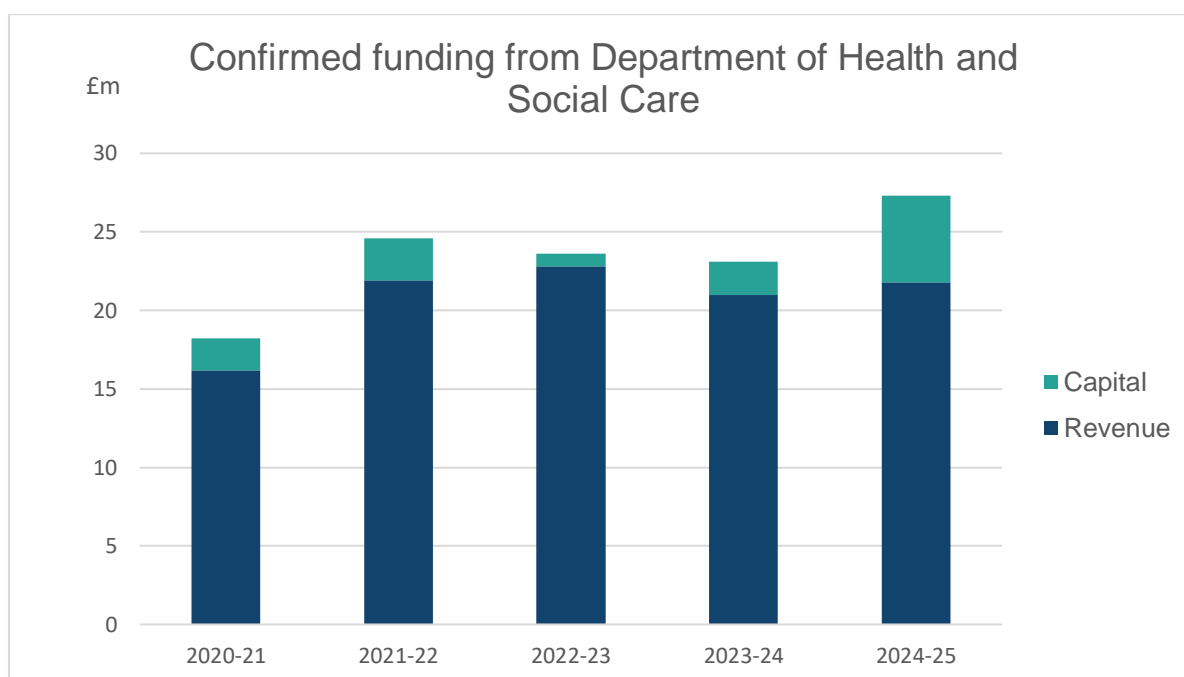
Our accounts consist of our primary statements providing summary information about our income and expenditure in the year, our assets and liabilities at the end of the year, and how we have managed our cashflows. They also include detailed notes to these statements that provide more information about our accounts.

Our accounts have been prepared based on the standards set out in the Government Functional Reporting Manual (FReM) to give a true and fair view. We remained within our agreed revenue and capital funding allocations for the Department of Health and Social Care (DHSC) for the year-ended 31 March 2024.

### Government funding

Our total confirmed funding from DHSC for the year was £23.1m (2022-23 £23.6m), of which:

- £21.0m (2022-23: £22.8m) was revenue funding
- £2.1m (2022-23: £0.8m) was capital funding



The increase in confirmed funding in 2021-22 enabled investment in replacing and transforming our research systems and provided increased capacity to deliver our part in DHSC's Recovery, Resilience and Growth programme. This increase was offset by 5% efficiency savings achieved by moving our ethics service online and reducing travel and meeting room costs.

In 2022-23 we decided to pause our research systems transformation to review the approach. This pause reduced the funding we needed in 2022-23 and 2023-24 to undertake this programme, particularly capital funding. We agreed, as part of the

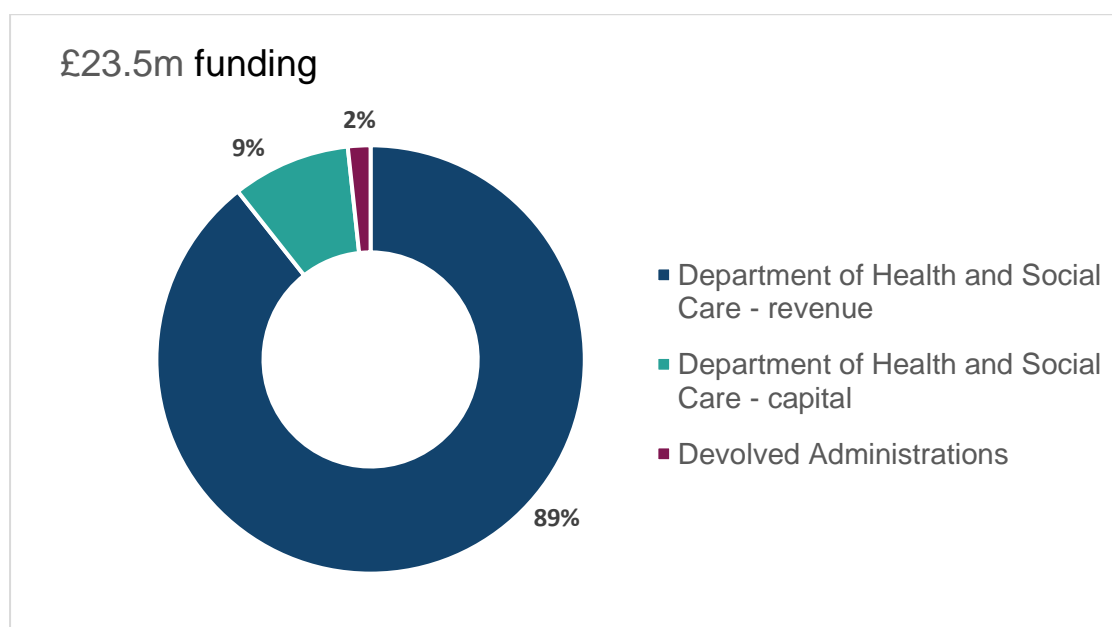
DHSC Efficiency and Reform Review, to defer programme expenditure while we made sure the programme was set up for success, reducing in year programme costs. As a result, funding received from DHSC was £19.6m (2022-23: £19.2m).

The programme was relaunched in Autumn 2023, and associated funding and expenditure is expected to increase for the life of the programme.

### Other revenue

We also received income from cost-sharing arrangements with other publicly funded organisations, which included:

- £0.4m (2022-23: £0.4m) from the devolved administrations for providing support and digital systems to deliver the UK research ethics service
- £0.0m (2022-23: £0.1m) towards the costs of our Manchester office from High Speed Two who shared our office space in the city until April 2023



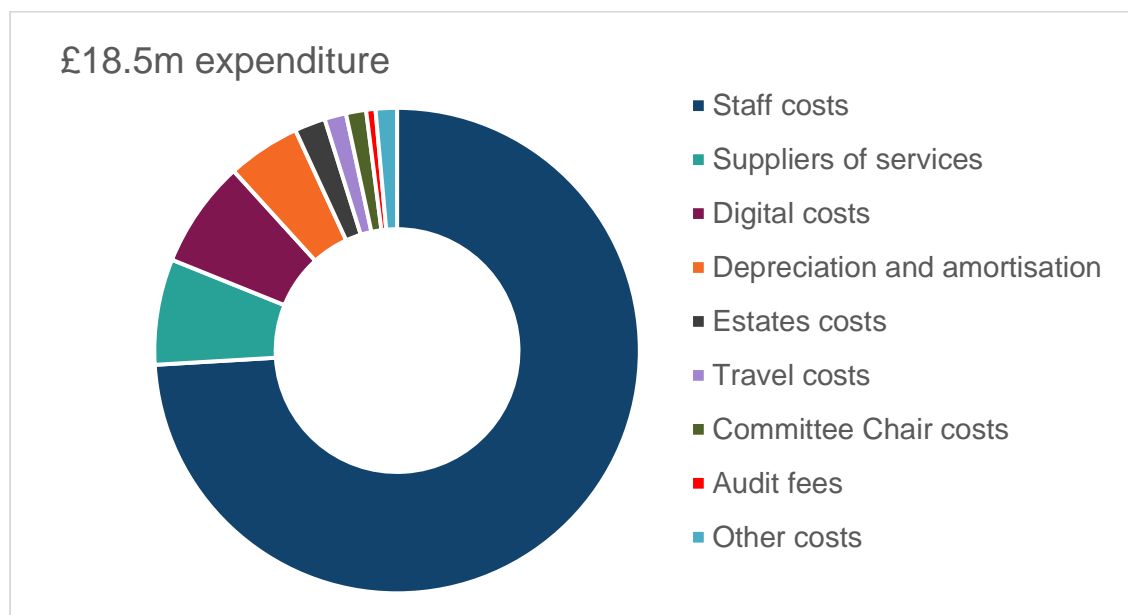
### How do we spend our funding?

We take great care to plan our activities well to deliver our strategy and statutory services. Our business planning process appraises how best to invest our limited resources to provide our statutory functions as well as to implement our strategic plan. This process makes sure we spend our funds wisely, maximising our impact.

Our total expenditure for the year was £18.5m (2022-23: £22.2m), resulting in an underspend on our committed revenue funding of £2.5m. This underspend was mostly due to the pause on our research systems transformation resulting in lower staff costs, development costs and lower amortisation costs. We have reprofiled this expenditure to later years to reflect this change.

Most of our expenditure (74%) is staff costs at £13.7m (2022-23: £15.1m, 68%). Our staff are paid in line with agenda for change pay scales and associated terms and conditions. Our staff structure is agreed as part of the annual business planning

process. Any changes to this agreed structure are governed by our scheme of financial delegation and business case process.



## Future funding

The Department of Health and Social Care have confirmed our revenue funding for 2024-25 is £21.8m and our capital funding is £5.5m. This increase will fund our Research Systems Programme and additional responsibilities placed on the HRA by [Commercial clinical trials in UK: the Lord O’Shaughnessy review](#).

## Making payments

We aim to comply with Better Payments Practice Code by paying suppliers within 30 days of receipt of an invoice. The percentage of non-NHS invoices paid within this target was 97.4% (2022-23: 94.0%). This improvement is the result of our public involvement and finance teams working together to simplify and streamline the way we make payments to public contributors.

	2023-24 Number	2022-23 Number
Total non-NHS trade invoices paid in the year	977	1,170
Total non-NHS trade invoices paid within target	952	1,100
<b>Percentage of non-NHS trade invoices paid within target</b>	<b>97%</b>	<b>94%</b>
Total NHS trade invoices paid in the year	104	116
Total NHS trade invoices paid within target	101	114
<b>Percentage of NHS trade invoices paid within target</b>	<b>97%</b>	<b>98%</b>

	2023-24 Value £000	2022-23 Value £000
Total non-NHS trade invoices paid in the year	4,416	4,489
Total non-NHS trade invoices paid within target	4,374	4,396
<b>Percentage of non-NHS trade invoices paid within target</b>	<b>99%</b>	<b>98%</b>
Total NHS trade invoices paid in the year	1,445	1,650
Total NHS trade invoices paid within target	1,393	1,602
<b>Percentage of NHS trade invoices paid within target</b>	<b>96%</b>	<b>97%</b>

## Strategy performance analysis

### Include: health and social care research is done with and for everyone



#### Include everyone in research

We want to make sure that clinical research can improve the health of the whole population.

[Including a diverse group of people in research](#) give us a better understanding of the most effective treatment, devices and care for different groups of people.

At the HRA we are working with the MHRA to help researchers improve the diversity of participants in their research. This year we co-developed a set of questions and supporting guidance for researchers to consider when they design clinical trials and clinical investigations. This will help to ensure clinical research is designed to include people who could benefit from the findings, and that people underserved by research are not overlooked.

Public involvement in health and social care research is about all the ways the research community works together with people. This includes patients, carers, advocates, service users, and members of the community.

Over the last year we have raised awareness of the [best practice principles for public involvement](#) and what we expect to see in research applications. We have also embedded best practice principles in guidance we are developing to support changes to the clinical trials regulations.



In March 2024 we celebrated the second anniversary of the [Shared Commitment to public involvement](#) which now includes 23 organisations who are committed to improving the extent and quality of public involvement across the research sector.

Each organisation signs up to a clear statement that ‘public involvement is important, expected and possible in all types of health and care research’. Since the shared commitment launched in 2022 it has grown by 77%, from 13 to 23 organisations (see graph above)

Promoting research transparency is a key part of our work to facilitate safe and ethical research. When research is carried out openly and transparently, everyone benefits.

Our [Make it Public strategy](#) sets out our vision for research transparency. This year, for the first time, we published a full list of clinical trials that received a favourable opinion from a Research Ethics Committee (REC) in 2022, including their sponsor and registration status. This includes details of research that has not been registered, and any reasons why.

### **Ask you what you want research to look like and act on this**

To help us understand what matters to the public about research, we commissioned a survey of over 5,000 people from across the UK.

This survey - [Public Perceptions of Research](#) revealed that the public is broadly positive about health and social care research that happens in the UK, with two thirds (67%) being confident it improves people’s health and well-being.

Additionally, three-quarters (75%) think that, if they took part in research, they would be treated with dignity and respect, and just over two-thirds (68%) of UK adults saying they would be willing to participate, if asked.

In 2022 we began working alongside members of the public, the University of Lincoln, and researchers to explore ways to improve how clinical research happens for the people taking part. This work culminated in the publication of the [hallmarks of People-Centred Clinical Research](#), which was well received at the NHS Research and Development Forum conference in 2023, and at our REC development days.

These hallmarks will help researchers and organisations make sure their research is conducted in good people-centred ways, and that research participants also understand what good research practice looks like

This year we worked with external partners including Sciencewise, Our Future Health, and Genomics England to support a public dialogue about how people can trust the way that they will be treated if they lose capacity while taking part in a longitudinal research project. This work is expected to continue in 2024-25.

### **Involve you in the HRA**

We set up and held two meetings of our [Community Committee](#) to improve how the HRA involves people in its work.

The Committee is part of our governance structure (page 32) and advises the Board on how it operates and on its bigger strategic ambitions.

This year, our public involvement work included 120 public involvement activities with 139 individuals, and we spent £25,880 (2022-23: £39,096) directly to individuals for their involvement.

We are also developing plans to make sure we recruit and retain a diverse group of people in our regulatory decision-making committees, including our Research Ethics Committees (RECs) and the Confidentiality Advisory Group (CAG) and expect to implement these plans in 2024-25.

We did not develop and launch a new HRA website, or refresh our brand and tone in 2023-24, as we had planned. We took a decision to pause this activity while we implemented changes to our Research Systems Programme, and managed extended unplanned absences in the team responsible for delivering this work.

**Accelerate: research findings improve care faster because the UK is the easiest place in the world to do research that people can trust.**

### **Save money and time so that you can focus on doing good research**

The UK's performance in clinical trials has now exceeded pre-pandemic levels and the set-up time for commercial studies [has reduced by over 100 days](#). This means trials will reach patients more quickly, and increase the confidence of sponsors to conduct their studies in the UK.

Standardising and co-ordinating parts of the research set-up process is important to make it quicker and easier to set-up studies. To enable this, we updated 12 model agreements that are used by research sponsor and host organisations to setup research.

We also supported the completion of the UK-wide [National Contract Value Review](#) (NCVR), accelerating the elements of the contracting process across the NHS. This work - coordinated by NHS England - has reduced the time it takes to agree costing and contracting for a clinical trial or study from ten months to six months on average - this is a huge success.

Also, by introducing standard pricing, the NCVR creates a fairer system for research to be carried out across the UK. It makes sure all areas recover their full costs,

accounts for the differing needs of local populations, and saves time and money, giving sponsors predictable costs to work with.

We have continued to put in place improvements to make it simpler to set up research. This has included exploring the streamlining of our ethics review, publishing guidance to enable a more proportionate delivery of clinical trials of medicines, and launching [patient information quality standards](#).

We have also supported the Experimental Cancer Medicine Centre Network (ECMC) in their development of interventions to unblock pharmacy and radiation assurances in early phase trials.

### **Create a new online system to help you make research happen**

This year we restarted our Research Systems Programme to transform our digital services which support the health and social care research system. Our vision for the future of these services is to connect the processes for health and social care research in the UK. We will help make the UK a great place to do research that people can trust and we will help people to work together to plan, approve, set up, manage, and complete research.

The expected benefits of the programme are:

- reducing time and effort to prepare research for review
- improving collaboration and helping users get it right first time
- increased opportunities for users to self-service
- reducing demand for one-to-one support with simple issues
- improving the value and quality of data
- reducing the number of legacy systems to run and maintain

We have worked hard to improve how we do our user research to gain a better understanding of user needs and their experience. This work has been integral to defining requirements for our improved systems, including the development of a series of ideal pathways for research studies. This helps to ensure that the right information is provided at the right time, to the right people, to streamline study set-up, proportionate to study activity.

We also ran workshops to design and test site set-up functionality. This is a deliberate shift in how we work, making sure our digital services best reflect current user need and experience.

This year we collaborated with our partners to agree new processes to support automatic data sharing, so that researchers do not have to submit the same information multiple times.

### **Support new ways to do research**

The regulatory pathway for artificial intelligence (AI) and digital technologies in health and social care can be slow, complex, and difficult to navigate.

For researchers this can mean wasted time and effort and delays to research projects. On 12 June 2023 the AI and Digital Regulations Service (AIDRS) was launched to help the NHS, and the wider care system, adopt and make best use of new digital and AI technologies.



The service provides guidance to the NHS and social care adopters and digital health innovators. It is a multi-agency collaboration between the National Institute of Health and Care Excellence (NICE), the Care Quality Commission (CQC), MHRA, and the HRA, and was funded by the NHS AI Lab.

Collating information from all four organisations into one place provides comprehensive guidance for each stage of the adoption pathway. The service can also respond to individual enquiries, ensuring a simple process to connect with relevant services or system partners.

We also supported NHSE with the setup of secure data environments. These environments are data storage and access platforms which uphold the highest standards of privacy and security of NHS health and social care data when used for research and analysis. We provided ethics and information governance expertise to inform how the network of sub-national secure data environments would be implemented.

We have also created and maintained links with stakeholders to understand opportunities for innovation and change and held UK-wide joint industry and NHS stakeholder meetings to discuss opportunities for change linked to study set-up.

## **Design our digital technology to do our work well**

### [Design our digital systems in a human-centred way](#)

This year we recommenced our Research Systems Programme, following a pause in 2022 and 2023 where we reviewed our approach, and went to market to secure a digital partner to work with us on the programme. Since the restart we have been focused on setting the programme up for success, to enable change and achieve our vision for helping to make the UK a great place to do research that people can trust.

These developments have included onboarding our new digital partner, setting up governance arrangements for the programme, recruiting specialist technical expertise and improving our ways of working such as how we implement agile and human-centred design.

We also completed the foundation phase of the programme, which is where we defined the vision, benefits, roles and responsibilities, and principles for determining how we develop the replacement system.

In March 2024 we began the design and build phase of the programme, with discovery work starting on two of our digital services.

This year we also focused on improving the resilience of our existing research systems. We put in place an action plan to strengthen these systems and have completed upgrades to all Windows servers.

We had also planned to improve the HRA website this year, but instead have decided to delay this project whilst we firm up the approach to our Research Systems Programme.

## **Automate and join-up processes where this will improve our work**

While we paused our Research Systems Programme, we focused on improving researchers' experience when applying to set up a research study, or when making changes to a research study, by creating a single point of contact for service users. This involved changing our processes to better align to best practice, and adjusting our structures to enable this.

As part of our work to strengthen our existing research systems we implemented hardware upgrades, enabling increased automation of essential housekeeping tasks including cyber security processes, creating greater resilience. We also embedded an enhanced major IT incident process, which has improved our way of handling critical incidents.

A cross-disciplinary team created a new automated process for applying to be a Research Ethics Committee member, using digital forms to simplify and speed up the process. We also used scheduling software to better organise new member interviews, improving both their experience and how we could better manage resource.

These changes reduced our member vacancy rate from 18% to 6%.

We have also used digital applications to automate how we manage break in service and end of term processes, to reduce manual processes.

## **Always look for ways to do things better**

### **Always learn, improve, and innovate**

Working in partnership with the National Institute for Health and Care Research (NIHR) we introduced a new learning management system this year for our staff and HRA Community. This new system will provide an improved learning experience as well as lower running costs. We also started a project to replace our intranet, to improve how we communicate and share knowledge internally. This project is now expected to be completed in 2024-25, having been delayed due to staff shortages.

We also improved the monitoring of our assurance activities, with clear reporting and management of internal audit recommendations. These changes saw a significant reduction in overdue audit recommendations from seven to one, demonstrating the effectiveness of this approach.

Much of our activity under this strategic aim has been preparing us for our Research Systems Programme, including training staff in Agile project management, gaining government project delivery accreditation for six staff members, and publishing portfolio, programme, and project management frameworks.

We have also made organisational changes and recruited to essential roles, recommended by the Research Systems Programme [Gate 0 review](#), including the appointment of a Chief Business Transformation Officer, and a Head of User Centred Design.

## Be a great place to work

Our People Strategy sets out what we will do to attract, retain, and grow our employees to help achieve our strategy. This year is the second year of the strategy. How we support our people is also guided by our annual staff survey, which informs how we can improve our ways of working guided by an associated action plan.

In 2023 we changed how we shared the staff survey results, to make sure the results were inclusive and appealing to all staff. We acted on feedback from staff to change the reporting pack and shared the report before the meeting where it was being presented to all staff, to help improve understanding and engagement during the meeting. We also developed principles to consider when exercising discretion and embedded these in our Essential Managers programme.

We developed a wellbeing site for staff, to bring all the relevant resources into one place and updated and agreed the next Equality, Diversity and Inclusion (EDI) strategy for staff. This builds on the achievements of the previous strategy, including improved promotion of our EDI work on our website. We also created and launched an online EDI resource for staff.

Unfortunately, due to reduced staff capacity, we delayed the development of the policy and guidance that will support staff when working with vulnerable patients, participants, and HRA Community. We expect to publish this guidance later in 2024-25.

We had also planned to develop our management and leadership framework this year but have deferred this to a later date to focus on our preparations for the Research Systems Programme.

And finally, we improved our approach to business planning by including finance and HR experts in planning meetings, undertaking a six-month review of progress, undertaking business case training, and updating the scheme of delegation and spend control.

## Commit to environmental sustainability and achieving net zero

In collaboration with our Green Team, a staff-led group set up to help make the HRA a more sustainable organisation, we:

- published our environmental sustainability strategy which contains nine goals
- undertook a climate principles audit and created assessment guidance
- estimated the cost of our hybrid working approach and continue to monitor it
- worked with our suppliers to reduce carbon usage and waste in our supply chain

- monitored our use of single-use plastics and reported to Government on our Greening Government Commitments
- drafted an environmental sustainability procurement statement in preparation for consultation
- recycled all equipment as part of our Manchester office move to other companies
- made sure all our technology (hardware) was reused or recycled and none went to landfill

## Sustainability report

The HRA is committed to environmental sustainability and achieving net zero. To help make this happen, the Green Team - a staff-led group committed to improving sustainability - developed and launched our first Environmental Sustainability Strategy in 2022. This strategy aims to embed environmental sustainability as part of our culture and ways of working, and was updated for 2023 (it will be revised again for 2024).

We have made good progress this year with the introduction of emissions monitoring and increased awareness of our Environmental Sustainability Strategy. We are pleased with how much we have achieved, and want to do more to make sure we play our part ensuring the environment is protected for future generations.

We work in partnership with our colleagues at the Department of Health and Social Care (DHSC) and our Green Team, to improve environmental performance across the organisation. Our approach continues to focus on staff-led initiatives alongside strategic commitments to deliver significant, lasting change. Our vision, to make this change happen, is to embed environmentally sustainable practices into our daily business, making environmental sustainability the norm.

Our work is aligned with the five environmental principles, as set out in section 17(5) of the Environment Act, encouraging not only our teams but also our partners and suppliers to consider the environment in all activities.

Our estates strategy also works to support our sustainability strategy. This includes ensuring that sustainability and environmental performance is prioritised in decision making. We also make sure lease events are managed, meeting government policy and supporting our strategy. In 2023, our five office locations were in spaces shared with other government bodies to improve office utilisation and energy efficiency. Where we share offices, energy reporting is provided by our public landlord and is not included in our Greening Government Commitment reporting.

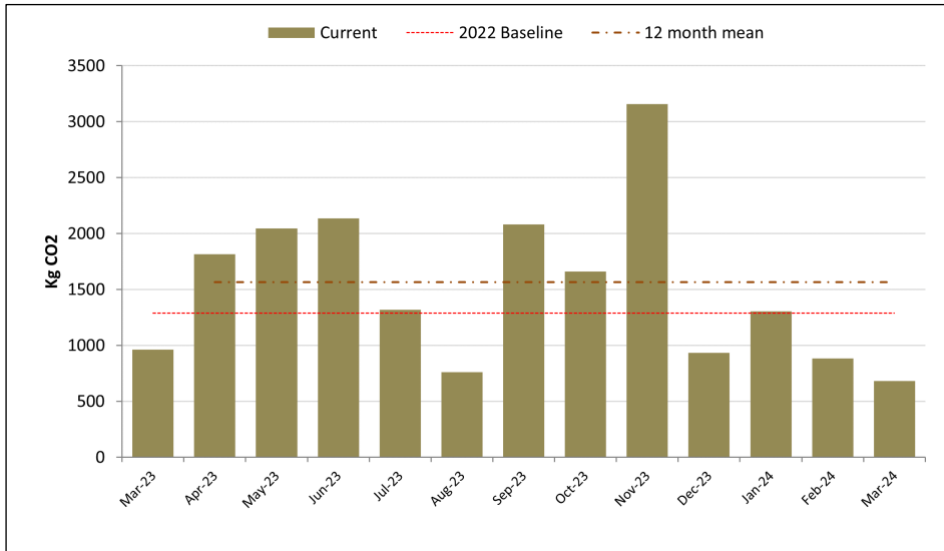
Several initiatives have been introduced to support our strategy, including:

- looking at how we buy goods and services to make sure sustainability considerations are included in decision-making
- introducing an Environmental Sustainability statement in all new policies and procedures

- assessing all domestic and international flight requests against several factors including cost, time, energy consumption and staff wellbeing before booking travel

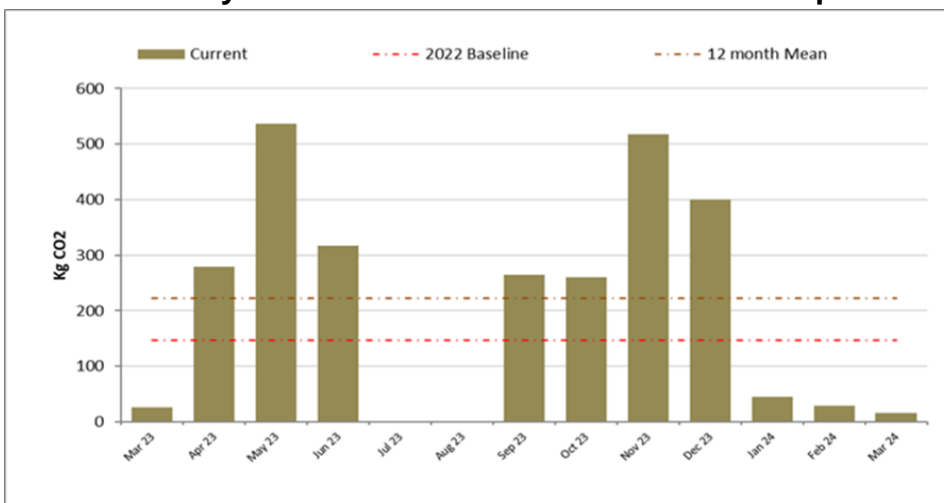
The following tables show our key performance indicators that help us measure our ambition to achieve net zero.

### Carbon Dioxide (CO2) emitted by rail travel – staff



The graph shows monthly carbon dioxide CO2 emitted from rail travel undertaken by staff from April 2023 to March 2024. The 2022 baseline and our target for CO2 is shown in red at just below 1,500 KgCO2. Our staff travel in 2022 was significantly lower than pre-pandemic levels and travel this year has exceeded this target. We set this target as a stretch target for 2023, unsure what our future travel requirements would be following the pandemic. We are closely monitoring our staff travel to set a more realistic target level for next year, so we meet both our sustainability goals and make sure our people can work well.

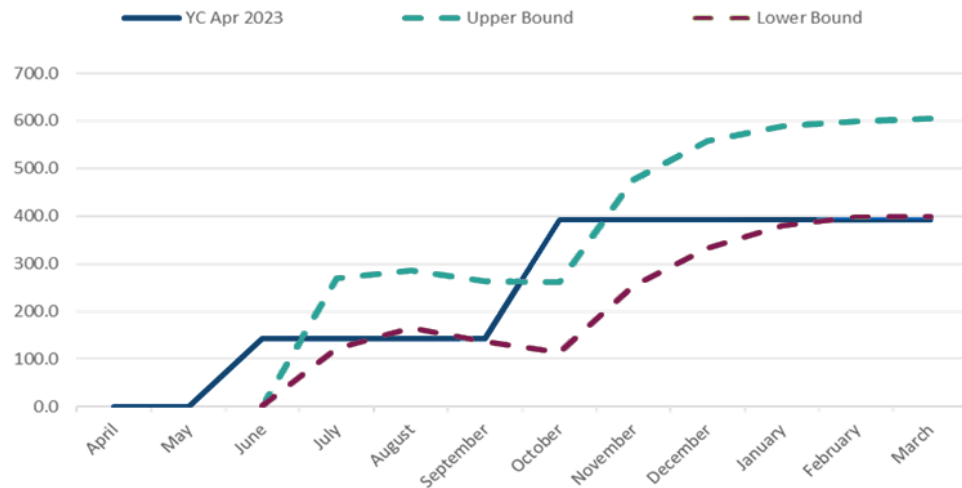
### CO2 emitted by rail travel – Committee Members and public involvement



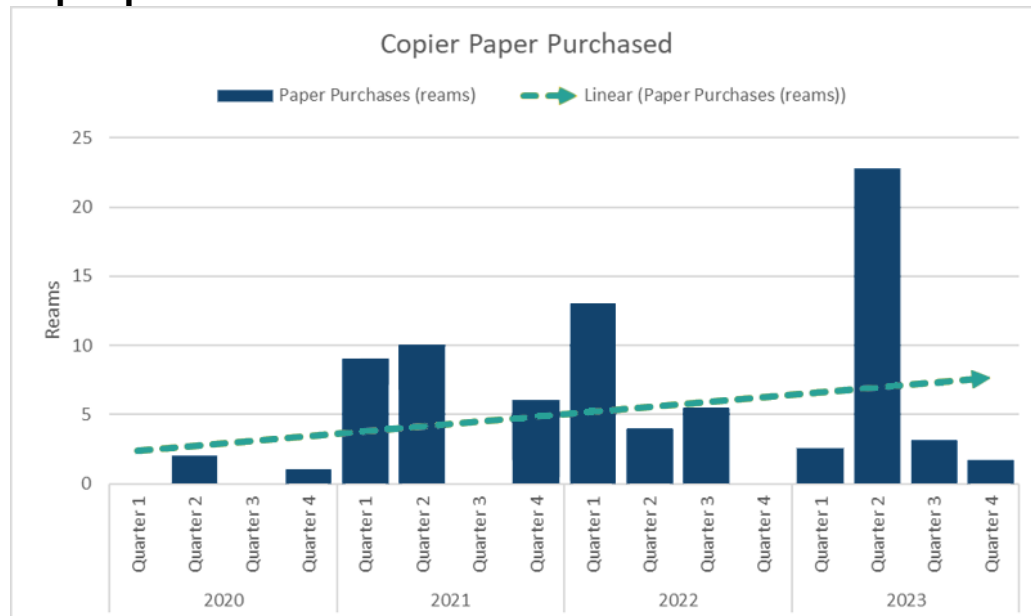
This graph shows monthly carbon dioxide (CO2) emitted from April 2023 to March 2024 through rail travel undertaken by committee members and the public who are involved in our work. The 2022 baseline and our target for CO2 is shown in red around 150 KgCO2. Again, this level was set as a stretch target and will be monitored closely to help us set a realistic target for future monitoring.

### Staff and HRA Community domestic flights – cumulative CO2

There were 2 domestic flights during 2023-24 (2022-23: 0). Each domestic flight was reviewed against agreed criteria to balance sustainability against other factors such as time and traveller health and wellbeing.



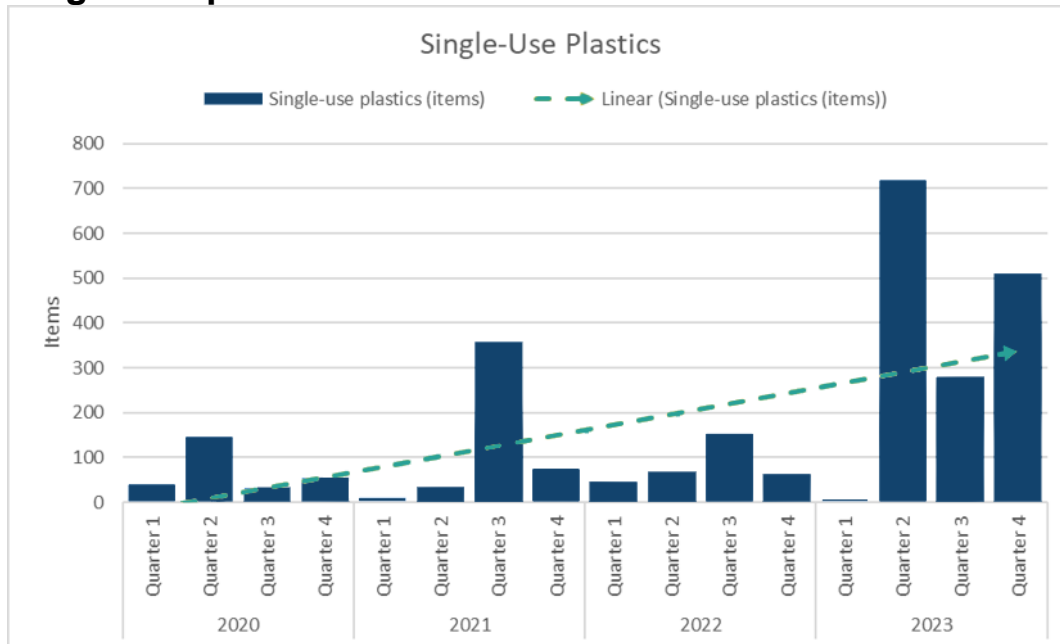
### Paper purchases



This graph shows reams of paper purchases from 2020 to 2023 for our own printers. It does not include paper used by our suppliers. Each ream of paper contains 500 sheets. There has been an increase in paper purchases since 2020, however

purchases remain at a very low level. The increase reflects improvements to our approach to reasonable adjustments, offering those staff who need to work from printed materials the means to do so.

### Single-use plastics



This graph shows single-use plastics ordered from 2020 to 2024, which have increased significantly this year from a very low base. The change relates to the purchase of disposable gloves in response to the pandemic, as a protective measure to keep our people well and the purchase of vinyl badge holders to support our in-person public engagement activities which have grown this year. We will be considering more sustainable alternatives for these badge holders for 2024-25.

**Dr Matthew Westmore**

**Chief Executive**

Health Research Authority

15 July 2024

### **3. Accountability report**

The accountability report consists of four sections.

#### **Corporate governance report**

This explains our governance structures and how they support us to achieve our objectives. It includes the directors report, statement of accounting officer's responsibilities, and our annual governance statement.

#### **Remuneration and staff report**

The remuneration and staff report explains the pay of Board members, independent members and senior employees that Parliament and other users see as key to accountability. It also includes details on staff costs, sickness, and our equality, diversity and inclusion data.

#### **Parliamentary accountability and audit report**

The key parliamentary accountability documents in the annual report and accounts.

#### **Certificate and report of the Comptroller and Auditor General to the Houses of Parliament**



## Corporate governance report

### Directors' report

The HRA is a non-departmental public body, established in accordance with the Care Act 2014 and sponsored by the Department of Health and Social Care (DHSC).

Our relationship with DHSC, acting on behalf of the Secretary of State, is regulated by a Framework Agreement. This sets out:

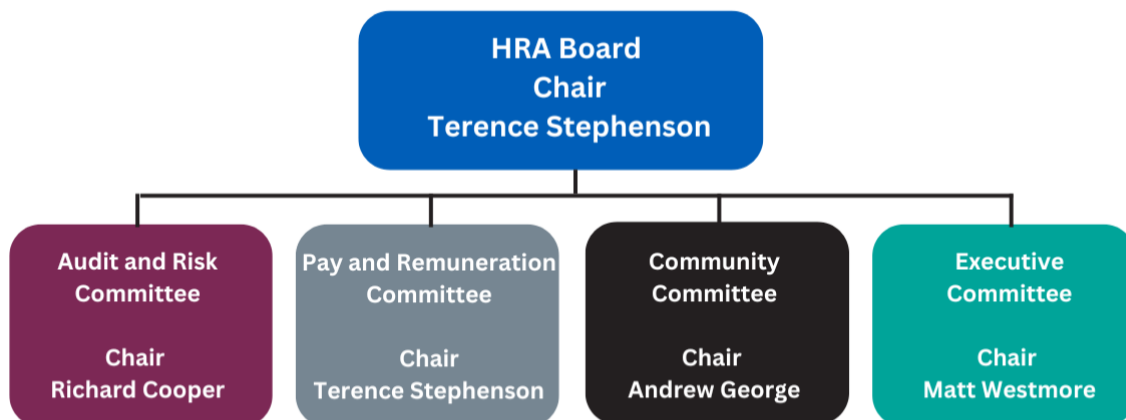
- the respective roles and responsibilities of each organisation
- the shared principles that underpin our relationship
- the arrangements for ensuring DHSC can fulfil its responsibilities

This agreement also explains our governance arrangements, how we are accountable for our performance and how DHSC measures our performance without being involved in our day-to-day decision making.

The DHSC's Science, Research and Evidence Directorate acts as our sponsor and provides assurance to the DHSC Permanent Secretary and the Secretary of State that we are meeting our obligations.

The HRA is fully compliant with relevant principles around governance best practice for public service as set out in 'Corporate governance in central government departments: code of good practice 2017'.

### Governance structure



## HRA Board

We are governed by a Board that is our corporate decision-making body.

The Board gives strategic oversight, agrees high level policy, and ensures the HRA is run effectively and efficiently. It is made up of our Chair, Professor Sir Terence Stephenson, our Chief Executive, Dr Matt Westmore, two executive directors and four non-executive directors.

Two directors attend the Board as non-voting members.

[Biographies](#) and [declarations of interest](#) of all our Board members are available on our website.

Name	Role	Role	Term of Appointment
Professor Sir Terence Stephenson	Non-Executive Director	Chair of Board and Pay and Remuneration Committee	1 Sep 2019 – 31 Aug 2025
Richard Cooper	Non-Executive Director	Chair of Audit and Risk Committee	1 Feb 2019 – 31 Jan 2025
Professor Andrew George	Non-Executive Director		1 Jan 2019 – 31 Dec 2024
Dr Nicole Mather	Non-Executive Director		1 Jan 2019 – 31 Jul 2023
Neelam Patel	Non-Executive Director		1 Apr 2021 – 31 Mar 2027
Dr Janet Messer	Executive Director	Director of Approvals	From 15 Sep 2014
Becky Purvis	Executive Director non-voting	Director of Policy and Partnerships	From 27 Jun 2022
Julie Waters	Executive Director non-voting	Chief Digital Transformation Officer	From 1 Aug 2022
Professor Matt Westmore	Executive Director	Chief Executive	From 22 Feb 2021
Karen Williams	Executive Director	Deputy Chief Executive and Director of Resources	From 5 Jan 2017

We are committed to openness and transparency with our Board meetings, which are held in public with all the papers and minutes available on our website.

The Board monitors performance every three months by reviewing performance reports. These reports enable the Board to scrutinise performance against agreed metrics, check progress in delivering our business plan and change portfolio, and examine our financial performance and strategic risk register.

Our reporting also includes an assessment of progress made in achieving our strategy.

The Board is supported by three sub-committees:

1. the Audit and Risk Committee
2. the Pay and Remuneration Committee, and
3. the Community Committee (established in 2023-24)

### **Audit and Risk Committee**

This committee advises the Accounting Officer and Board on risk management, corporate governance, and assurance arrangements. It comprises three non-executive directors and two independent members. Individuals from the HRA and Government Internal Audit Agency are invited and regularly attend the committee. The National Audit Office and KPMG, as external auditors for the HRA, also attend each meeting.

### **Pay and Remuneration Committee**

This committee makes decisions on senior executive salaries, their performance related pay and other terms and conditions. It also reviews arrangements for termination of employment, including termination payments. It is made up of the Chair of the Board and four non-executive directors.

### **Community Committee**

We understand it is important to listen to and involve a diverse group of people in our work, to better reflect the society that we serve and increase their involvement in the decisions that we make. This committee has responsibility for supporting the HRA's strategy to make it easy to do research that people can trust, and advises the Board on any issues, developments, proposals or policies which may impact on our community.

It comprises one non-executive director and eleven members of the HRA Community - four members of Research Ethics Committees, one member of the Confidentiality Advisory Group and six members of the public. [Biographies](#) of Community Committee members can be found on our website.

### **Executive Committee**

The Executive Committee is the senior executive decision-making body responsible for managing our business within agreed objectives, funding, and our Framework Agreement. The Executive Committee is accountable to the Chief Executive. It is chaired by the Chief Executive and has eleven members. It is responsible for ensuring an effective connection between executive to Board business and the formulation of HRA strategy.

The Executive Committee has delegated responsibility to individual directors for the management of day-to-day organisational business, and to the Portfolio Delivery

Group for the management of the HRA's change activities. These are within agreed objectives, funding, and according to the HRA/DHSC Framework Agreement and standing orders.

## HRA Board membership and attendance

Name	Role	Role	Board*	Audit and Risk Committee*	Pay and Remuneration Committee*
Professor Sir Terence Stephenson	Non-Executive Director	Chair of Board and Pay and Remuneration Committee	4/4		1/1
Richard Cooper	Non-Executive Director	Chair of Audit and Risk Committee	3/4	5/5	0/1
Professor Andrew George	Non-Executive Director		4/4	5/5	1/1
Dr Nicole Mather (until 31/07/23)	Non-Executive Director		1/1		0/0
Neelam Patel	Non-Executive Director		4/4	5/5	1/1
Dr Janet Messer	Executive Director	Director of Approvals	4/4		
Becky Purvis	Executive Director non-voting	Director of Policy and Partnerships	4/4		
Julie Waters	Executive Director non-voting	Chief Digital Transformation Officer	3/4		
Professor Matt Westmore	Executive Director	Chief Executive	4/4		
Karen Williams	Executive Director	Deputy Chief Executive and Director of Resources	4/4		
Nick Longhurst (from 01/06/23)	Independent member of Audit and Risk Committee			4/4	
George Ritchie	Independent member of Audit and Risk Committee			5/5	

\*Key: x/y: x is number of times the individual attended the Board or committee meetings and y is the number of meetings held.

## **Highlights of Board meetings in 2023-24**

During 2023-24 the Board and its committees considered key strategic issues and routine business planning. The topics considered included:

- performance reports, including finance reports, updates on change portfolio dashboard and improvement activities, strategic and key operational risks and risk appetite for the organisation
- updates from the Audit and Risk Committee and Community Committee
- feedback from Staff Voices representatives on staff-related matters
- Research Ethics Service in England annual report
- Confidentiality Advisory Group annual report
- annual staff survey findings report and action plan
- updates on our People Strategy and Equality, Diversity and Inclusion Strategy and future plans
- business continuity annual report
- updates to our risk management process
- our achievements and key messages for stakeholders
- Board effectiveness review
- Board meetings and public involvement
- NED succession planning

The Board improves its performance and effectiveness through seminars. During 2023-24 these included:

- update on progress of our Strategy
- plans for developing our next Strategy
- business planning and priorities
- setting the vision for the Research Systems Programme
- proposals and progress of the Research Systems Programme
- Board effectiveness review
- any expenses claimed by Board members are published on the HRA website, alongside minutes and papers from the Board meetings.

## **Summary of the Board effectiveness review**

We conducted an internal Board effectiveness review in March 2024. This was administered via an anonymous survey, with questions based on the Cabinet Office guidance on board effectiveness reviews, and an in-person board seminar. The Board agreed the requirements of the Code of Good Practice for Corporate Governance, where relevant for the HRA as a Non-Departmental Government Body, are being met and the required responsibilities are being suitably carried out. Several opportunities to improve the effectiveness of the Board were identified, including:

- supporting board succession planning
- further work on horizon scanning to develop the forward planner of strategic seminars

## **Statement of Accounting Officer's responsibilities**

Under the Care Act 2014, Section 109 (Schedule 7, paragraphs 19 and 20) the Secretary of State has directed the HRA to prepare a financial statement of accounts for each year 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 HRA and of its income and expenditure, statement of financial position, and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Secretary of State, with the approval of HM Treasury, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts
- prepare the accounts on a going concern basis
- confirm that the annual report and accounts as a whole is fair, balanced and understandable
- confirm that the Accounting Officer takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable

The Accounting Officer for DHSC has appointed the Chief Executive as Accounting Officer for the HRA.

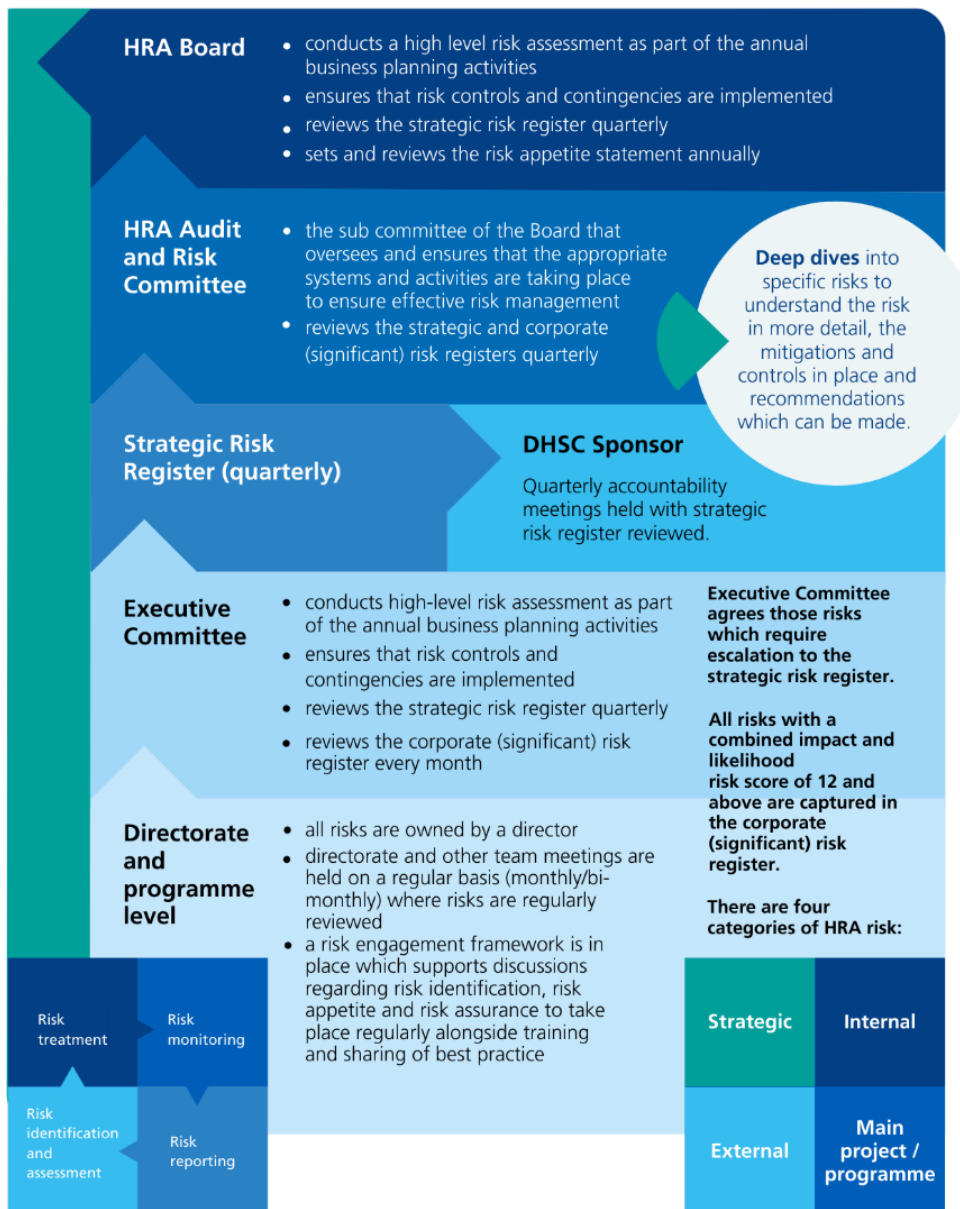
The responsibilities of an Accounting Officer are set out in [Managing Public Money published by the HM Treasury](#). These include responsibility for the propriety and regularity of the public finances, for keeping proper records and for safeguarding HRA's assets.

As far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware and the Accounting Officer has taken all the steps that they ought to have taken to make them aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

## **Risk management system**

We want to make the most impact from our operations within our available resources. An effective risk management system supports this without stopping innovation. This requires considering a full cross section of risks we face including reputational risks, financial risks, organisational risks, health and safety risks and risks to the achievement of the organisation's objectives.

# The risk and control framework and capacity to handle risk



There are four types of risk managed by the organisation:

- Internal: these are risks which the HRA has some control and are predominantly the directorate risk registers
- External: these are big external events/perils and are captured on the HRA threat assessment.

- Strategic: these risks relate to our key business objectives and captured in the strategic risk register.
- Main Project/Programmes: this register contains risks related to our most critical projects and programmes.

The HRA risk management framework ensures that the Board receives regular reports on the Strategic risks. Any significant risks are captured on the Corporate Risk Register and escalated to the Audit and Risk Committee and Executive Committee for discussion, and the HRA Board and DHSC sponsor team as required. The risk engagement framework supports our risk management culture by:

- sharing the risk appetite from the Board with staff and looking at what assurance is in place to address key risks affecting the organisation
- ensuring there is appropriate risk related training for staff
- sharing of feedback and good practice throughout the year

### Risk management delegated responsibilities

All staff have a role to play in managing risk throughout the HRA. We make sure staff can perform their role through providing relevant information, guidance and training.

Activity	HRA Board	Chief Executive	Company Secretary
Overall responsibility for our risk management policy and assigning a responsible senior manager for risk management	✓		
Ensuring risk management processes are effective and embedded throughout our work	✓		
Agreeing our risk appetite statement	✓		
Reviewing significant programme, project, strategic and operational risks	✓		
Reviewing critical risk management activities including confirming the effectiveness of controls	✓		
Ensuring appropriate risk management systems are in place		✓	
Regular review and follow up of processes including confirming the effectiveness of controls			✓
Ensuring the appropriate risk governance structure is in place			✓

In addressing issues relating to risk, we seek to be as transparent and open as possible. We identify and address those areas where there is a need for improvement in the risk management processes or controls and contingencies.



The internal audit function forms part of the review process and provides assurance on the risk management process and advises the Audit and Risk Committee and Accounting Officer.

## **Information governance**

The HRA has an established information governance structure:

- the Board has designated the Deputy Chief Executive and Director of Resources as Senior Information Risk Officer (SIRO) with responsibility for the system of safeguarding and protecting personally identifiable, confidential, and sensitive data
- the information governance lead is also the Deputy Chief Executive and Director of Resources
- Jonathan Fennelly-Barnwell, Deputy Director of the Approvals Service is the Caldicott Guardian
- Stephen Tebbutt, Company Secretary is the Data Protection Officer
- directors and senior managers are Information Asset Owners (IAOs) as appropriate

The Information Governance Steering Group (IGSG) is a formal sub-committee of the Executive Committee. Its purpose is to co-ordinate, supervise and review the work of others to make sure we maintain a co-ordinated approach to information governance. It meets four times a year and puts in place assurance processes that consider information governance issues to enable continuous improvement.

Data security risks are managed and monitored within the overall risk management framework, the HMG Security Policy Framework, overseen by the information governance lead and IGSG to ensure security threats are followed up and appropriately managed. We are committed to the 10 steps to cyber security and the National Data Guardian's Data Security Standards.

No data security incidents have been reported to the Information Commissioner's Office (ICO) during the year.

We have introduced additional skills and capabilities to support our cyber resilience, including a Technical Architect and Cyber Security Lead. A new monitoring report is reviewed by IGSG, providing assurance that cyber security controls are sufficient to prevent information security threats.

All information assets and associated systems are identified and included in our Information Asset Register and are assessed annually. These assessments inform the Corporate and Information Risk Registers and help ensure we conform to data protection legislation.

We have also completed the Data Security and Protection Toolkit this year and met all mandatory requirements.

## **The system of internal control**

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control, which has been in place for the year 1 April 2023 to 31 March 2024 and up to the date of approval of the annual report and accounts, in accordance with HM Treasury guidance.

The Executive Committee, which I lead, reviews and monitors progress with other management groups providing input as required. These include Portfolio Delivery Group, Recruitment Panel and Digital Strategy and Prioritisation Group.

Senior managers who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The assurance framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed and this aspect of our activities has been subject to external review.

Our business plan is developed and approved by the Board and sets out our clear purpose and business objectives to deliver our strategy and statutory functions.

Our controls assurance and risk management processes are closely aligned to the twin objectives of maintaining ongoing activities and managing significant transformation activities.

Reports are provided to the Board every three months on achievements and progress against the objectives and plans, and these reports include risks and controls in place to mitigate them.

The effectiveness of the system of internal control is reviewed by our internal auditors who plan and carry out a workplan approved by the Audit and Risk Committee. When weaknesses are identified, these are reported to the Audit and Risk Committee and an action plan agreed with management to address these.

This year, our overall internal audit assurance opinion has improved slightly. This is the result of putting in place improved checking and assurance regimes, better guidance and process development and clarifying roles and responsibilities. This includes introducing purchase orders for all our contracted expenditure, reviewing open purchase orders and monitoring a sample of contracts. We also put in place better data security and protection processes which improved the assurance rating for our data security and protection audit.

Six internal audit reviews were performed, four assurance audits and two advisory audits. All four assurance audits opinions were rated Moderate, compared to one out of four in 2022-23. The assurance audits focused on portfolio management, risk management, strategy – performance and reporting and data security and protection toolkit. The advisory audits focused on organisational design and our Community Committee. Recommendations from these audits are being actively monitored and implemented in line with agreed plans. The audits identified several areas where planning could be enhanced to ensure completion of tasks to improve the control environment.

Our external auditors attend Audit and Risk Committee to keep informed of the design and operation of the systems of internal control. The Head of Internal Audit

provides me with an opinion, in accordance with Public Sector Internal Audit Standards, on the overall adequacy and effectiveness of the HRA's risk management, control and governance processes.

### **Functional standards**

We must apply and adhere to the UK Government functional standards in our processes and services. These standards help create a coherent, effective and mutually understood way of doing business within public bodies. They provide a stable basis for assurance, risk management and capability improvement. In 2023-24 we continued to embed the mandatory standards across our functions including project delivery, finance and counter fraud, bribery and corruption. We will aim to put in place the mandatory standards across all relevant standards in 2024-25.

### **Compliance with NHS Pension Scheme regulations**

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 the scheme rules and that member pension scheme records are accurately updated in accordance with the timescales detailed in regulations.

### **Head of Internal Audit opinion 2023-24**

In accordance with the requirements of the UK Public Sector Internal Audit Standards, I am required to provide the Accounting Officer with my annual opinion of the overall adequacy and effectiveness of the organisation's risk management, control and governance processes.

My opinion is that I can give a Moderate assurance to the Accounting Officer that the HRA has had adequate and effective system of control, governance and risk management in place for the reporting year 2023-24.

Overall governance, risk management and control arrangement are generally effective. The improvements points highlighted in my report are about strengthening controls through improving plans, enhancing reporting and by further developing processes.

### **Declaration of interests**

The HRA maintains a formal register of Board members' interests as set out in the Code of Accountability for the NHS.

Board members are asked to confirm any declarations of interest at each Board meeting and at any time that changes take place. This includes any interests in relation to specific items on the Board agenda. Board members are also asked to declare any spouse or partner interests. The register, showing current declarations made by the Board, is updated on a regular basis and made available to the public at [www.hra.nhs.uk/about-us/governance/publication-scheme/list-and-registers/](http://www.hra.nhs.uk/about-us/governance/publication-scheme/list-and-registers/)

### **Remuneration to auditors**

The accounts have been prepared according to accounts direction of the Secretary of State, with approval of HM Treasury. The accounts have been audited by the Comptroller and Auditor General under the Care Act 2014 at the cost of £56,000 (2022-23 £51,000). The audit certificate can be found on page 60.

## Remuneration and staff report

### Remuneration Policy

The Chair and Non-Executive Director Board members are remunerated in line with DHSC guidance that applies to all NHS bodies. Details of the senior managers' remuneration, given in the following tables, are set and reviewed in line with DHSC guidance Pay Framework for Executive and Senior Managers (ESM) in Arm's Length Bodies.

Senior managers employed under the ESM framework are under stated contracts of employment on terms and conditions as set out by NHS employers. All those contained in the senior managers' remuneration table below are subject to annual appraisals on their performance.

The HRA does not make performance pay or bonus payments to staff on agenda for change terms and conditions. Staff employed on executive and senior managers (ESM) contracts can be awarded non-consolidated performance related pay award at the discretion of the Pay and Remuneration Committee. Details of these payments can be found in the remuneration report.

### Remuneration and pension for Directors (subject to audit):

#### Chair and Non-Executive Directors

Name	Year ended 31 March	Salaries and Allowances		Total (bands of £5,000) £000
		Salary (bands of £5,000) £000	Taxable expenses payments* (to nearest £100) £	
Professor Sir Terence Stephenson Chair (Note 1)	<b>2024</b>	<b>45 - 50</b>	-	<b>45 - 50</b>
	2023	45 - 50	-	45 - 50
<b>Richard Cooper</b>	<b>2024</b>	<b>10 - 15</b>	<b>300</b>	<b>10 - 15</b>
	2023	10 - 15	-	10 - 15
<b>Professor Andrew George</b>	<b>2024</b>	<b>5 - 10</b>	-	<b>5 - 10</b>
	2023	5 - 10	-	5 - 10
<b>Dr Nicole Mather</b> (Note 2)	<b>2024</b>	<b>0 - 5</b>	-	<b>0 - 5</b>
	2023	5 - 10	-	5 - 10
<b>Neelam Patel</b>	<b>2024</b>	<b>5 - 10</b>	-	<b>5 - 10</b>
	2023	5 - 10	-	5 - 10

\* The taxable expenses payments represent the monetary value of commuting expenses claimed and reimbursed during the year.

The Chair and Non-Executive Directors are not eligible for membership of the HRA pension schemes and therefore no Pension Related Benefits column has been included in the table above. No bonus payments were made in 2023-24 or 2022-23 to the Chair or Non-Executive Directors.

*Note 1* – Professor Sir Terence Stephenson is not paid directly by the HRA. His salary is paid by University College London and then recharged to the HRA on a cost-recovery basis.

*Note 2* – Dr Nicole Mather was employed as a Non-Executive Director until 31 July 23. Her full year equivalent salary for the year ending 31 March 24 was between £5,000 and £10,000.

## Directors

Name	Yearended 31 March	Salaries and Allowances				Total bands of £5,000)
		Salary (bands of £5,000)	Taxable expenses payments* (to nearest £100)	Pension related benefits** (to nearest £1,000)		
		£000	£	£000	£000	
<b>Dr Matthew Westmore</b> Chief Executive	<b>2024</b>	<b>140 – 145</b>	<b>400</b>	<b>40</b>	<b>180 – 185</b>	
	2023	135 – 140	-	26	160 – 165	
<b>Ian Cook</b> Director of Transformation and Corporate Services ( <i>Note 1</i> )	<b>2024</b>	-	-	-	-	
	2023	40 – 45	-	-	40 – 45	
<b>Dr Janet Messer</b> Director of Approvals Service	<b>2024</b>	<b>100 – 105</b>	-	-	<b>100 – 105</b>	
	2023	95 – 100	-	28	125 - 130	
<b>Becky Purvis</b> Director of Policy and Partnerships ( <i>Note 2</i> )	<b>2024</b>	<b>95 – 100</b>	-	<b>23</b>	<b>115 – 120</b>	
	2023	65 – 70	-	16	80 – 85	
<b>Ian Robinson</b> Chief Digital Transformation Officer ( <i>Note 3</i> )	<b>2024</b>	-	-	-	-	
	2023	40 – 45	-	-	40 – 45	
<b>Juliet Tizzard</b> Director of Policy and Partnerships ( <i>Note 2</i> )	<b>2024</b>	-	-	-	-	
	2023	30 – 35	-	22	50 – 55	
<b>Julie Waters</b> Chief Digital Transformation Officer ( <i>Note 3</i> )	<b>2024</b>	<b>95 – 100</b>	-	<b>41</b>	<b>135 – 140</b>	
	2023	60 – 65	-	15	75 – 80	
<b>Karen Williams</b> Deputy Chief Executive and Director of Resources	<b>2024</b>	<b>125 – 130</b>	-	<b>34</b>	<b>160 – 165</b>	
	2023	120 – 125	-	32	150 – 155	

\* The taxable expenses payments represent the monetary value of benefits treated by HMRC as a taxable emolument, provided by the HRA. Dr Matthew Westmore has

a lease car provided through a non-subsidised salary sacrifice scheme that is open to all permanent HRA staff including Directors.

\*\* Pension benefits accrued during the year are calculated on the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation received by the individual. It is a calculation that is intended to convey an estimation of the benefit that being a member of the pension scheme could provide. The pension benefit table provides further information on the pension benefits accruing to the individual.

No bonus payments were made in 2023-24 or 2022-23 to the Directors.

*Note 1* – Ian Cook was employed as Director of Transformation and Corporate Services until 6 April 22 when the role was disestablished. The costs for the year ending 31 March 23 comprise a £40,000 payment in lieu of notice.

*Note 2* – Juliet Tizzard was employed as Director of Policy and Partnerships to 22 July 22. Her full year equivalent salary to 31 March 23 was between £100,000 and £105,000. Becky Purvis was Interim Director of Policy and Partnerships from 27 June 22, and following a competitive external recruitment process was appointed Director of Policy and Partnerships from 1 November 22. Her full year equivalent salary for both roles for the year to 31 March 23 was between £90,000 and £95,000.

*Note 3* – Ian Robinson was employed as Chief Digital Transformation Officer (CDTO) until 22 August 22, his full year equivalent salary for the year to 31 March 23 was between £110,000 and £115,000. Julie Waters was Interim CDTO from 1 August 22, and following a competitive external recruitment process was appointed as CDTO from 11 September 23. Her full year equivalent salary for the year to 31 March 23 was between £90,000 and £95,000 and between £95,000 and £100,000 for the year to 31 March 24.

## Directors

Name	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2024 (bands of £5,000) £000	Accrued related lump sum at pension age at 31 March 2024 (bands of £5,000) £000
<b>Dr Matthew Westmore</b> Chief Executive	2.5 – 5	0 – 2.5	5 – 10	0 – 5
<b>Dr Janet Messer</b> Director of Approvals Service ( <i>Note 1</i> )	-	25 – 27.5	25 – 30	70 – 75
<b>Becky Purvis</b> Director of Policy and Partnerships	0 – 2.5	-	0 – 5	-
<b>Julie Waters</b> Chief Digital Transformation Officer	2.5 – 5	0 – 2.5	15 – 20	0 – 5
<b>Karen Williams</b> Deputy Chief Executive and Director of Resources	2.5 – 5	-	15 – 20	-

Name	Cash equivalent transfer value at 31 March 2023	Real increase in cash equivalent transfer value	Cash equivalent transfer value at 31 March 2024	Employer's contribution to stakeholder pension
	£000	£000	£000	£000
<b>Dr Matthew Westmore</b> Chief Executive	75	33	134	0
<b>Dr Janet Messer</b> Director of Approvals Service (Note 1)	533	66	667	0
<b>Becky Purvis</b> Director of Policy and Partnerships	24	16	55	0
<b>Julie Waters</b> Chief Digital Transformation Officer	167	46	243	0
<b>Karen Williams</b> Deputy Chief Executive and Director of Resources	185	53	273	0

The Chair and Non-Executive Directors are not eligible for membership of the HRA's pension schemes and therefore no figures are included for them in the table above.

Any members affected by the Public Service Pensions Remedy were reported in the 2015 scheme for the period between 1 April 2015 and 31 March 2022 in 2022-23 but are reported in the legacy scheme for the same period in 2023-24.

Note 1 – Dr Janet Messer is affected by the Public Service Pensions Remedy and her membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 scheme on 1 October 2023.

Negative values are not disclosed in this table but are substituted with a zero.

### Cash Equivalent Transfer Values

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.

### 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 Information (subject to audit)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director or member in their organisation against the 25<sup>th</sup> percentile, median and the 75<sup>th</sup> 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 the 75th percentile of salary components of the organisation's workforce.

In 2023-24, the banded annualised remuneration of the highest paid director was £140,000 to £145,000 (2022-23, £135,000 to £140,000). The relationship to the remuneration of our workforce is disclosed in the table below.

		Year	
		2023-24	2022-23
	Highest paid director mid-point	<b>£142,500</b>	£137,500
25 <sup>th</sup> Percentile	Total remuneration	<b>£34,581</b>	£31,114
	Total remuneration ratio	<b>4.1:1</b>	4.4:1
	Salary	<b>£34,581</b>	£29,180
	Salary ratio	<b>4.1:1</b>	4.7:1
Median (50 <sup>th</sup> ) Percentile)	Total remuneration	<b>£42,618</b>	£37,633
	Total remuneration ratio	<b>3.3:1</b>	3.7:1
	Salary	<b>£42,618</b>	£35,572
	Salary ratio	<b>3.3:1</b>	3.9:1
75 <sup>th</sup> Percentile	Total remuneration	<b>£50,056</b>	£49,975
	Total remuneration ratio	<b>2.8:1</b>	2.8:1
	Salary	<b>£50,056</b>	£47,672
	Salary ratio	<b>2.8:1</b>	2.9:1

All percentile values are showing an increase from last year. The median total remuneration has increased 13.2% to £42,618 and the median salary has increased by 19.8% to £42,618. The lower % increase in total remuneration is mainly due to the 2022-23 figure including a non-consolidated agenda for change pay award worth 2% which was classified as a bonus rather than salary due to its one-off nature.

The median salary value is an agenda for change band 6 salary in both years, but in 2023-24 is on a higher pay point within the band 6 range giving an increase in median salary of 14.1%. Consolidated pay awards of 5% for both staff employed on executive and senior managers (ESM) contracts and staff employed on agenda for change contracts, coupled with changes in the composition and distribution of the pay bandings of the workforce and incremental pay progression has also contributed to the increases.

The majority of percentile ratios are showing a decrease from last year. The median total remuneration ratio has decreased by 10.8% to 3.3:1 and the median salary ratio has decreased by 15.4% to 3.3:1. Whilst all staff including the highest paid director have received a pay award of 5% during 2023-24, the increase in median salary and total remuneration values means that the highest paid directors mid-point total remuneration expressed as a ratio of the median salary and total remuneration is showing a lower ratio for 2023-24.



The median pay ratio is considered consistent with the pay, reward, and progression policies of the organisation for the employees taken as a whole.

### Remuneration range

Total remuneration includes salary, non-consolidated performance-related pay and benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions. For all employees, total banded remuneration ranged from £20,000 - £25,000 to £140,000 - £145,000 (2022-23: £25,000 - £30,000 to £135,000 - £140,000). No employees received remuneration more than the highest paid Director.

### Percentage change from the previous financial year in respect of the highest paid Director

	2023-24	2022-23
Salary and allowances	3.6%	-47.6%
Performance pay and bonuses	0.0%	0.0%

### Salary and allowances

The increase in the highest paid director's remuneration for 2023-24 is due to the 5% consolidated pay award to staff employed on executive and senior managers (ESM) contracts. This award was in line with the pay award made to staff employed on agenda for change contracts. The increase shown is lower than the full 5% pay award due to the calculation using the mid-point of the salary banding rather than the actual salary.

The decrease in the highest paid director's remuneration for 2022-23 is due to interim digital leadership arrangements put in place at pace in 2021-22 while we recruited to the permanent role. In both 2022-23 and 2023-24 the highest paid director was the Chief Executive with a significantly lower mid-point salary.

### Performance pay and bonuses

Staff employed on executive and senior managers (ESM) contracts can be awarded non-consolidated performance related pay award at the discretion of the Pay and Remuneration Committee. Details of these payments can be found in the remuneration report. No non-consolidated performance related pay awards were made in 2023-24 or 2022-23.

### Average percentage change from previous financial year in respect of all employees (excluding highest paid Director)

	2023-24	2022-23
Salary and allowances	7.5%	2.9%
Performance pay and bonuses	-100.0%	10,463.7%

### Salary and allowances

The increase in all employees (excluding highest paid Director) salary and allowances for 2023-24 is mainly due to the 5% consolidated pay award for staff employed on executive and senior managers (ESM) contracts and staff employed on agenda for change contracts. Changes in the composition and distribution of the pay

banding of the workforce during 2023-24, coupled with incremental pay progression, has led to a greater average % increase in year than the 5% pay awards.

## Performance pay and bonuses

The agenda for change non-consolidated pay award for 2022-23 was included within the performance pay and bonuses category above due to its one-off nature. The large % increase in this category for 2022-23 and the corresponding large % decrease for 2023-24 is due to the award only being made for 2022-23.

## Staff report

### Early retirements and redundancies (subject to audit)

There were 3 exit packages agreed during the year ending 31 March 2024, costing £78,616 (2022-23; 14, £339,029).

Redundancy and other departure costs have been paid in accordance with agenda for change terms and conditions. The table below shows the total cost of exit packages agreed and accounted for in 2023-24 and 2022-23. Exit packages totalling £18,616 were paid in the year, relating to departures agreed in 2023-24 (2022-23; £215,429). There were no other departure costs agreed in 2023-24 (2022-23 £48,673).

The amounts are due to the individuals and do not include the employers' National Insurance contribution on the payments. These payments are included within the social security costs in the staff note. Additional costs of agreed early retirement are met by the HRA and not by the NHS Pension Scheme.

Ill health retirements costs are met by the NHS Pension Scheme and are not included in this table. There are no redundancy payments that are special payments.

Year ended 31 March 2024						
Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures	Cost of other departures	Total number of exit packages	Total cost of exit packages
	Whole numbers	£	Whole numbers	£	Whole numbers	£
Less than £10,000	1	5,878	-	-	1	5,878
£10,001 - £25,000	1	12,738	-	-	1	12,738
£25,001 - £50,000	-	-	-	-	-	-
£50,001 - £100,000	1	60,000	-	-	1	60,000
<b>Total</b>	<b>3</b>	<b>78,616</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>78,616</b>

Year ended 31 March 2023						
Exit package cost band	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures	Cost of other departures	Total number of exit packages	Total cost of exit packages
	Whole numbers	£	Whole numbers	£	Whole numbers	£
Less than £10,000	1	7,666	4	8,608	5	16,274
£10,001 - £25,000	3	47,746	-	-	3	47,746
£25,001 - £50,000	3	94,643	1	40,065	4	134,708
£50,001 - £100,000	2	140,301	-	-	2	140,301
<b>Total</b>	<b>9</b>	<b>290,356</b>	<b>5</b>	<b>48,673</b>	<b>14</b>	<b>339,029</b>

### Analysis of staff costs (subject to audit)

	Year ended 31 March 2024			Year ended 31 March 2023
	Permanently employed £000	Other £000	Total £000	Total £000
Salaries and wages	10,314	80	<b>10,394</b>	11,415
Social security costs	1,103	-	<b>1,103</b>	1,242
Pension costs	2,006	-	<b>2,006</b>	2,037
Redundancies and notice not worked	79	-	<b>79</b>	339
<b>Total staff costs</b>	<b>13,502</b>	<b>80</b>	<b>13,582</b>	15,033

The costs and average numbers of staff include the costs of staff employed by other organisations that are recharged to the HRA. These are included within the 'other' column. These figures include social security costs and employer contributions to the NHS Pensions Authority.

### The average number of FTE persons employed during the year (subject to audit)

	Year ended 31 March 2024			Year ended 31 March 2023
	Permanently employed number	Other number	Total number	Total Number
<b>Total</b>	<b>241</b>	<b>1</b>	<b>242</b>	266

Staff turnover was 8.2% during 2023-24 (2022-23: 17.5%). (Unaudited)

## Retirements due to ill health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. There were no such retirements in the year to 31 March 2024 (£nil 2022-23). This information has been supplied by NHS Pensions Authority.

## 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](http://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, 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 at 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 1 April 2024 to 23.7% of pensionable pay. 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.

## Off payroll engagements

Following the review of tax arrangements of public sector appointees published by the Chief Secretary to the Treasury on 23 May 2012, we must publish the following tables of information on our highly paid or senior off-payroll engagements.

### Table 1: length of all highly paid off-payroll engagements

For all off-payroll engagements as of 31 March 2024, earning £245 per day or greater:

	Number
Number of existing engagements as of 31 March 2024	0
The number that have existed for less than 1 year at the time of reporting	0
The number that have existed for between 1 and 2 years at the time of reporting	0
The number that have existed for between 2 and 3 years at the time of reporting	0
The number that have existed for between 3 and 4 years at the time of reporting	0
The number that have existed for 4 or more years at the time of reporting	0

We can confirm that all existing off-payroll engagements have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and where necessary, that assurance has been sought.

**Table 2: off-payroll workers engaged at any point during the financial year**

For all off-payroll engagements between 1 April 2023 and 31 March 2024, earning £245 per day or greater:

	Number
Number of temporary off-payroll workers engaged between 1 April 2023 and 31 March 2024	1
Of which:	
Number not subject to off-payroll legislation (see note 1)	1
Number subject to off-payroll legislation and determined as in-scope of IR35 (see note 1)	0
Number subject to off-payroll legislation and determined as out of scope of IR35 (see note 1)	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which, number of engagements that saw a change to IR35 status following review	0

Note 1 – A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the HRA must undertake an assessment to determine whether that worker is in-scope of intermediaries legislation (IR35) or out-of-scope for tax purposes.

**Table 3: off-payroll board member/senior official engagements**

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

	Number
Number of off-payroll engagements of Board members and / or senior officers with significant financial responsibility during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility” during the financial year. This figure must include both on payroll and off-payroll engagements.	9

**Consultancy expenditure**

For the year ended 31 March 2024 the HRA spent £11,461 on consultancy (2022-23: £nil).

## Sickness absence

Statistics produced by NHS Digital – Sickness Absence Publication – based on data from the Electronic Staff Record (ESR) Data Warehouse.

Quarterly Sickness Absence Publication Average FTE 2023	Adjusted FTE days lost to sickness absence	Average sickness days per FTE
246	1,803	7.3

### Year covered: January to December 2023

- Employee Self Service (ESR) is the system we use for time and attendance management. It does not hold details of the normal number of days worked by each employee. Data on days lost and days available produced in reports are based on a 365-day year.
- the number of Full-Time Equivalent (FTE) days lost to sickness absence has been estimated by multiplying the estimated FTE days available by the average sickness absence rate.
- the average number of sick days per FTE has been estimated by dividing the estimated number of FTE-days sick by the average FTE.
- sickness absence rate is calculated by dividing the sum total sickness absence days (including non-working days) by the sum total days available per month for each member of staff)

## Equality, diversity and inclusion (EDI)

We know the HRA is working at its best when our people feel they belong and are valued for who they are, and that they see this borne out in their daily experience of the organisation.

In 2023-24, we:

- published a new set of strategic EDI priorities and Equality Objectives based on a rich evidence base, benchmarking, staff surveys and government priorities
- celebrated a continuing rise in disability disclosure, from 9% in 2023 to 11% in 2024
- increased the percentage of ethnic minority staff in management and leadership roles to better reflect the whole workforce, narrowing the gap from 4 percentage points in 2023 (13% and 17% respectively) to 2 percentage points in 2024 (14.5% and 16.5%)
- developed a fair recruitment learning module, which is mandatory for recruiting managers and helps them understand and apply our policy and guidance
- completed a learning programme on reproductive health, including discussion groups to help share future policy and support for staff

- updated our Health and Accessibility Passport and created a checklist for managers receiving a disability disclosure to make sure staff get what they need
- assessed our organisation against the NHS Confederation LGBTQ+ Inclusion Framework, identified priorities for development and started to address these
- reviewed and updated our Menopause at Work policy to align with the new British Standard

## Equality information for staff

	31 March 2024	31 March 2024	31 March 2023	31 March 2023
	Number	%	Number	%
<b>Gender</b>				
Female	187	72%	188	71%
Male	73	28%	75	29%
<b>Grand total</b>	<b>260</b>	<b>100%</b>	<b>263</b>	<b>100%</b>
<b>Ethnic Origin (Grouped)</b>				
Asian or British Asian	23	9%	24	9%
Black or Black British / Mixed / Other ethnic group	20	8%	20	8%
Not stated / undefined	10	4%	10	4%
White	207	79%	209	79%
<b>Grand total</b>	<b>260</b>	<b>100%</b>	<b>263</b>	<b>100%</b>
<b>Disabled</b>				
No	219	84%	225	86%
Not declared / undefined	13	5%	14	5%
Yes	28	11%	24	9%
<b>Grand total</b>	<b>260</b>	<b>100%</b>	<b>263</b>	<b>100%</b>
<b>Age</b>				
<20-25	4	2%	12	4%
26-35	81	31%	79	30%
36-45	91	35%	90	34%
46-55	58	22%	54	21%
56-75	26	10%	28	11%
<b>Grand total</b>	<b>260</b>	<b>100%</b>	<b>263</b>	<b>100%</b>



	31 March 2024				31 March 2023			
	Male	%	Female	%	Male	%	Female	%
Directors	1	20%	4	80%	1	20%	4	80%
Other senior managers	22	39%	35	61%	24	43%	32	57%
Employees	50	25%	148	75%	50	25%	152	75%
<b>Total</b>	<b>73</b>	<b>28%</b>	<b>187</b>	<b>72%</b>	<b>75</b>	<b>29%</b>	<b>188</b>	<b>71%</b>

We publish gender pay information showing the difference in average earnings between women and men. The results for 2024 show that the average hourly rate is 6.0% higher for men, with the median being 14.6% higher (2023 average hourly rate 6% higher, and median 9.7% higher). This does not mean that men get paid more than women for doing the same job, the NHS pay grade structure (also known as Agenda for Change) and employment practices we use mean this is not possible.

Women are however overrepresented at all levels of the organisation, but less so in the most highly paid roles. This results in a more favourable average pay gap. There are also far fewer men in roles at the lower end of the pay grade structure which results in a lower median average pay for women. We have developed a set of recommendations to address these differences and to close these gaps.

We publish diversity information on our website at: [Equality, Diversity and Inclusion Strategy - Health Research Authority \(hra.nhs.uk\)](https://www.hra.nhs.uk/equality-diversity-and-inclusion)

Our gender pay gap data is also published on the gov.uk website: [Gender pay gap service - GOV.UK](https://www.gov.uk/government/statistics/gender-pay-gap)

### **Freedom to speak up (raising concerns)**

Our freedom to speak up policy is derived from the Public Interest Disclosure Act 1998 (PIDA) which exists to protect members of staff who make disclosures in good faith about wrongdoing or activity which is against the public interest. The policy is made available to all staff and is published on our SharePoint. There were no freedom to speak up claims during 2023-24.

### **Health, safety and welfare**

We embrace health, safety and welfare as an integral part of our culture. We are committed to the fundamental right of all staff to work in a safe and healthy environment, and to an integrated approach to identifying and mitigating associated risks.

Managers and staff are supported by comprehensive health, safety and welfare arrangements including an Estates Strategy Group which incorporates our Health, Safety and Welfare Committee (HSWC), comprehensive policies and procedures and access to expert advice. We encourage our employees to report accidents or instances of work-related ill health so we can identify trends and to inform on our health and safety performance.

We are pleased to report that we have had no reportable incidents, the same as last year. The HSWC is satisfied that if an incident were to occur it would be known immediately and reported.

No reports were made under Reporting Injuries, Diseases and Dangerous Occurrences Regulations 2013.

### Trade union recognition

We have a well-established and embedded staff forum (Staff Voices) and a formal partnership with Unison and Managers in Partnership. The Joint Negotiating Committee has formally met 4 times. During the year 4 members of staff (4 FTE) were union officials at the HRA.

Percentage time	Number of employees
0%	0
1-50%	4
51-99%	0
100%	0

Percentage of staff costs spend on union facility activities	
Total cost of union facility activities	£1,009
Total staff costs	£13,627,000
Percentage of total staff costs spend on union facility activities	0.01%

Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours	100%

### Pension Liabilities

Past and present employees of the HRA are covered by the provisions of the NHS Pensions Scheme. Page 51 of the annual report presents how pension liabilities have been treated.

## Parliamentary accountability and audit report

This section provides other information disclosed in the public interest and is subject to audit.

### Remote Contingent Liabilities

There are no known material remote contingent liabilities.

### Regularity of Expenditure: Losses and Special Payments

For the year-ending 31 March 2024 the Health Research Authority incurred 16 losses totalling £151,280 (2022-23: 5 losses totalling £981). This included a loss of £140,052 relating digital code development costs for the IRAS website incurred in 2022-23. These costs had been included as an asset under construction on our Statement of Financial Position. This work was paused at part of our Research Systems Programme reset and following this, it was decided that this code could not be used with the new approach.

No special payments were made during the year.



**Dr Matthew Westmore**

**Chief Executive**

Health Research Authority

15 July 2024

# Audit Opinion



# The certificate and report of the Comptroller and Auditor General to the Houses of Parliament

## Opinion on financial statements

I certify that I have audited the financial statements of the Health Research Authority for the year ended 31 March 2024 under the Care Act 2014.

The financial statements comprise the Health Research 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 Health Research 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 Care Act 2014 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 Health Research 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 Health Research 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 Health Research 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 Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the Health Research 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 Care Act 2014.

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 Care Act 2014; 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 Health Research Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability reports.

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

- adequate accounting records have not been kept by the Health Research 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 are not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

### **Responsibilities of the Accounting Officer for the financial statements**

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

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such 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 Health Research 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 Care Act 2014;

- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the Care Act 2014; and
- assessing the Health Research 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 Health Research 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 Care Act 2014.

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 Health Research Authority's accounting policies;
- inquired of management, the Health Research Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Health Research 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 Health Research Authority's controls relating to the Health Research Authority's compliance with the Care Act 2014 and Managing Public Money.



- inquired of management, the Health Research 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 regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the Health Research Authority for fraud and identified the greatest potential for fraud in the following areas: posting of unusual journals and bias in management judgements and estimates, including the apportionment of costs between revenue and capital with respect of the capitalisation of the research systems programme. 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 Health Research Authority's framework of authority and other legal and regulatory frameworks in which the Health Research 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 Health Research Authority. The key laws and regulations I considered in this context included the Care Act 2014, Managing Public Money and employment law.

### **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 Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- 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; assessed the apportionment of expenditure between capital and revenue with respect to the internally generated intangible asset capitalised in the year; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business; and

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](http://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**

**Date** 17 July 2024

**Comptroller and Auditor General**

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

# Financial Statements



## 4. Financial statements

### Statement of comprehensive net expenditure for the year ended 31 March 2024

	Notes	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Expenditure</b>			
Staff costs	4	13,668	15,124
Amortisation and depreciation	4	899	3,245
Other expenditure	4	3,887	3,861
		<b>18,454</b>	<b>22,230</b>
<b>Income</b>			
Income from activities	5	(453)	(451)
<b>Net operating expenditure for the year</b>		<b>18,001</b>	<b>21,779</b>
Finance expense		9	10
<b>Net expenditure for the year</b>		<b>18,010</b>	<b>21,789</b>
<b>Comprehensive net expenditure for the year</b>		<b>18,010</b>	<b>21,789</b>

The notes on pages 71 to 86 form part of these accounts.

## Statement of financial position as at 31 March 2024

	Notes	As at 31 March 2024 £000	As at 31 March 2023 £000
<b>Non-current assets</b>			
Property, plant and equipment	6.1, 6.2	347	223
Intangible assets	6.3, 6.4	2,214	1,925
Right of use assets	7.1, 7.2	684	814
<b>Total non-current assets</b>		<b>3,245</b>	<b>2,962</b>
<b>Current assets</b>			
Trade and other receivables	8	377	325
Cash and cash equivalents	9	5,012	4,587
<b>Total current assets</b>		<b>5,389</b>	<b>4,912</b>
<b>Total assets</b>		<b>8,634</b>	<b>7,874</b>
<b>Current liabilities</b>			
Trade and other payables	10	(1,558)	(2,006)
Lease liabilities	7.4	(198)	(208)
Provisions	11	-	(185)
Other liabilities	10	(511)	(587)
<b>Total current liabilities</b>		<b>(2,267)</b>	<b>(2,986)</b>
<b>Total assets less current liabilities</b>		<b>6,367</b>	<b>4,888</b>
<b>Non-current liabilities</b>			
Lease liabilities	7.4	(590)	(701)
<b>Assets less liabilities</b>		<b>5,777</b>	<b>4,187</b>
<b>Taxpayers' equity</b>			
General fund		5,777	4,187
<b>Total taxpayers' equity</b>		<b>5,777</b>	<b>4,187</b>

The notes on pages 71 to 86 form part of these accounts.

The financial statements on pages 67 to 70 were signed on behalf of the Health Research Authority by:



**Dr Matthew Westmore**

**Chief Executive**

Health Research Authority

15 July 2024

## Statement of cash flows for the year ended 31 March 2024

	Notes	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Cash flows from operating activities</b>			
Net expenditure for the year after interest		(18,010)	(21,789)
Adjustments for non cash transactions: depreciation and amortisation	4	899	3,245
Adjustments for non cash transactions: disposal of asset	4	141	0
Adjustments for net finance costs		9	10
(Increase) / decrease in trade and other receivables	8	(52)	353
(Decrease) in trade payables	10	(854)	(241)
(Decrease) / increase in provisions	11	(185)	185
Loss on disposal of property, plant and equipment		-	1
<b>Net cash (outflow) from operating activities</b>		<b>(18,052)</b>	<b>(18,236)</b>
<b>Cash flows from investing activities</b>			
Purchase of plant, property and equipment	6.1	(198)	(77)
Purchase of intangible assets	6.3	(722)	(169)
<b>Net cash (outflow) from investing activities</b>		<b>(920)</b>	<b>(246)</b>
<b>Cash flow from financing activities</b>			
Net parliamentary funding		19,600	19,150
Lease liability payments		(203)	(129)
Lease interest payments		-	(9)
<b>Net financing</b>		<b>19,397</b>	<b>19,012</b>
<b>Net increase in cash and cash equivalents</b>		<b>425</b>	<b>530</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>4,587</b>	<b>4,057</b>
<b>Cash and cash equivalents at the end of the year</b>	9	<b>5,012</b>	<b>4,587</b>

The notes on pages 71 to 86 form part of these accounts.

## Statement of changes in taxpayers' equity for the year ended 31 March 2024

	General fund £000	Total reserves £000
<b>Balance as at 1 April 2022</b>	<b>6,826</b>	<b>6,826</b>
Net expenditure to 31 March 2023	(21,789)	(21,789)
Grant in aid for resources to 31 March 2023	19,150	19,150
<b>Balance as at 31 March 2023</b>	<b>4,187</b>	<b>4,187</b>
Net expenditure to 31 March 2024	(18,010)	(18,010)
Grant in aid for resources to 31 March 2024	19,600	19,600
<b>Balance as at 31 March 2024</b>	<b>5,777</b>	<b>5,777</b>

The notes on pages 71 to 86 form part of these accounts.

## Notes to the accounts

### 1. Accounting policies

These financial statements have been prepared in line with directions issued by the Secretary of State, under the Care Act 2014 and in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, we have selected the accounting policy which is considered the most appropriate for our circumstances to give a true and fair view. The policies we have adopted are described below and have been applied consistently for items considered material in relation to the accounts. There have been no revisions of estimation techniques.

#### 1.1 Going concern

The Department of Health and Social Care (DHSC) has confirmed our funding will continue and next year's funding has been agreed. There is a strong presumption for the continued provision of our services as set out in the Care Act 2014 for a minimum timeframe of 12 months from the date the annual accounts are authorised. We consider it appropriate to prepare the 2023-24 financial statements on a going concern basis.

#### 1.2 Accounting conventions

These financial statements are prepared under the historical cost convention. This is in accordance with directions issued by the Secretary of State for Health and Social Care and approved by HM Treasury.

#### 1.3 Income

Operating income is income which relates directly to our operating activities. Our main revenue comprises fees and charges for services provided to the devolved administrations, as well as revenue from the government's non-cash apprenticeship fund and other NHS and non-NHS organisations. Where revenue is derived from contracts with customers, it is accounted for under IFRS 15. We recognise our devolved administration revenue as a single performance obligation where the service is delivered over the financial year, and recognise the revenue over the same period. For all other revenue this is recognised when (or as) performance obligations are met and is measured at the transaction price allocated to the performance obligation.

The FReM expands the definition of a contract to include legislation and regulations which enable an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS). Income generated for services provided is recognised when (or as) performance obligations are met and is measured at the transaction price allocated to the performance obligation. Where income received or receivable relates to a performance obligation that is to be met in a future period, the income is deferred and recognised as a contract liability.

We access funds from the Government's apprenticeship service and recognise this benefit as income in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash



income and a corresponding non-cash training expense are recognised, both equal to the cost of the training funded.

#### **1.4 Taxation**

The Health Research Authority is not liable to pay corporation tax. Expenditure is shown net of recoverable VAT. Irrecoverable VAT is charged to the most appropriate expenditure heading or capitalised if it relates to an asset.

#### **1.5 Tangible assets – property, plant and equipment**

##### **(a) Capitalisation**

Tangible assets which can be used for more than one year are capitalised when:

- individually have a cost equal to or greater than £5,000; or
- collectively have a cost of at least £5,000 and an individual cost of more than £250, where assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control

##### **b) Valuation**

Tangible assets are capitalised initially at cost. They are carried on the Statement of Financial Position at cost net of depreciation and impairment or at depreciated replacement cost where materially different.

#### **1.6 Depreciation**

All tangible assets are depreciated over their useful economic life. The expected useful life of furniture and fittings assets can vary depending on the length of the lease of the building and so are depreciated over different economic lives as follows:

	<b>Years</b>
Tangible information technology	2 - 5
Personal computers	4
Furniture and fittings	3 - 4

During the year we upgraded our hardware on our legacy research systems. The useful life of these assets is less than the normal five years used for tangible information technology, as we expect these assets to be fully utilised at the point of migration to the transformed future Integrated Research Application System (IRAS).

##### **(a) Assets under construction**

Assets are held under construction where furniture and fittings are not yet in use.

#### **1.7 Intangible Assets**

##### **(a) Capitalisation**

Intangible assets are capitalised initially at cost.

##### **(b) Valuation**

Intangible assets are carried in the Statement of Financial Position at cost net of amortisation and impairment, or at amortised replacement cost where materially

different. These assets have not been revalued in the accounts due to their short economic life.

### **(c) Amortisation**

All intangible assets, except for those under construction, are amortised over their expected useful economic life. Amortisation is charged on each individual component of intangible assets. Intangible assets comprise of software licences for the legacy learning management system and the hardware licence fee for our legacy research systems. Development expenditure for our legacy systems is grouped under information technology. The estimated lives of these assets have been assessed and are set out below. They are amortised on a straight-line basis over the estimated life of the asset.

Purchased computer software licences are amortised over the shorter of the term of the licence and their useful economic lives.

	<b>Years</b>
Software licences	2 - 5
Bespoke software licences	3 – 7
Intangible information technology	5 - 7

### **(d) Assets under construction**

Assets are held under construction where development work has been undertaken but further work is required to bring assets into use.

### **(e) Impairment**

All assets are reviewed annually to consider any changes in their useful economic life. Impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses.

## **1.8 Significant accounting policies and material judgements**

We review estimates and underlying assumptions annually based on historical experience and other relevant factors. Revisions to accounting estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods.

We did not perform a valuation review on IRAS in 2023-24 as there has been no change in the level of benefit expected over the life of these assets.

We have considered the economic life of IRAS following the completion of the strategic review and the roadmap to replace these systems and have extended the economic life as a result.

Development work for our research systems restarted in October 2023 using Agile methodology with a delivery partner. Due to the contractual arrangements and methodology used, each defined development stage has been assessed against IAS 38 to determine the nature of the work. Costs incurred in the year have been apportioned between capital (61%) and revenue (39%). The initial development stages focussed on establishing and onboarding the team and setting up systems for collaborative working. These activities have been assessed as revenue. Work also started on the design and build phase, where a larger proportion of the activities

related to the design, set up and early construction of future IRAS. These activities have been assessed as capital, as they are directly attributable to preparing the asset for use.

Internal staff costs working on the programme have been allocated to capital and revenue expenditure based on the assessed apportionment of the contract with the delivery partner. This method of apportionment has been used to reflect our single blended team ways of working.

### **1.9 Cash and cash equivalents**

Cash is the balance held with the Government Banking Service. We do not hold any petty cash.

### **1.10 Employee benefits**

#### **Short-term employee benefits**

Salaries, wages and employment related payments are recognised in the year in which the service is received from staff. The cost of leave earned but not taken by staff at the end of the year is recognised in the financial statements to the extent that staff can carry forward leave into the following year and staff records support this.

#### **Retirement benefit costs**

Past and present employees are covered by the provisions of the two NHS pension schemes. The schemes are unfunded, defined benefit schemes that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The schemes 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, the scheme is accounted for as if it were a defined contribution scheme: the cost to our organisation of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The contributions are charged to our operating expenses as they become due. For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the expenditure at the time we commit to the retirement, regardless of the method of payment.

### **1.11 Leases**

A lease is a contract or part of a contract that gives the right to use an asset for a period in exchange for consideration. For public sector organisations, in line with HM Treasury guidance, this includes lease-like arrangements with other public bodies.

We determine the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which we are reasonably certain to exercise.

#### **Initial recognition and measurement**

At the commencement date of the lease, being when the asset is made available for use, we recognise a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the

lessee, less any cash lease incentives received. We include any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term where these are readily available and reasonably certain to be exercised.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for termination penalties where these options are reasonably certain to be exercised. Where an implicit rate cannot be readily determined, we apply an incremental borrowing rate. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases and lease modifications commencing in the 2023 calendar year and 4.72% for new leases in the 2024 calendar year. We have not entered into any new leases or had any lease modifications since 1 January 2024.

We do not apply the above recognition requirements to leases with a term of 12 months or less, or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

### **Subsequent measurement**

We use the cost model for subsequent measurement of our right of use assets. We consider this an appropriate proxy for the current value as the valuation would not be materially different using the revaluation model due to the length of the lease terms. The liability is remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term, an updated discount rate is applied to the remaining lease payments. We subsequently measure the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made.

### **Initial application of IFRS16 in 2022/23**

We applied IFRS16 to these financial statements from 1 April 2022. IFRS16 replaced IAS17, the previous standard. The standard was applied using a modified retrospective approach with the cumulative impact recognised in the general fund on 1 April 2022.

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the Statement of Financial Position immediately prior to initial application. Hindsight was used in determining the lease term where lease arrangements contained options for extension or earlier termination.

We concluded that two of our five office agreements do not fall within IFRS16 definition of a lease. The annual expenditure of these two agreements will continue to be recognised within the Statement of Comprehensive Net Expenditure, although it will no longer be classified as operating lease expenditure, as IFRS16 removes that classification.

### **Operating leases as the lessor**

Rental income from operating leases is recognised as income on a straight-line basis over the term of the lease.

## **1.12 Financial instruments**

### **Financial assets and financial liabilities recognition**

Financial assets and financial liabilities arise where the HRA is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive, or a legal obligation to pay, cash or another financial instrument. This definition of a contract includes legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as tax by Office for National Statistics.

This includes the purchase or sale of non-financial terms, such as goods and services, which are entered into in accordance with our normal requirements and are recognised when, and to the extent which, performance occurs. This means when receipt or delivery of the goods or services is made.

Our receivables comprise of cash at bank, NHS and non-NHS receivables, prepayments, accrued income and other receivables. Our financial liabilities comprise: NHS Payables, other payables and accruals.

#### **1.12.1 Classification and measurement**

After initial recognition, financial assets and financial liabilities are measured at amortised cost. These are assets and liabilities which are held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables and rights and obligations under lease arrangements.

#### **1.12.2 Impairment of financial assets**

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets the Health Research Authority recognises an allowance for expected credit losses.

We adopt the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses.

#### **1.12.3 De-recognition**

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or we have transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### **1.13 IFRS disclosure**

#### **IFRS's amendments and interpretations in issue but not yet effective or adopted**

The following is a list of changes to IFRS that have been issued but which were not effective in the reporting year.

#### **IFRS17 Insurance contracts**

The standard is effective for accounting periods beginning on or after 1 January 2023. IFRS17 is yet to be adopted by the FReM. Early adoption is not permitted. This standard is unlikely to have a material impact on our financial statements.

#### **IFRS18 Presentation and Disclosure in Financial Statements**

IFRS18 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.

## **2. Analysis of net expenditure by segment**

We report financial information to the Board as one segment and therefore no segmental analysis is disclosed.

## **3. Staff numbers and related costs**

Tables for staff numbers, costs and other related costs are included on page 50 within the remuneration and staff report and also included within note 4 of the accounts.

## 4. Expenditure

All our costs are administration costs:

	Notes	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
Salaries and wages		10,394	11,415
Pension costs		2,006	2,037
Social security costs		1,103	1,242
Redundancies and notice not worked		79	339
Non-executive members' remuneration		86	91
<b>Total staff costs</b>		<b>13,668</b>	<b>15,124</b>
Premises costs		2,934	2,838
Establishment expenses		462	427
Supplies and services		258	262
Provision expenses		(76)	185
External audit fee* (statutory work)		56	51
Transport and moveable plant		3	-
Other		109	97
Loss on disposal of assets		141	1
<b>Total other expenditure</b>		<b>3,887</b>	<b>3,861</b>
Capital: Amortisation	6.3, 6.4	558	2,885
Depreciation on property, plant and equipment	6.1,6.2	138	156
Depreciation on right of use assets	7.1,7.2	203	204
Total depreciation and amortisation		<b>899</b>	<b>3,245</b>
<b>Total Expenditure</b>		<b>18,454</b>	<b>22,230</b>

\*The HRA did not make any payments to external auditors for non-audit work

## 5. Operating revenue

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Administration</b>		
Income received from Scottish Parliament	221	203
Income received from National Assembly for Wales	137	123
Income received from Northern Ireland Assembly	75	70
Fees and charges to external customers	20	55
<b>Total administration income</b>	<b>453</b>	<b>451</b>

## 6. Non-current assets

### 6.1 Tangible assets – property, plant and equipment 2023-24

	Information technology £000	Furniture and fittings £000	Assets under construction £000	Total £000
Gross cost at 1 April 2023	465	118	-	<b>583</b>
Additions	262	-	-	<b>262</b>
Transfers	-	-	-	-
Disposals*	(147)	(71)	-	<b>(218)</b>
<b>Gross cost at 31 March 2024</b>	<b>580</b>	<b>47</b>	-	<b>627</b>
Accumulated depreciation at 1 April 2023	289	71	-	<b>360</b>
Charged in year	115	23	-	<b>138</b>
Disposals	(147)	(71)	-	<b>(218)</b>
<b>Accumulated depreciation at 31 March 2024</b>	<b>257</b>	<b>23</b>	-	<b>280</b>
Net book value at 1 April 2023	176	47	-	223
<b>Net book value at 31 March 2024</b>	<b>323</b>	<b>24</b>	-	<b>347</b>

\* Disposals in year consist of old laptops that were replaced for newer models (£102k), with a small amount of accelerated depreciation (£10k) being charged in year to recognise the decrease in their useful life. We also disposed of fully depreciated furniture and fittings as part of our Manchester office closure and move to shared facilities with NHS England.

### 6.2 Tangible assets – property, plant and equipment 2022-23

	Information technology £000	Furniture and fittings £000	Assets under construction £000	Total £000
Gross cost at 1 April 2022	415	84	20	<b>519</b>
Additions	76	14	-	<b>90</b>
Transfers	-	20	(20)	-
Disposals	(26)	-	-	<b>(26)</b>
<b>Gross cost at 31 March 2023</b>	<b>465</b>	<b>118</b>	-	<b>583</b>
Accumulated depreciation at 1 April 2022	211	18	-	<b>229</b>
Charged in year	103	53	-	<b>156</b>
Disposals	(25)	-	-	<b>(25)</b>
<b>Accumulated depreciation at 31 March 2023</b>	<b>289</b>	<b>71</b>	-	<b>360</b>
Net book value at 1 April 2022	204	66	20	290
<b>Net book value at 31 March 2023</b>	<b>176</b>	<b>47</b>	-	<b>223</b>



### 6.3 Intangible assets 2023-24

	Assets under construction £000	Software licences £000	Information technology £000	Total £000
Gross Cost at 1 April 2023	140	591	9,431	<b>10,162</b>
Additions*	1,136	51	(200)	<b>987</b>
Transfers	-	-	-	-
Disposals**	(140)	-	-	<b>(140)</b>
<b>Gross Cost at 31 March 2024</b>	<b>1,136</b>	<b>642</b>	<b>9,231</b>	<b>11,009</b>
Accumulated amortisation at 1 April 2023	-	591	7,646	<b>8,237</b>
Charged in year	-	9	549	<b>558</b>
Disposals	-	-	-	-
<b>Accumulated amortisation at 31 March 2024</b>	<b>-</b>	<b>600</b>	<b>8,195</b>	<b>8,795</b>
Net book value at 1 April 2023	140	-	1,785	1,925
<b>Net book value at 31 March 2024</b>	<b>1,136</b>	<b>42</b>	<b>1,036</b>	<b>2,214</b>

\* Information technology negative additions in the year relate to a VAT accrual which was released following professional advice confirming the eligibility for reclaim.

\*\* The disposal relates to website development costs incurred in prior years to support IRAS. The development was paused whilst we completed the strategic refresh and put in place the new development approach. It has now been confirmed that this digital asset will no longer be required as part of future IRAS.

### 6.4 Intangible assets 2022-23

	Assets under construction £000	Software licences £000	Information technology £000	Total £000
Gross cost at 1 April 2022	92	591	10,408	11,091
Additions	53	-	-	53
Transfers	(5)	-	5	-
Disposals*	-	-	(982)	(982)
<b>Gross cost at 31 March 2023</b>	<b>140</b>	<b>591</b>	<b>9,431</b>	<b>10,162</b>
Accumulated amortisation at 1 April 2022	-	591	5,743	6,334
Charged in year	-	-	2,885	2,885
Disposals*	-	-	(982)	(982)
<b>Accumulated amortisation at 31 March 2023</b>	<b>-</b>	<b>591</b>	<b>7,646</b>	<b>8,237</b>
Net book value at 1 April 2022	92	-	4,665	4,757
<b>Net book value at 31 March 2023</b>	<b>140</b>	<b>-</b>	<b>1,785</b>	<b>1,925</b>

\*Disposals in year are fully depreciated assets that are no longer in use and are being written out of the accounts.

## 7. Right of use assets

### 7.1 Right of use assets 2023-24

	Property (land and buildings) £000	Total £000	Of which leases within DHSC Group £000
<b>Gross cost at 1 April 2023</b>	1,018	1,018	937
Additions	73	73	73
Disposals / derecognition	(163)	(163)	(82)
<b>Gross cost at 31 March 2024</b>	<b>928</b>	<b>928</b>	<b>928</b>
<b>Accumulated depreciation at 1 April 2023</b>	204	204	139
Depreciation charged in year	203	203	187
Disposals / derecognition	(163)	(163)	(82)
<b>Accumulated depreciation at 31 March 2024</b>	<b>244</b>	<b>244</b>	<b>244</b>
Net book value at 1 April 2023	814	814	798
<b>Net book value at 31 March 2024</b>	<b>684</b>	<b>684</b>	<b>684</b>

Our London office lease at Redman Place and our Manchester office lease at Piccadilly Place (addition in the year) are recognised as right of use assets under IFRS 16 and included within the note above. During the year our Manchester office lease at Barlow House and our Bristol office lease at Temple Quay House were terminated as planned and the relevant entries are disclosed within the disposals/derecognition lines of the note above.

Our Newcastle office agreement at Newcastle Blood Centre and our Nottingham office agreement at Equinox House are treated as service agreements as the lessors have substantive substitution rights and we do not have an identified asset or the right to direct the use of an asset in the period of use. The cost of these arrangements is included within the statement of comprehensive net expenditure. Future commitments related to these service agreements have been included in Note 14.

## 7.2 Right of use assets 2022-23

	Property (land and buildings) £000	Total £000	Of which leases within DHSC Group £000
<b>Gross cost at 1 April 2022</b>	-	-	-
IFRS16 implementation, adjustments for existing operating leases	1,153	1,153	937
Lease liability remeasurements	(135)	(135)	-
<b>Gross cost at 31 March 2023</b>	<b>1,018</b>	<b>1,018</b>	<b>937</b>
<b>Accumulated depreciation at 1 April 2022</b>	-	-	-
Depreciation charged in year	204	204	139
<b>Accumulated depreciation at 31 March 2023</b>	<b>204</b>	<b>204</b>	<b>139</b>
Net book value at 1 April 2022	-	-	-
<b>Net book value at 31 March 2023</b>	<b>814</b>	<b>814</b>	<b>798</b>

## 7.3 Reconciliation of the carrying value of lease liabilities

	2023-24 £000	2022-23 £000
Carrying value at 1 April	909	-
IFRS16 implementation, adjustments for existing operating leases	-	1,172
Lease additions	73	-
Lease liability remeasurements	-	(135)
Interest charge in year	9	10
Lease payments	(203)	(138)
<b>Carrying value at 31 March</b>	<b>788</b>	<b>909</b>

Lease payments for short term leases, leases of low value assets and variable lease payments not dependent on an index or rate are included in operating expenditure. These payments are included in Note 4. Cash outflows in respect of leases recognised on Statement of Financial Position are disclosed in the reconciliation above.

Income generated from subleasing right of use assets is £555 (2022-23 £44,000) and is included within fees and charges in Note 5.

## 7.4 Maturity analysis of future lease payments at 31 March 2024

	31 March 2024 £000	31 March 2023 £000
<b>Undiscounted future lease payments payable in:</b>		
- not later than one year	204	215
- later than one year and not later than five years	390	429
- later than five years	218	296
<b>Total gross future lease payments</b>	<b>812</b>	<b>940</b>
Finance charges allocated to future years	(24)	(31)
<b>Net lease liabilities at 31 March 2024</b>	<b>788</b>	<b>909</b>
Of which:		
- current	198	208
- non-current	590	701

## 8. Trade and other receivables

	31 March 2024 £000	31 March 2023 £000
<b>Amounts falling due within one year</b>		
Contract receivables (invoiced)	76	72
Contract receivables (not invoiced)	-	9
Expected credit loss allowance	(1)	(1)
Other receivables	108	70
Prepayments	194	175
<b>Trade and other receivables</b>	<b>377</b>	<b>325</b>

## 9. Cash and cash equivalents

	Year ended 31 March 2024 £000	Year ended 31 March 2023 £000
<b>Opening balance</b>	<b>4,587</b>	<b>4,057</b>
Net change in year	425	530
<b>Closing balance</b>	<b>5,012</b>	<b>4,587</b>
Comprising:		
Government banking service	5,012	4,587
<b>Balance at year end</b>	<b>5,012</b>	<b>4,587</b>

## 10. Trade payables and other current liabilities

	31 March 2024 £000	31 March 2023 £000
<b>Amounts falling due within one year</b>		
Trade payables	155	300
Accruals	882	1,515
Capital payables	521	191
<b>Trade and other payables</b>	<b>1,558</b>	<b>2,006</b>
Other taxation and social security	296	400
Other current liabilities	215	187
<b>Total other current liabilities</b>	<b>511</b>	<b>587</b>
<b>Total trade payables and other current liabilities</b>	<b>2,069</b>	<b>2,593</b>

## 11. Provisions for liabilities and charges analysis

	Dilapidations £000	Total £000
At 1 April 2023	185	185
Utilised during the year	(109)	(109)
Reversed unused	(76)	(76)
<b>At 31 March 2024</b>	<b>-</b>	<b>-</b>

### Expected timing of cash flows at 31 March 2024

- not later than one year	-	-
- later than one year and not later than five years	-	-
- later than five years	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

In December 2022, we activated a break clause on our Manchester office lease and provided for estimated dilapidations costs of £185,000. This work was carried out in May and June 2023 prior to the end of the lease.

## 12. Capital commitments

At 31 March 2024, we had £366,437 capital commitments (31 March 2023: £22,000) relating to future IRAS.

## 13. Commitments under leases

### Operating lease income

At 31 March 2024 we had no commitments relating to operating lease income (31 March 2023: £555).

	31 March 2024 £000	31 March 2023 £000
<b>Income under operating leases comprise:</b>		
<b>Buildings</b>		
Not later than one year	-	1
Later than one year and not later than five years	-	-
Later than five years	-	-
<b>Total</b>	<b>-</b>	<b>1</b>

## 14. Other financial commitments

We have entered into non-cancellable contracts for which we have a financial commitment. These include our office accommodation in Newcastle and Nottingham, contracts to support our research systems and deliver the research systems programme, licensing and other services.

	31 March 2024 £000	31 March 2023 £000
Not later than one year	1,373	1,276
Later than one year and not later than five years	798	1,507
Later than five years	57	92
<b>Total</b>	<b>2,228</b>	<b>2,875</b>

## 15. Losses and special payments

Losses and special payments are reported on page 58 in the parliamentary accountability and audit report section of the annual report.

## 16. Related party transactions

The HRA is a non-departmental public body (NDPB) established by the Secretary of State for Health and Social Care. The Department of Health and Social Care (DHSC) is regarded as a controlling related party. During the year we had a significant number of material transactions with DHSC and with other entities for which DHSC is regarded as the parent Department.

We have considered materiality in line with the group accounting manual guidelines for agreeing creditor and debtor balances (£300k) and have used the same threshold for income and expenditure balances (£300k).

No HRA Board member, key manager or other related party has undertaken any material transactions with the HRA during the year.

## 17. Financial instruments

### Financial risk management

Financial reporting standard IFRS7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks a body faces in undertaking its activities. As our cash requirements are met through Parliamentary funding, financial instruments play a more limited role in creating risk that would apply to a non-public sector body.

Most financial instruments relate to contracts to buy non-financial items in line with our expected purchase and usage requirements and consequently we are exposed to little credit, liquidity or market risk.

### Financial assets

We operate primarily within the NHS market and receive most of our income from DHSC and the devolved administrations. IFRS9 requires us to adopt a lifetime credit loss model for our financial assets.

We have applied this model to our trade receivables (excluding NHS receivables) and assessed our credit loss value as at 31 March 2024 to be £1,422 (31 March 2023 £1,474).

### Financial liabilities

We operate within both the NHS and non-NHS market for the supplies of goods and services. Our financial liabilities mainly consist of short-term trade creditors and accruals relating to the purchase of non-financial items. The exposure to financial liability risk is minimal.

The aged creditor report for the NHS and non-NHS payables at the reporting date was:

	31 March 2024 £000	31 March 2023 £000
Not past due	681	447
Past due 0-30 days	(6)	27
Past due 31-120 days	1	24
More than 121 days	-	(7)

## 18. Events after the reporting period

The Accounting Officer authorised these financial statements for issue on the date the Comptroller and Auditor General signed the audit certificate. There are no events after the reporting date to report.







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