



**Health Research
Authority**

Health Research Authority

Annual report and accounts 2024-2025

For the year 1 April 2024 to 31 March 2025

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 (HRA) 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, adults in social care, 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.

Our aim is for research findings to improve care faster because the UK is the easiest place in the world to do research that people can trust. To do this, 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
- 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 digital services to help research get set-up and managed in the UK

How we work

Our 260 staff, who work at home and in our 5 regional offices, provide approval services to the research community and support over 50 committees and advisory groups. They provide specialist advice and learning to researchers about research ethics and governance, and develop and implement operational policies relating to research approvals.

Our staff work with users of our services to design and put in place the digital services 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 of volunteers and public contributors.

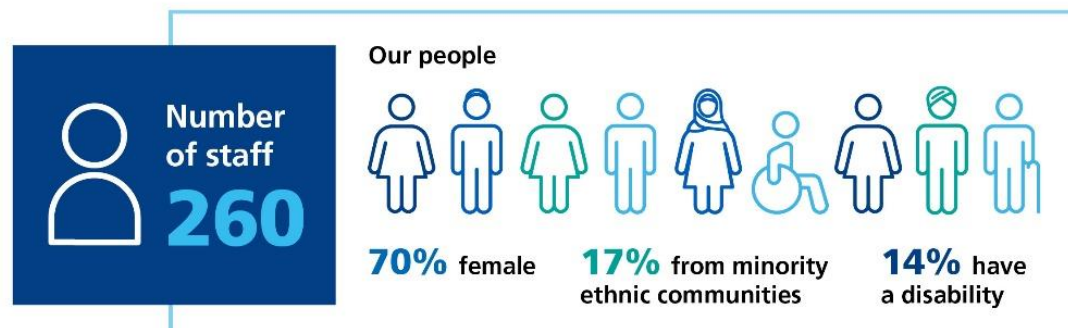
The Community is made up of our Research Ethics Committees (REC) members, Confidentiality Advisory Group (CAG) members, and our public contributors, which includes members of the public who have experience of, or have been impacted by, research.

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. It is estimated that our volunteers contribute over 77,000 hours each year, to our work, equivalent to 46 full-time members of staff.

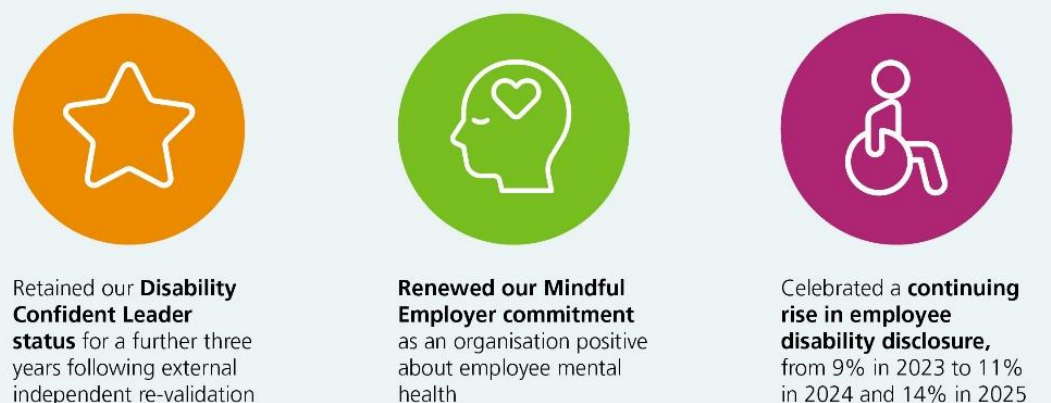
To deliver our ambition to make it easier to do research that people can trust and ensure that health and social care research is conducted with and for everyone, it is important that we are informed by a range of insights and experiences that reflect the populations we serve.

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 we are



Inclusivity highlights



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 coming to the end of our current strategy, and throughout this report you can see updated information on our progress and achievements, as well as information on what we did not achieve and still have left to do.



Our strategy is based on 4 interconnected 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 on [the HRA website](#) and the strategy performance analysis (page 22) describes how we have delivered against our strategy this year.

This is the last year of our current strategy and our new HRA strategy covering 2025 to 2028 will launch in July 2025. A [summary of our achievements](#) in delivering our 2022-25 strategy is published on our website.

2. Performance report

Performance overview 2024-25

Chief Executive's introduction

Over the last 12 months we have seen a huge amount of change in the government and the NHS. The general election put the NHS front and centre, with the new government making a commitment to build a health service fit for the future.

One of the first things the new government commissioned was a report into the current state of the NHS. Lord Darzi's independent investigation of the NHS laid out some hard truths that were difficult but necessary for everyone working in health and social care to hear.

We were pleased to see that innovation and research were highlighted as key priorities to help make the NHS more sustainable and ensure the UK remains a global leader in life sciences.

I'm proud of the work the HRA has done to support these priorities, and as 2025 marks the final year of our current strategy, we have been working with our stakeholders to develop a new strategy that will set out our priorities for the next 3 years. This will be central to how we support the government's growth mission and align with the NHS 10 Year Health Plan.

Our new strategy will also reflect the feedback we have received from the research community, when we asked what we can do as a regulator to make changes that benefit everyone.

We will of course, be preparing for the new Clinical Trials regulations during the 12 month implementation period before they come into effect in 2026. This will involve developing and publishing guidance to accompany the new regulations to support researchers and

stakeholders across the sector.

As part of the UK Clinical Research Delivery programme, we will also be working with others to make a faster, more efficient, more accessible and more innovative clinical research delivery system to make the UK a world leader in clinical trials. This will help us realise the Prime Minister's vision for the time it takes to get a clinical trial set up cut to 150 days by March 2026 and make an important contribution to the government's target to reduce the burden of regulation on business by 25% by the end of the current parliament. In addition, the digital transformation of services for research approvals, which will be a key focus in 2025 and beyond, will further support the government's mission to build an NHS fit for the future.

Throughout the past year, we have also been working hard to develop a replacement for the Integrated Research Approval System (IRAS) and digital services. All researchers in the UK use these services, and we also have a UK-wide partnership to plan, approve, set-up, manage and complete research in the UK.

The new services will digitise the end-to-end research journey, connecting the processes for health and social care research in the UK. They will make it faster and easier to start research by streamlining research approvals, reducing inconsistencies and duplication in study set-up and delivery, and lowering the burden on NHS Research and Development departments.. We are investing heavily in this work which will deliver a world-leading approvals system within the next 2 years.

We understand the importance of a cross-sector collaborative approach to achieve these goals, and we work to bring together stakeholders in health and social care research to maximise our collective impact.

These efforts have meant that we have cut approval and contracting times by 38% in the past year, and alongside the National Institute for Health and Care Research (NIHR), brought together more than 30 organisations to be part of the Shared Commitment to Public Involvement. We also [launched a new toolkit](#) to support research that is carried out in more than one country in the UK. We were proud to be recognised by the Institute of Regulation for some of these achievements when we received their Collaborative Practice award in March 2025 on behalf of the HRA and our partners.

In September 2024, the UK was recognised as a country with a strong clinical trial infrastructure in the World Health Organization's new guidance on best practice in clinical trials. We were pleased to see that the HRA was named in the report as an example of an organisation providing regulatory and ethics approval for research on health and social care.

This has been a key focus for us over the past year, with progress made on updates to the Medicines for Human Use (Clinical Trials) Regulations 2004. In December 2024, the updated regulations were formally laid before Parliament for debate. This was a huge milestone in the process for the change in law, which will further speed up the approval process, enhance transparency and accountability for research findings and reduce unnecessary burdens while upholding ethical and safety standards.

The updated regulations represent more than 2 years of work alongside the

Medicines and Healthcare products Regulatory Agency and will be the most significant update to UK clinical trials regulation in 2 decades. It brings us one step closer to the even more vibrant clinical trials landscape that we all want to see, that patients and the public in the UK deserve – and that everyone benefits from.

I want to finish by acknowledging the incredible efforts of staff and our volunteers over the past year.

The Health Research Authority simply wouldn't be able to do what we do without our volunteers who include our Research Ethics Committee members, Confidentiality Group members, and public contributors. During 2024 alone, our Research Ethics Committee members in England gave more than 75,000 hours of their time for free to review research applications.

As with all government and NHS organisations who have been asked to make savings, we have had to make some difficult decisions. I don't underestimate the impact that change like this has on staff. There are likely more changes to come in 2025 as the NHS and arm's length bodies like us continue to transform.

I am grateful for the amazing work they do on a daily basis to help make improvements to the way health and social care research is carried out in the UK.

What we did



We reviewed
4,025
research
applications

Made up of:

3,528 REC and HRA
Approval applications

387 Pharmacy and Radiation
Assurance applications

110 CAG applications



We approved
3,721
studies to
start

Made up of:

3,358 REC and HRA
Approval applications

245 Pharmacy and Radiation
Assurance applications

118 CAG applications



7,048
amendments
to studies were
reviewed



21
complaints and concerns
about studies were
investigated by the HRA

How we did



86% of research applicants rate our overall service highly



I thought the meeting was very welcoming, respectful and clear and would like to thank the committee for making what could have been a stressful experience a positive and reassuring one instead. ”



HRA staff were very helpful in providing support and guidance over phone and by email. ”



Very engaged REC, showed genuine interest in our research, their questions and suggestions were all really informed and well thought out. ”



Review of the study was thorough and engaged. The committee appreciated the areas of the submission that were thorough and well written, and challenged on the occasional area where clarification was needed. ”

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. Page 41 gives more detail about our risk management system.

Risks are scored on their likelihood and for the severity of their impact, from 1 (low) to 5 (high), both before and after any actions have been taken to manage the risks. The risk score is calculated by multiplying these 2 scores together, giving a maximum risk score of 25. All risks scoring over 12 after actions have been taken are reviewed by our Executive Committee and all risks scoring over 15 are included in our corporate risk register. Notable risks this year include:

Delivery of transformed and improved research digital service

Risk score after actions have been taken: 20

This risk relates to the transformation of our research digital services, so that it meets the needs of the health research community, making the UK an attractive place to conduct research. Our digital services have multiple connections and dependencies across several organisations and transforming these is a complex programme to deliver.

The programme and HRA have successfully transitioned from set-up to delivery, with increased capability and size in both programme and digital teams. There has also been significant progress gained in creating a digital function to sustain legacy services and prepare for supporting future services.

The successful completion of a Gate Review 0, undertaken in July and August 2024, and the Government Digital Service (GDS) Alpha assessment, undertaken in November 2024, evidence the progress made this year including put in place the recommendations made from these activities.

A key recommendation from the Gate Review 0 related to the refresh to the business case which was approved by the Board in March 2025. A change request to support the revised roadmap was approved by the DHSC Investment Committee in February 2025, subject to Spending Review funding being confirmed and a refreshed Business Case was prepared on this basis which has been approved by HRA Board.

Target Operating Models for both our future research digital services IRAS and the HRA overall are being developed, which will clarify and distinguish between programme delivery and long-term operational requirements.

Successful delivery of our objectives due to financial pressures

Risk score after actions have been taken: 12

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 completion of our digital transformation. 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 2024-25, identifying the risks associated with budget shortfalls as well as achieving £1.5m reduction in our recurrent expenditure through a cost saving and efficiencies exercise this year to save

10% of annual expenditure.

Recruitment and retention of an effective workforce to meet our objectives

Risk score after actions have been taken: 16

The current employment market combined with competition in the public sector for specialist skills and capabilities, such as technological roles, is making it difficult to recruit to vacant positions, increasing pressure in attracting and retaining staff. This scarcity of suitable candidates for positions combined with our cost saving exercise has resulted in under-resourcing, impacting on our ability to deliver our business plan.

We are planning to revise our People Strategy during 2025 and 2026 which will focus on improving our attractiveness to candidates as well as retaining key capabilities. This risk is currently mitigated by the HRA offering strong employee benefits and total reward packages as well as maintaining good satisfaction scores from annual staff surveys.

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 3 months, and we collate a comprehensive performance report for our Executive Committee and Board to review. This includes focused performance metrics including user satisfaction data, an analysis of our change portfolio, a detailed performance report, risk management report and finance report. These reports combined provide assurance on how we are delivering our strategy, statutory functions and highlight areas for action 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 34.

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 do this through continuous improvement activities such as lessons learned exercises as well as independent assurance activities including internal audit reviews.

We also set operational key performance indicators, which are collated and

monitored by delivery teams, making sure we are achieving our statutory requirements as well as continuously improving our services. Operational metrics are reported every 3 months to our Executive Committee.

Performance reporting

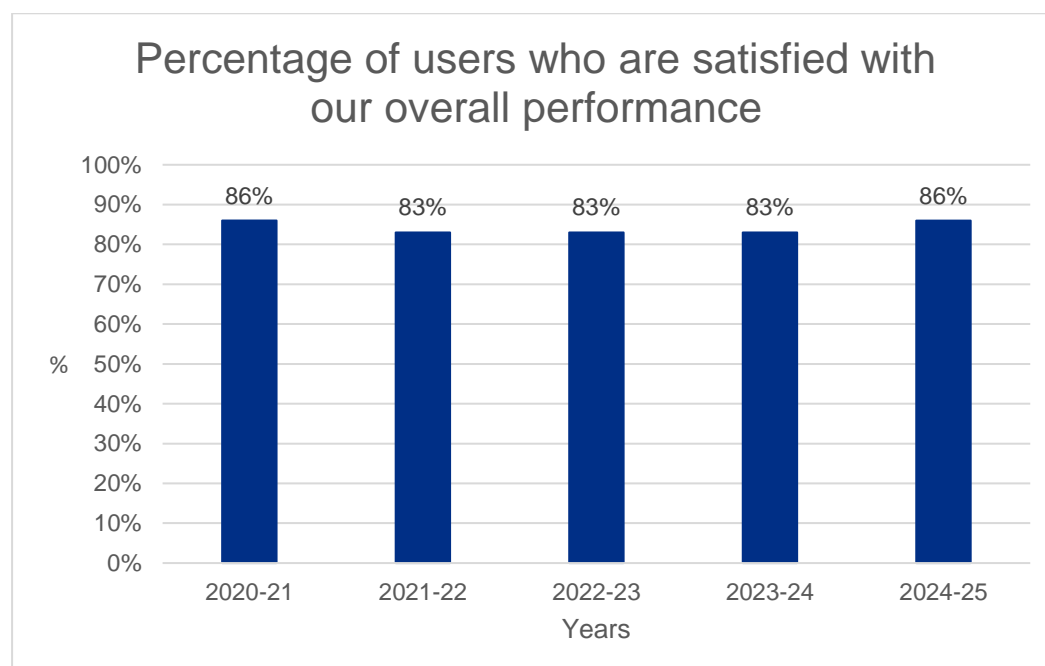
Our performance reporting focuses on 4 areas:

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

User satisfaction

We measured the satisfaction rates with our services, gathering data from those who use them. We're pleased that satisfaction with our overall performance has improved this year and has exceeded our 75% target.

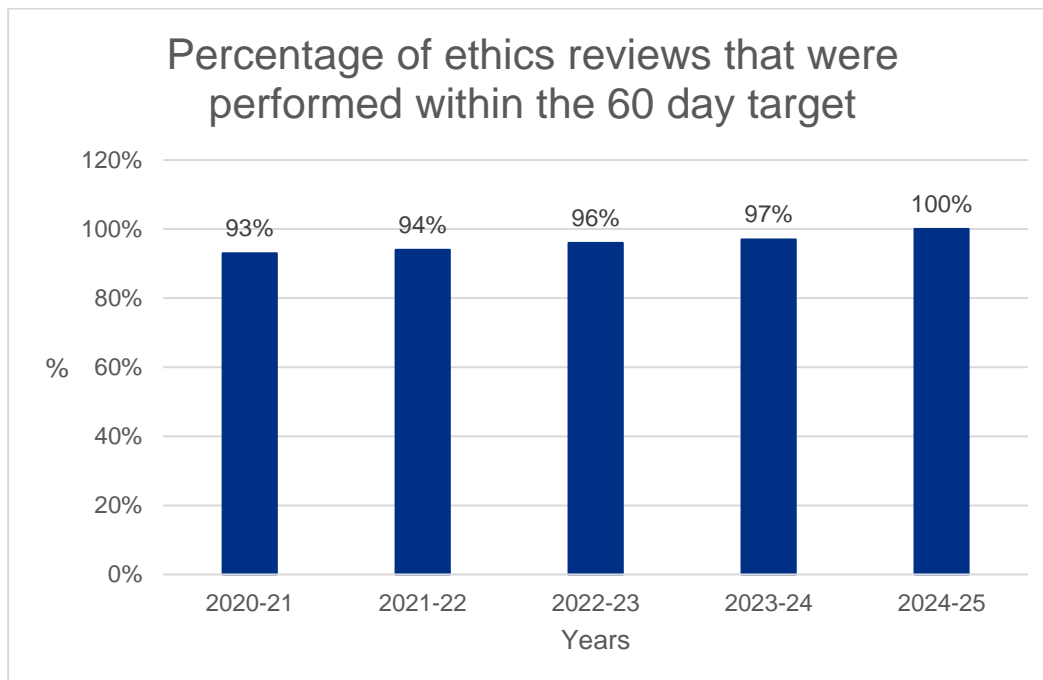
Our staff continue to score the highest in our satisfaction surveys, with our digital research systems scoring the lowest. We have used this feedback to inform our digital transformation which is focused on improving user experience, making it easier and faster to set up health and social care research in the UK. We expect to begin to see these scores improve in 2026-27.



Our services performance

One important measure of our performance is 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, for the first time, we have met our statutory performance target throughout the year. This is a fantastic achievement and exactly what the research

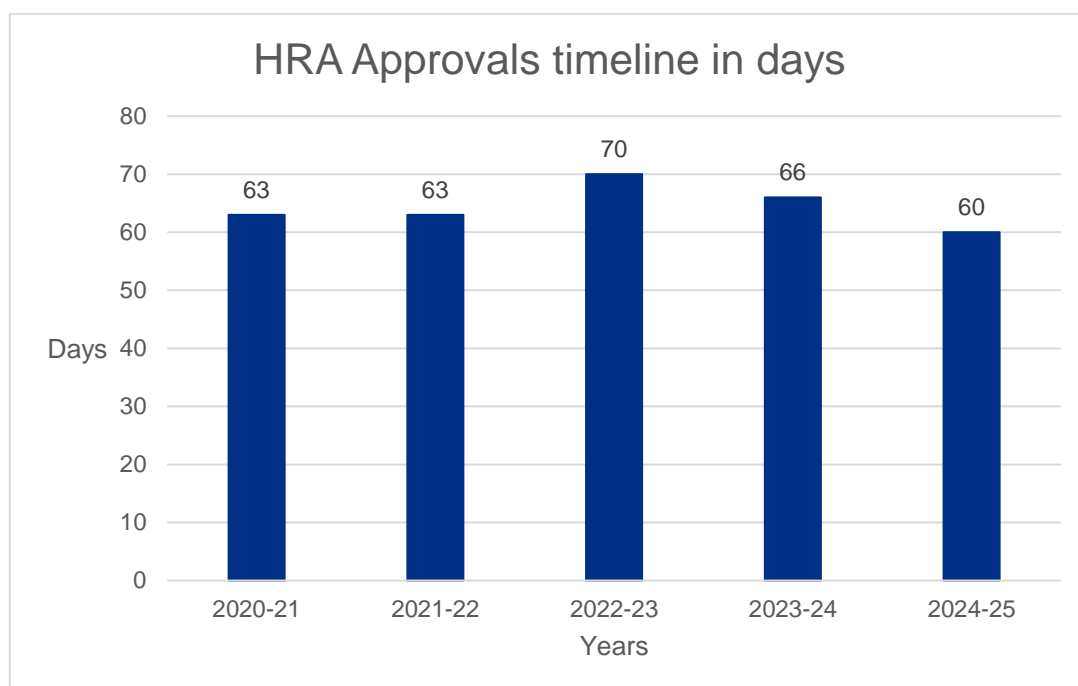
community told us they needed; a predictable and fast service they can rely on.



This year 4% of these reviews resulted in an unfavourable opinion. This is consistent with our previous experience.

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.

This year we have reduced the time it takes to deliver this service, with 100% of applications processed within 60 days for the first time. This is a significant success for the HRA, following several years where timelines had been extended due to delays experienced by the research regulator Medicines and Healthcare products Regulatory Agency (MHRA).



Our people

Our staff and HRA 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 mitigations in place to maintain good services. We measure both staff and committee membership capacity to:

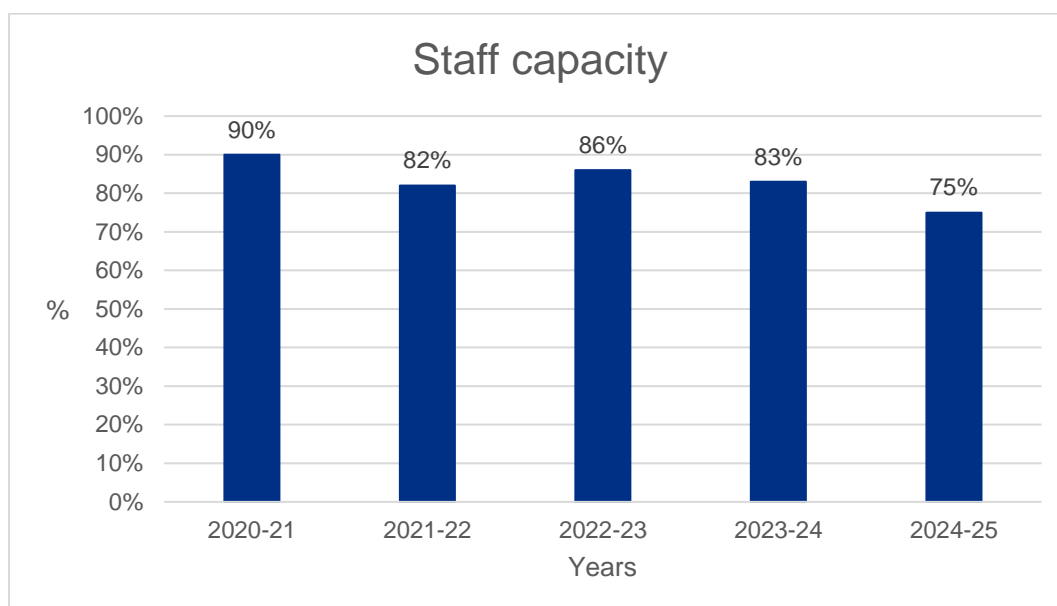
- compare our actual staff capacity compared to planned levels
- monitor our committee membership vacancy rate

Staff capacity

We plan our work to achieve our strategic objectives and provide our essential statutory services. This includes a careful assessment of our staffing, their skills and capabilities to make sure we have sufficient capacity to make our plans happen. This year our staff numbers were significantly below our planned levels. This has limited our ability to focus on continuous improvement activities, with some being deferred to 2025-26 while we make sure we deliver on our statutory functions and digital transformation.

This low capacity was due to several factors:

- a cost saving and efficiency exercise which included a recruitment pause, purposefully reducing our capacity to manage funding pressures and enabling a change process to be successfully implemented.



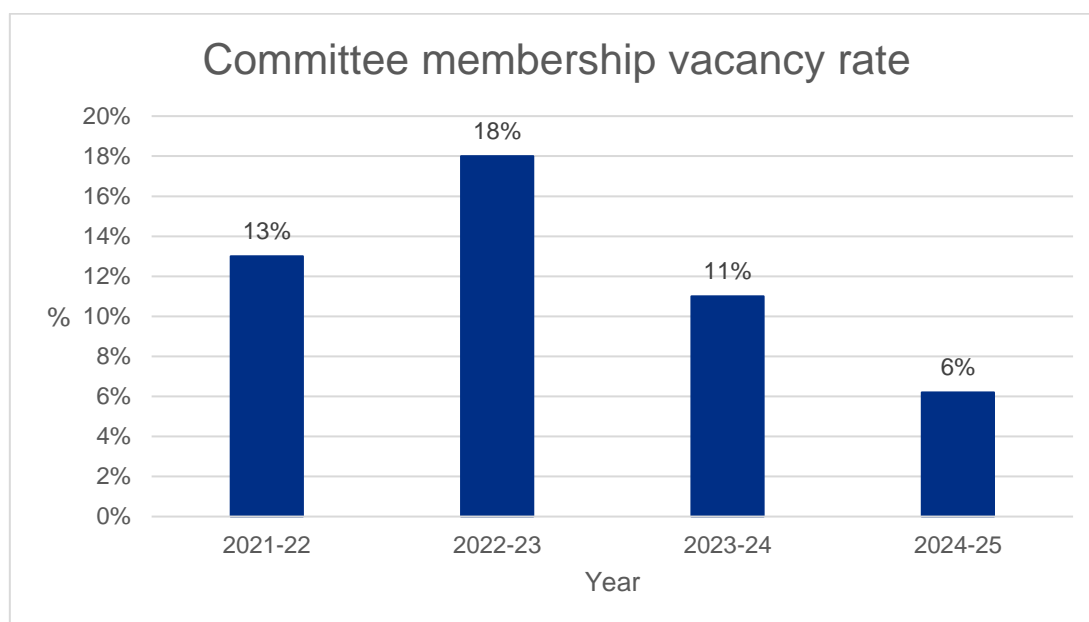
- delays recruiting to roles to enable our digital transformation. Tough market conditions made it difficult to attract and retain people with much-needed specialist technical skills.
- funding uncertainty for our digital transformation impacted on our ability to offer attractive terms of employment.

We have put in place several actions to improve staff capacity, including adapting our recruitment approach to better reflect expectations in the market, revising job descriptions to reflect professional standards, offering recruitment and retention premia where appropriate as well as offering internal development opportunities to grow our in-house capabilities and capacity. We have also redeployed many staff impacted by the cost saving restructuring this year, retaining their valuable skills and expertise within the organisation.

It is good to note that we have started to see the gap between our planned and actual staff numbers reducing. We are also putting in place additional monitoring for our Executive Committee and Board to make sure we continue to improve our capacity to make sure we deliver our strategy and statutory functions throughout 2025-26.

Committee membership vacancy rate

The committee membership vacancy rate has improved significantly compared to previous years due to a strengthened recruitment campaign, simplified application process and improved internal coordination of interviews and appointments. This has resulted in our vacancy rate being within target for most of the year.



Recently we have had to pause our recruitment activities while we put in place process changes to meet NHS England guidance on identity checks for volunteers as well as streamline our systems to help balance funding pressures. These additional activities have meant our recruitment activities have been delayed, having an adverse impact on our vacancy rate which increased in February to 10%. We are pleased to see this has now been reduced to 7% and within our target range of 8% on 31 March 2025.

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.

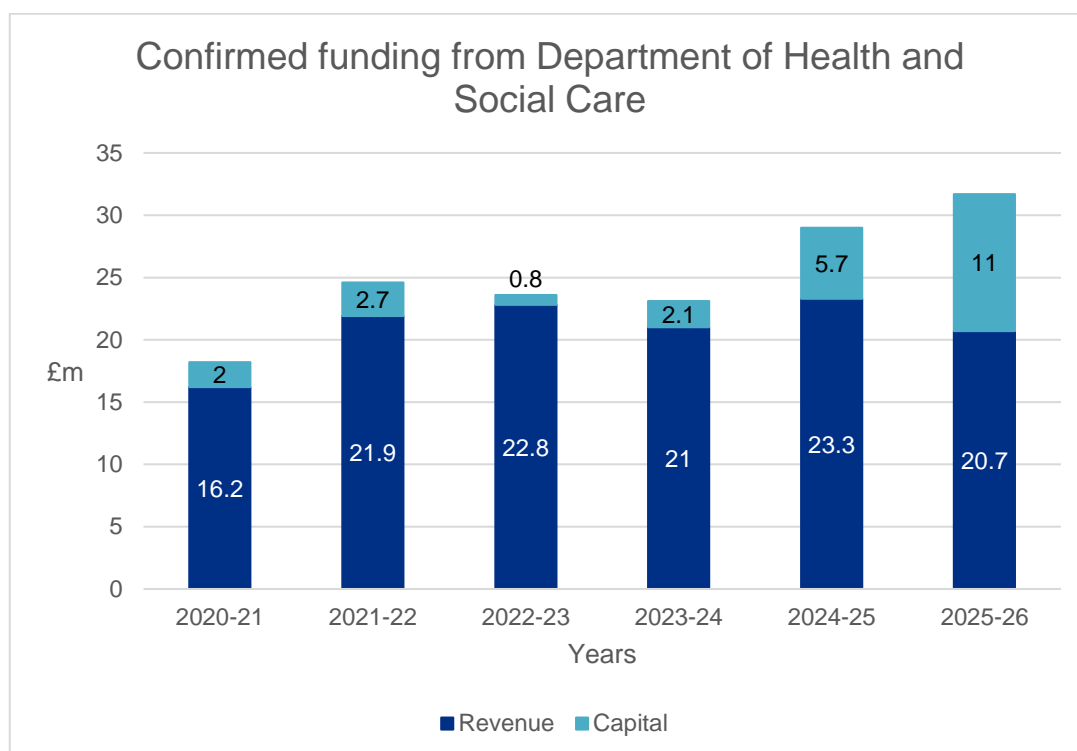
Our accounts have been prepared based on the standards set out in the Government Financial Reporting Manual (FReM) to give a true and fair view. We remained within our agreed revenue and capital funding allocations for the Department of Health and Social Care (DHSC) for the year-ended 31 March 2025.

Government funding

Our total confirmed funding from DHSC for the year was £29.0m (2023-24 £23.1m), of which:

- £23.3m (2023-24: £21.0m) was revenue funding
- £5.7m (2023-24: £2.1m) was capital funding

Funding received from DHSC in year was £24.8m (2023-24 £19.6m) due to efficiency savings and underspends related to our digital transformation.



This year, to manage unfunded inflationary pressures and to create capacity to invest in our digital transformation we introduced a savings and efficiency project to achieve £1.5m reduction in our core costs. These changes were achieved through many initiatives including reducing our property requirements, stopping non-statutory services, changing team structures and making better use of public sector shared services. The project was completed earlier than anticipated and savings achieved in year reduced our total expenditure and related funding. These savings combined with the increase in confirmed funding in 2024-25 and 2025-26 will enable the replacement and transformation of our research digital services.

Our digital transformation will strengthen the UK's competitive position in global life sciences and support the NHS in delivering important research by enabling easier, faster and more cost-effective research approvals. The case for funding has been approved by DHSC Investment Committee. Continued funding for the Programme beyond 2025-26 is dependent on the Spending Review.

The uplift in funding between 2020-21 and 2021-22 enabled the successful launch of our combined review service in collaboration with MHRA. This new service, introduced in January 2022, allows researchers to apply for both ethics and regulatory approval in a single application, streamlining the process and, on average, reducing the time it takes to gain approval by 50%.

In 2022-23 we decided to pause our digital transformation to review our approach and learn from implementing combined review. 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 activity while we made sure the Programme was set up for success, reducing in year programme costs. The programme was relaunched in Autumn 2023 and funding has increased as a result.

Other revenue

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

- £0.39m (2023-24: £0.43m) from the devolved administrations for providing support and digital systems to deliver the UK research ethics service

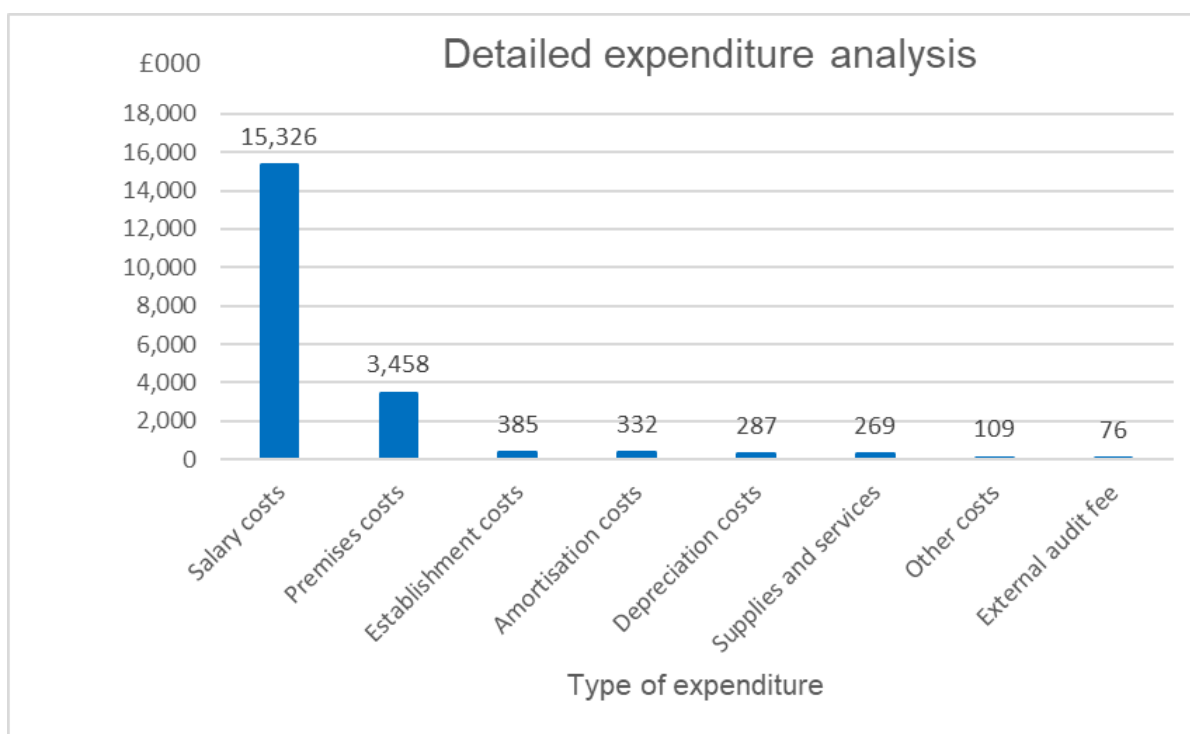
Future funding

The Department of Health and Social Care have confirmed our revenue funding for 2025-26 is £20.7m and our capital funding is £11.0m.

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, based on our confirmed funding. During the year, as we put in place our plans, we may not draw down all this funding particularly if our plans are changed, delayed or we achieve savings.

Our total revenue expenditure for the year was £20.2m (2023-24: £18.5m), resulting in an underspend on our committed revenue funding of £3.5m. This underspend was mostly due to delays onboarding capabilities to enable our research systems transformation resulting in lower staff costs, lower than anticipated licencing costs and a changed approach to VAT following an independent review. In addition, we achieved savings earlier than planned through our efficiencies project, reducing our expenditure in year and amortisation costs were also lower than planned, reflecting the changed roadmap for the Programme. Most of our expenditure (76%) is staff costs at £15.3m (2023-24: £13.7m, 74%). 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.



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 98.8% (2023-24: 97.4%). 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.

	2024-25 Number	2023-24 Number
Total non-NHS trade invoices paid in the year	893	977
Total non-NHS trade invoices paid within target	882	952
Percentage of non-NHS trade invoices paid within target	98.8%	97.4%
Total NHS trade invoices paid in the year	94	104
Total NHS trade invoices paid within target	94	101
Percentage of NHS trade invoices paid within target	100.0%	97.1%

	2024-25 Value £000	2023-24 Value £000
Total non-NHS trade invoices paid in the year	8,092	4,416
Total non-NHS trade invoices paid within target	8,092	4,374
Percentage of non-NHS trade invoices paid within target	100.0%	99.0%
Total NHS trade invoices paid in the year	1,917	1,445
Total NHS trade invoices paid within target	1,917	1,393
Percentage of NHS trade invoices paid within target	100.0%	96.4%

Strategy performance analysis

This section covers how we have performed against the 4 pillars of the HRA strategy, as we come to its end and prepare to launch our new strategy in 2025. We cover activity that aligns with each of the commitments under each pillar and detail our achievements as well as where there is still work to do.

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. We are working with MHRA to help researchers improve the diversity of participants in their research to help make this happen. To do this, we are developing a [set of questions and supporting guidance](#) for researchers to consider when they design clinical trials and clinical investigations. The answers to these questions will form the basis of an Inclusion and Diversity Plan. This will help ensure clinical guidance is designed to include people who could be impacted by the findings, and that people underserved by research are not overlooked.

The questions and supporting guidance have been created in collaboration with members of the public and the research community.

The Health Research Authority, the National Institute for Health and Care Research (NIHR) and a host of organisations across the UK have been working together to bring about changes which will drive up standards in health and social care research, as part of a Shared Commitment to Public Involvement. This year, we celebrated [our third anniversary](#), increased the number of partners involved to more than 30 organisations, and held learning and sharing meetings. We also wrote draft guidance on public involvement in clinical trials, including guidance focused on healthy volunteer trials.



Promoting transparency across the research landscape is central to our role to facilitate safe and ethical research. Our aim is that trusted information from health and social care research studies is publicly available for the benefit of all. Research transparency is central to ethical research practice. When research is carried out openly and transparently, everyone will be able to see what research is happening and the outcomes from finished studies.

#MakeitPublic is a campaign dedicated to [research transparency](#) with a focus to reach 100% registration of UK clinical trials. It is led by a campaign group which includes experts from across the sector and members of the public. This year, to improve research transparency, we wrote and published guidance to increase transparency of clinical trials of medicines. This included guidance for registration, publication of results and feeding back to participants.

We also developed ways to assess how well researchers are making their research public and have continued to collate data on rates of registration compliance for clinical trials approved by a REC. [Our 2023 report](#) shows 92% of studies are registered or in the process of being registered, and highlights those organisations who have not registered.

This year, we planned to update the UK Policy Framework to reflect the new clinical trials regulations. This did not happen due to delays to the new regulations. The work has now been planned to coincide with the implementation of the new regulations in 2025-26.

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

This year we published [a report](#) that makes a series of recommendations for how to improve clinical research for participants. This report was the result of our People-Centred Clinical Research Project completed in 2024, in partnership with members of the public, researchers and academics from the University of Lincoln which asked more than 400 people about their experiences of health and social care research. We found that there were barriers that can stop research from being people-centred, as well as things that can help. We grouped these under 4 headings and made 19 recommendations for actions that researchers can take.

We used the findings of [our public attitudes towards research survey](#) of over 5,000 people from

across the UK to inform our work this year including the design and content of our REC development days, external engagement activity and in promoting the importance of research transparency, public involvement and sector-wide efforts to improve participation in research.

We also built relationships with individuals, groups and communities we had not previously worked with to increase our understanding of what matters to them to inform our work. This included meetings with the Caribbean and African Health Network and NIHR Applied Research Collaborations (ARC) Young People's Advisory Group.

We grew knowledge of our work and why it matters by increasing our presence at national and international events run by key external stakeholders such as Future of Life Sciences, Westminster Health Forum, Clinical Outsourcing UK Conference and Decentralised and Hybrid Trials World Conference.

We engaged with a diverse group of stakeholders, including the public, to inform how to simplify the way that researchers seek and document informed consent in a way that people can trust. As part of this work, we completed a survey, analysed the results and used these to inform [our guidance and online tools](#).

We sampled nearly 4,000 studies which received a favourable opinion from a REC in 2023, which showed that overall, 74% of studies told us that they had involved patients and the public in their research. Our [analysis](#) showed that although there were some great examples of public involvement, the approach is not consistent across all types of research. The data from this report will be used to create a baseline to measure the impact of our efforts to improve the extent and quality of public involvement in health and social care research.

We analysed our data to inform how we push for change, telling evidence-based stories to raise the profile of what we do and why it is important. We analysed trends in ethical issues considered by Research Ethics Committees (RECs) however, we paused developing this work further due to capacity issues.

We sought funding for a public conversation about how people can trust the way that they will be treated if they lose capacity while taking part in a longitudinal research project. Unfortunately, we were unable to secure sufficient funding from partners this year but will continue to support them to take forward this work.

Involve you in the HRA

We want to make sure that health and social care research is done with and for everyone. The HRA Community is made up of almost 1,000 dedicated people who give their time to support the HRA's work. They make up our:

- Research Ethics Committees (REC)
- Confidentiality Advisory Group (CAG)
- public contributors

This year, we created more opportunities for people to be involved in our decision making through our HRA Community Committee and completed an effectiveness survey to improve how we support this committee.

We supported staff to meaningfully involve people in their work by providing tailored support and the right resources by publishing a handbook to support staff to do this well.

We published demographic information on the current HRA Community and developed an HRA community survey action plan which includes changes that will support a greater diversity of

people working with us.

We developed plans for recruitment campaigns for new REC and CAG members that seek to reach people that we do not already work with, and we gave more people the opportunity to see our community in action by observing REC meetings. It was good to see over 800 requests received and to help make this happen, we streamlined our processes so that requests were distributed across all committees.

We made sure our communications channels and products work for the people we want to talk to. This included a review of our social media and the development of a social media strategy.

We also continued to develop the HRA's voice developing and testing new HRA brand resources such as a new visual identity and tone of voice and style guide. The new tone and style guide are now live.

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

For all clinical trials and clinical investigations, it is expected that a signed agreement between the sponsor and the host organisation will be in place before the research commences at the site. This year we led UK-wide development and maintenance of a suite of model agreements making it easier and more cost effective to set up research. We maintained [existing model agreements](#), and published new model agreements including one for advanced therapy studies.

As part of work to speed up commercial research in the UK we launched National Contract Value Review (NCVR) for Advanced Therapy Medicinal Product trials and early phase trials. The NCVR is a standardised, national approach to costing for commercial contract research. A standardised approach streamlines and speeds up research study set-up. Over the 3 years of our strategy, NCVR has made a substantial impact on the time it takes to set up a clinical trial which is now taking 6 instead of 10 months.

We also published updates to General Data Protection Regulation (GDPR) standard wording for participant information and developed guidance on in-vitro diagnostic device studies published with MHRA.

We continued to enable more proportionate approval of clinical trials of medicines by introducing a new streamlined notification scheme for certain clinical trial initial applications and amendments with MHRA. This scheme simplifies and speeds up the approvals process, building on our joint experiences streamlining approvals with our combined review service. We also wrote and published guidance on simplified consent for low-risk clinical trials to support the implementation of the Clinical Trials Regulations.

We worked with the Experimental Cancer Medicines Centres to develop technical assurances for clinical trials of medicines. The ideal paths for pharmacy and radiation assurances continued to be improved in collaboration with partners. We also drafted guidance for pharmacy assurances and planned a pilot for this service.

To help make it easier and faster to set up research in the future, we began to design a high-level research study set-up path and tested this with stakeholders. The aim will be to find the most efficient way to setup research studies, making it easier to do research in the UK and ensuring that everyone involved in the process understands each step. We also continued to

integrate our own approvals services to improve user experience by simplifying the coordination of our ethics review and confidentiality advice services. We are keen to continuously improve our services whilst also looking to the future to redesign the entire research study set up process.

Create a new online system to help you make research happen

Our Research Systems programme is a large digital transformation programme, with a vision to:

- connect processes for health and social care research in the UK
- help people work together to plan, approve, set up, manage and complete research
- help make the UK be a great place to do research that people can trust

We are developing new services that will digitise the end-to-end research journey, allowing users to plan and prepare new research, make changes to existing research and review and approve research applications in a seamless way. We will also improve the support offered to users.

We are leading the development of the new integrated service on behalf of the Integrated Research Approvals System (IRAS) Partners. We are working closely with them and other stakeholders to collaborate on designing the new services.

The new services will deliver better user experiences, offering more integrated and seamless services for the whole research community. Meeting user needs is at the heart of the improved services we are developing, and we are involving users at every stage. As well as significant user research, our designs respond to the key issues users have told us they experience with the current systems.

This year we worked with IRAS Partners to agree a vision for our digital services, set up our programme for success by embedding agile methodology and positively responded to [Gate Review 0](#): Strategic Assessment recommendations.

We also completed the [GDS Alpha assessment](#) with a positive outcome (12 green and 2 amber), confirming delivery largely meets expected standards, and that we could proceed to the private beta phase.

We agreed an updated version of the programme roadmap and worked with IRAS Partners and users to define the requirements and test designs for 'the make changes to approved research' and 'review research' services. We also explored how to effectively support researchers to navigate the end-to-end research journey, with guidance and through digital tools. This included consideration on how guidance is presented and managed in the service.

Support new ways to do research

We worked with others to enable more people-centred research by considering decentralised research models to widen participation and enhance flexibility for research participants. We collaborated with Industry and interested stakeholders to work together to look at opportunities to improve research set-up in non-traditional settings. We outlined the governance barriers to setting up research in this way and made proposals to DHSC to support the development of regional delivery models to help remove these barriers

We created and maintained links with stakeholders to understand their needs and through user-centred design harnessed opportunities for innovation and change.

We worked together with the National Institute for Health and Care Excellence (NICE),

MHRA the Care Quality Commission (CQC) and with the NHS AI Lab to provide the AI and Digital Regulations Service (AIDRS). This service helps guide developers and adopters of AI and digital technologies through the often complex legal and regulatory areas that apply to emerging technologies, particularly AI. This year, we maintained content on the website so that our guidance remained up to date.

Design our digital technology to do our work well

We received a positive outcome when we presented an updated change request to DHSC Investment Committee for our Research Systems programme which secured funding to continue for 2025-26. Funding beyond 2026 is dependent on the Spending Review. We also agreed a business case to improve customer service management through consolidation of our service desk functions and creating a better digital user experience. This work is expected to yield benefits in 2025-26.

We created a supplier management plan to support our legacy research systems and to help make sure they remain resilient while we transform them. We held regular meetings with legacy suppliers to ensure delivery of HRA digital and service objectives and services remain available.

As part of this resilience work we also reviewed and updated our incident and request management and major incident processes including the development of a service catalogue. This included developing workflows with our current service desk supplier in preparation for the new service desk and developed templates for more automated ticketing operations and dashboards for reporting. This has helped us understand better the services we provide and how we can improve them. We also tested our incident response plan so that we know we can respond quickly and effectively if there is an incident.

Resilience also requires robust cyber security processes. We continued to improve our approach by effectively implementing essential controls and undertook a Cyber Business Continuity Exercise which demonstrated that we have strong capability and controls in this area.

We made the most of our learning management system (LMS) following its successful implementation in 2024 with increased engagement and user satisfaction with both staff and volunteers. 57% of staff responded in our staff survey that there were opportunities to develop their knowledge, skills and behaviours at the HRA, an increase of 22% on 2024 (35%).

Always look for ways to do things better

Always learn, improve, and innovate

We completed a review of our internal communications, making sure that staff always have access to the information that they need and it is easy to find. This included the launch of our new intranet which has resulted in a 35% increase in staff confirming that the intranet is an effective communication method (74% compared to 39% in 2024).

We completed an organisation-wide skills analysis and training needs assessment in addition to a capacity and capability internal audit review. We also reviewed and improved our approach to secondments and updated our secondments guidance and policy.

We developed and put in place continuous professional development (CPD) programmes including a '90 minutes to learning' pilot and the introduction of NHS Elect, resulting in 25% improvement in staff confirming that they had equal and fair access to learning and

development (87% compared to 62% in 2024).

We continued to grow a culture of innovation and change at pace to support our change portfolio including our digital transformation. We developed a Research Systems programme change management strategy, transition states definition and Future IRAS target operating model design approach.

To meet best practice, we improved the way we buy and pay for goods and services by implementing a new purchase order policy and made improvements to our portfolio, programme and project management processes. This included an updated business case process, senior responsible owner training, improved prioritisation, dependency mapping and capacity and resource management.

We reviewed and improved how our online Research Ethics Committee (REC) meetings are run and ran a programme of learning as part of the National Chairs Day in March 2025. We continued to develop good practice standards and mechanisms for the ethical review of research applications with a focus on ethics theories, diversity, and participant information standards.

We also introduced improved governance when recruiting volunteers to our committees with clearer terms and conditions as well as identity and right to work checks as part of our initial checks.

Be a great place to work

This year we have continued to see high levels of staff engagement (75%) better than the independently provided public sector benchmark (69%) however levels have reduced by 5% on last year. Over the next few months, we will explore why this is and put in place plans to help reverse this trend. Our response to our 2024 staff survey focused on several key areas:

- valuing people
- improving people's experience
- developing people

We put in place arrangements to help manage change better, including adopting multi-disciplinary teams, change workshops for managers, improved support for people going through change and open, transparent communications. This has resulted in an improved staff survey score for change being managed well of 41% (compared to 33% in 2024). We implemented several actions to make decision making at the HRA more transparent including widening access to meetings and better communication of decisions made. We also put in place Challenge and Change listening circles and agreed a set of actions to implement to improve people's experience of working at the HRA.

We involved and engaged with a diverse group of stakeholders and people who bring different experiences and perspectives to develop the HRA's next 3-year strategy which will be published later in 2025. We also supported and embedded principles of Respect at the HRA. This included a Respect video as part of the induction process and new starter workbook, 'Working at the HRA' web page, and publication of a new policy suite.

We reviewed and improved our approach to supporting the mental health of our staff by updating our mental health framework and organising refresher training for our mental health first aiders. We also embedded clearer ways of working to support staff working with vulnerable patients, research participants and volunteers. This included developing a policy and procedure that has been reviewed by our Community Committee.

We improved Research Ethics Committee members' experience by including access to NHS discounts and long service awards, and continued to offer support such as access to development days and learning and development opportunities throughout the year.

Strategic workforce planning did not take place this year as planned. This is due to several factors including our cost saving project Adapt and Change restricting our capacity to perform this work and later our decision to prioritise developing a cohesive, end-to-end framework connecting our new strategy with capacity and capability planning, business planning and investment decisions. We plan to begin to develop this framework in 2025-26.

Commit to environmental sustainability and achieving net zero

We monitored and reported on our carbon usage and waste and achieved our target to maintain our business travel at 60% of pre-pandemic rates. We also continued to limit our domestic flights and centrally reviewed all domestic flight requests to make informed decisions about the most appropriate form of travel balancing sustainability, cost, access needs and health and well-being. We used just 3 domestic flights this year having reviewed all criteria and confirming these were the best solution for travel.

We maintained low levels of single-use plastics and paper purchases as per the Greening Government Commitment and we incorporated carbon reduction targets into contracts in agreement with suppliers on a case-by-case basis.

We considered sustainability impact in all new or changing activities and policies. We did this by developing and implementing a Sustainability Impact Assessment procedure as well as making sure an environmental sustainability statement is included in all policies.

Finally, we understood better our impact by considering our existing ways of working and how these can be improved to be more environmentally sustainable. We developed an Environmental Sustainability Annual Report which outlines associated governance, strategy, risk management and emissions monitoring.

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. This was updated for 2024, and sustainability will be part of the refreshed HRA strategy for 2025.

We have made good progress this year with continued 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 5 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 2024, our 5 office locations were in spaces shared with other government bodies to improve office utilisation and energy efficiency.

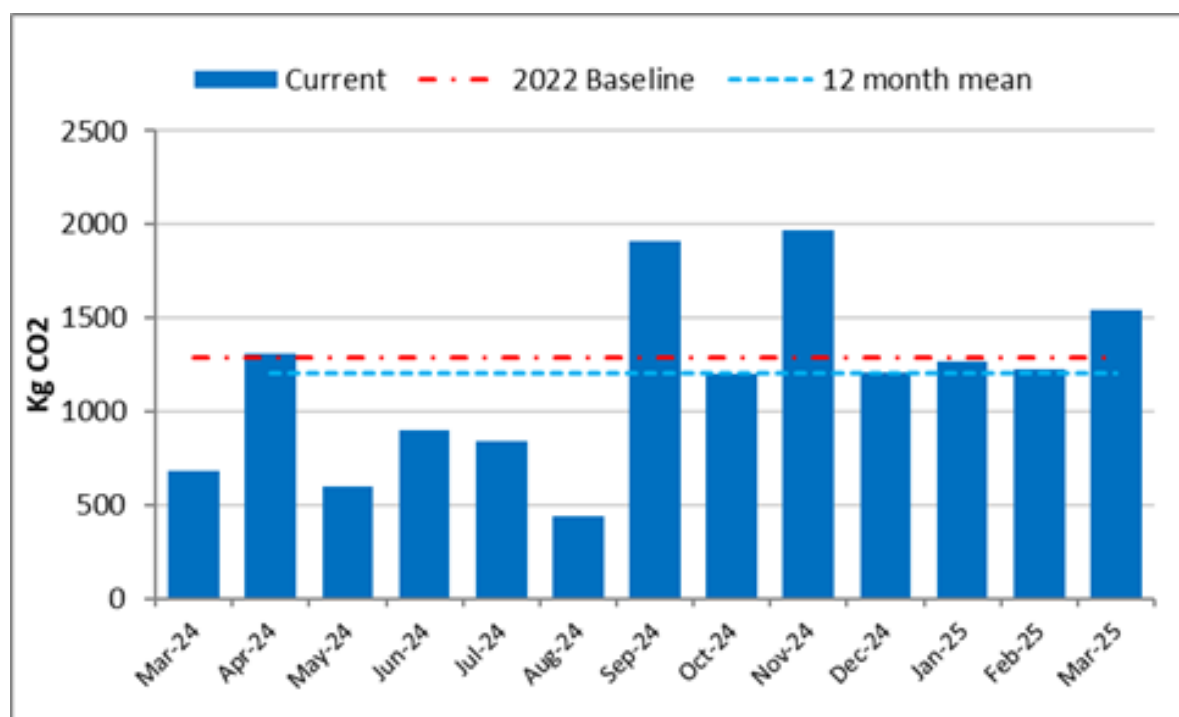
Where we share offices, energy reporting is provided by our public landlord and is not included in our Greening Government Commitment reporting.

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



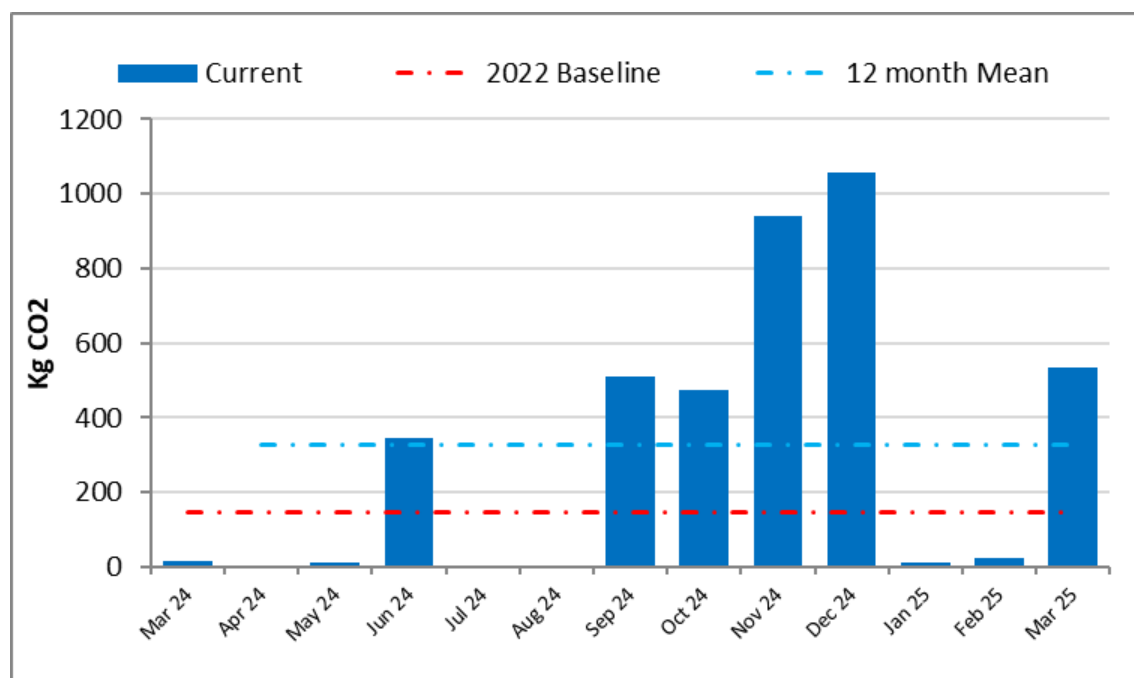
The graph shows monthly carbon dioxide CO₂ emitted from rail travel undertaken by staff from April 2024 to March 2025. The 2022 baseline and our target for CO₂ is shown in red at just below 1,500 KgCO₂. Our staff travel in 2022 was significantly lower than pre-pandemic levels and travel this year was slightly below this target. We set this target as a stretch target for 2024, 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, using the data from the last 3 years, so we

meet both our sustainability goals and make sure our people can work well.

CO2 emitted by rail travel – Committee members and public contributors

The following graph shows monthly carbon dioxide (CO2) emitted from April 2024 to March 2025 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.

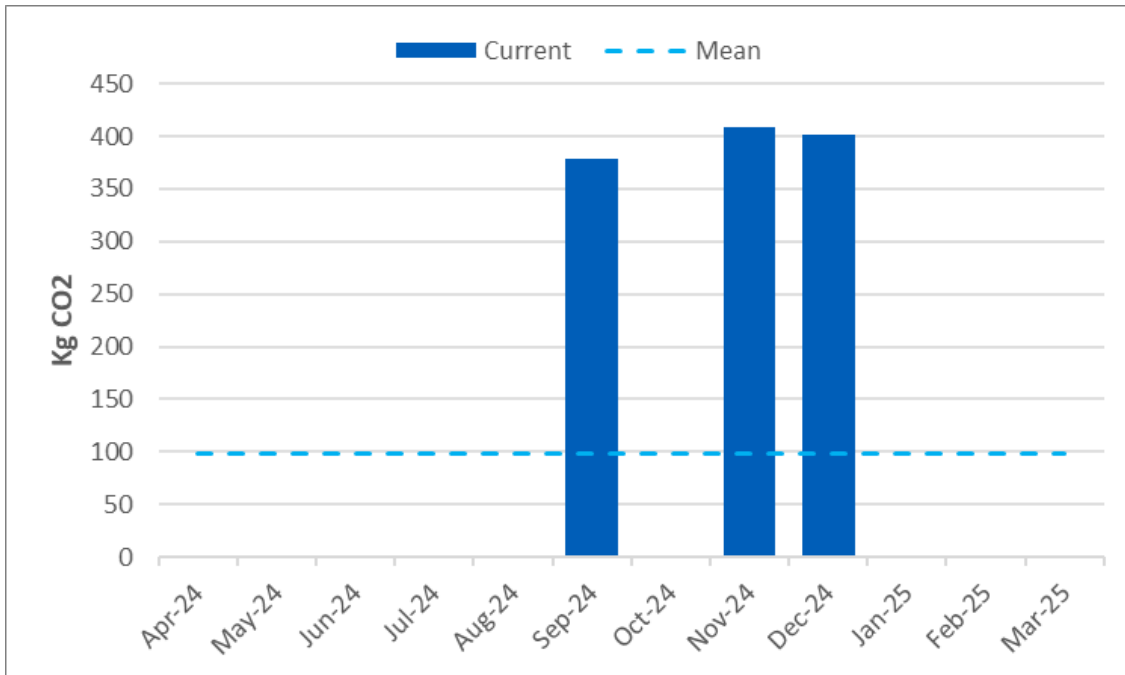
Carbon Dioxide (CO2) emitted by rail travel – Committee members and public contributors



Staff and HRA Community domestic flights – cumulative CO2

There were 3 domestic flights during 2024-25 (2023-24: 2). Each domestic flight was reviewed against agreed criteria to balance sustainability against other factors such as time and traveler's health and wellbeing.

Carbon Dioxide (CO2) emitted by HRA staff and Community domestic flights



Dr Matthew Westmore

Chief Executive

Health Research Authority

11 July 2025

3. Accountability report

The accountability report consists of 4 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.

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

HRA Board

Meet our Board



Terence Stephenson
Chair



Neelam Patel
Interim Chair



Alastair Denniston
Non-Executive
Director



Marian Knight
Non-Executive
Director



Mark Buswell
Non-Executive
Director



Richard Cooper
Non-Executive
Director



Andrew George
Non-Executive
Director



Matt Westmore
Chief Executive



Karen Williams
Deputy Chief
Executive



Janet Messer
Director of
Approvals Service



Becky Purvis
Director of Policy
and Partnerships



Julie Waters
Chief Digital
Transformation
Officer

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.

In accordance with schedule 7 of the Care Act 2014, the Board comprises the chair, 4 non-executive directors and 3 executive directors including the chief executive. 2 directors attend the Board as non-voting members.

The membership of the Board has changed in year with Professor Sir Terence Stephenson, Chair and Richard Cooper, Non-Executive Director leaving the Board in January 2025. The HRA also had 1 non-executive director vacancy with 3 new Non-Executive Directors joining the Board from February 2025 onwards.

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

HRA Board membership

Professor Sir Terence Stephenson

Chair of Board, Chair of Pay and Remuneration Committee, Non-Executive Director
1 Sept 2019 – 31 January 2025

Professor Stephenson left the HRA on 31 January 2025.

Richard Cooper

Chair of Audit and Risk Committee, Non-Executive Director
1 February 2019 – 31 January 2025

Richard Cooper left the HRA on 31 January 2025.

Professor Andrew George

Chair of Audit and Risk Committee, Co-Chair of Community Committee, Non-Executive Director
1 January 2019 – present

Professor George became Chair of the Audit and Risk Committee on 1 February 2025.

Neelam Patel

Interim Chair, Non-Executive Director
1 April 2021 – present

Neelam Patel became interim Chair of the HRA on 1 February 2025.

Mark Buswell

Non-Executive Director
1 February 2025 – present

Mark Buswell joined the HRA on 1 February 2025

Professor Alastair Denniston

Non-Executive Director

1 February 2025 – present

Professor Denniston joined the HRA on 1 February 2025

Professor Marian Knight

Non-Executive Director

1 February 2025 – present

Professor Knight joined the HRA on 1 February 2025

Matt Westmore

Chief Executive, Executive Director

22 February 2021 – present

Karen Williams

Deputy Chief Executive and Director of Resources, Executive Director

5 January 2017 – present

Janet Messer

Director of Approvals, Executive Director

15 September 2014 – present

Becky Purvis

Director of Policy and Partnerships, Director who attends the Board

27 June 2022 – present

Julie Waters

Chief Digital Transformation Officer, Director who attends the Board

1 August 2022 – present

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 3 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. The Board meets twice a year in private with the purpose of considering the HRA's future strategic direction. Our reporting also includes an assessment of progress made in achieving our strategy.

The Board is supported by 3 sub-committees:

1. the Audit and Risk Committee
2. the Pay and Remuneration Committee
3. the Community Committee

Audit and Risk Committee

This committee advises the Accounting Officer and Board on risk management, corporate governance, and assurance arrangements. It comprises 3 non- executive directors and 2 independent members. Individuals from the HRA and Government Internal Audit Agency are invited and regularly attend the committee. The National Audit Office, 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 4 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 1 non-executive director and 11 members of the HRA Community - 4 members of Research Ethics Committees, 1 member of the Confidentiality Advisory Group and 6 members of the public. [Biographies](#) of Community Committee members can be found on our website.

Executive Committee

The Executive Committee is not a formal sub-committee of the Board, but its members are accountable to it. It 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 11 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 and sub-committee attendance

Name	Role	Board*	Audit and Risk Committee*	Pay and Remuneration Committee*
Professor Sir Terence Stephenson	Non-Executive Director	3/3		1/1
Richard Cooper	Non-Executive Director	2/3	4/4	1/1
Professor Andrew George	Non-Executive Director	4/4	5/5	1/1
Neelam Patel	Non-Executive Director	4/4	5/5	1/1
Mark Buswell	Non-Executive Director	1/1		
Professor Alastair Denniston	Non-Executive Director	1/1		
Professor Marian Knight	Non-Executive Director	1/1		
Dr Janet Messer	Executive Director	4/4		
Becky Purvis	Director who attends the Board	4/4		
Julie Waters	Director who attends the Board	4/4		
Matt Westmore	Executive Director	4/4		
Karen Williams	Executive Director	4/4		
Nick Longhurst (from 1 June 2023)	Independent member of Audit and Risk Committee		4/5	
George Ritchie	Independent member of Audit and Risk Committee		4/5	

*the first number given is number of times the individual attended the Board or committee meetings. The second number given is the number of meetings they were eligible to attend.

Highlights of Board meetings in 2024-25

During 2024-25 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
- complaints annual report
- positive changes arising from Equality Impact Assessments
- reviewing an updated Framework Agreement with the Department of Health and Social Care
- HRA commercial strategy
- HRA's modern slavery statement
- our achievements and key messages for stakeholders
- Board effectiveness review

The Board improves its performance and effectiveness through seminars and strategic sessions. During 2024-25 these included:

- update on progress of our Strategy
- understanding cyber risks for the HRA
- plans for developing our next Strategy
- business planning and priorities
- understanding the possible impact of the comprehensive spending review on the HRA and the Research Systems Programme
- a joint seminar with key stakeholders to consider how the HRA and others can collectively support the Government's health and growth missions and the NHS 10-year plan
- a joint seminar on ways of working with the HRA's Community Committee
- Board ways of working and effectiveness with new members

Summary of the Board effectiveness review

The findings from the most recent internally facilitated Board effectiveness review were received at the May 2025 Board meeting. The Board concluded 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 and further work on horizon scanning to develop the forward planner of strategic seminars, which have been addressed during the year. A light touch review of the effectiveness of the Board was undertaken in March 2025. As the membership of the Board changed considerably in February 2025, with 2 non-executive directors leaving and 3 new non-executive directors joining the Board, the review focused on how the Board can operate most effectively with the new membership. The review included:

- ensuring the balance between the Board's strategic direction role and assurance role is appropriate
- the quality of the papers and discussion and ensuring non-executive Directors could input at the appropriate time
- the relationships between Board members, in particular how non-executive directors and the Executive Committee members interact outside of Board meetings.

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.

Governance statement

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.

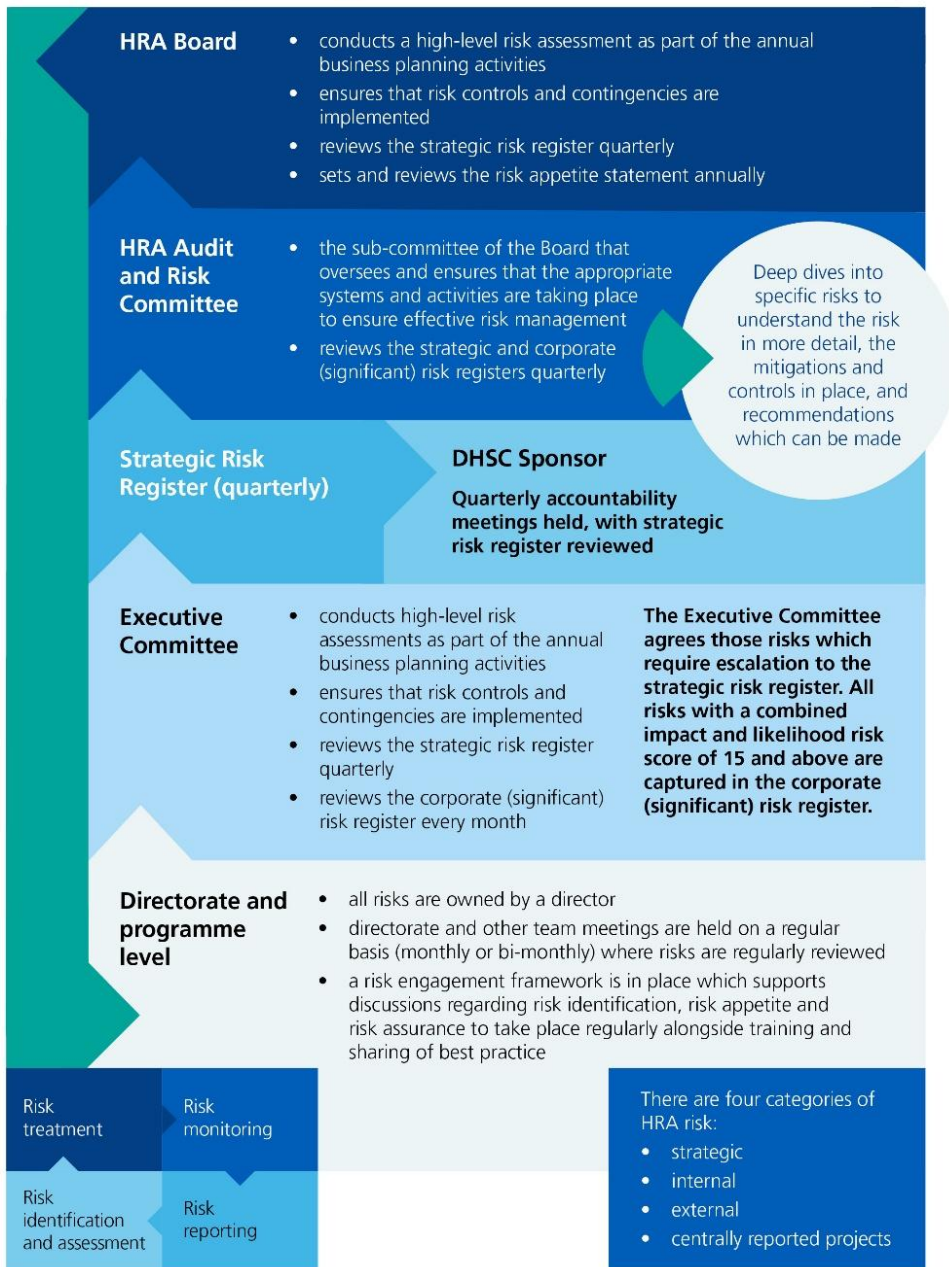
There are 4 types of risk managed by the organisation:

- Internal: these are risks which we have some ability to control and are predominantly managed through the directorate risk registers
- External: these are big external events or perils and are captured in our threat assessment.
- Strategic: these risks relate to our key strategic objectives and are captured in the strategic risk register.
- Centrally reported projects: these risks relate to our change activities and include 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

The risk and control framework and the capacity to handle risk



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

Our risk management systems have been in place for the year under review and up to the date of approval of the annual report and accounts. 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 coordinate, supervise and review the work of others to make sure we maintain a coordinated approach to information governance. It meets 4 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.

The IGSG meets quarterly to receive 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 2024 to 31 March 2025 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 3 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 an improvement to the timely completion of action plans has been seen following the maturation of a robust process for monitoring and tracking recommendations through the year.

6 internal audit reviews were performed, 4 assurance audits and 2 advisory audits. 3 assurance audits opinions were rated Moderate, and 1 was rated as substantial compared to all 4 rated Moderate in 2023-24. The assurance audits focused on health and safety, budget management, technical assurance and the data security and protection toolkit. The advisory audits focused on functional standards and capacity and capability. 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 internal 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.

Head of Internal Audit opinion 2024-25

In accordance with the requirements of the UK Public Sector Internal Audit Standards, I am required to provide the Accounting Officer and the Audit and Risk Committee with my annual opinion of the adequacy and effectiveness of the organisation's risk management, control and governance processes. My opinion is a key element of the assurance framework and can be used to inform the organisation's Governance Statement; however, the Accounting Officer retains personal responsibility for risk management, governance and control processes.

My annual internal audit opinion reflects the audit plan agreed and is not limited in scope, to the extent that the assurance provided by internal audit can never be absolute.

My opinion is based on the governance, risk and control frameworks set out in the following publications, which apply to central government organisations:

- Corporate governance code for central government departments (2017), the Code is mandatory for departments, advisory for other bodies
- Orange Book: Management of risks – principles and concepts (2023)
- Managing Public Money (2021)

I am providing an overall Moderate opinion on the framework of governance, risk management and control within the HRA for the year-ended 31 March 2025. Overall governance, risk management and control arrangement are generally effective. The improvements points highlighted in my report are about clarifying roles and responsibilities 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/

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 £72,100 (2023-24 £60,000). The audit certificate can be found on page 66.

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 have embedded functional standards across most areas and in 2024-25 we introduced enhanced quarterly monitoring of continuous improvement activities for these standards

The Executive Committee has identified several standards which either do not apply to the HRA or have been deemed disproportionate to the size and scale of the HRA. For example, functional standard GOV003 Human Resources applies to organisations where civil servants are employed. As HRA staff are not civil servants this standard does not apply however the HRA has committed to incorporating any relevant best practice into our ways of working when the HRA People Strategy is next reviewed. A review of the standards which are deemed disproportionate will be undertaken annually to ensure this decision is kept under review. Further work is required to embed and report on 2 of the standards which will continue into 2025-26.

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.

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):

Remuneration of Chair and Non-Executive Directors

Name	Year ended 31 March	Salary (bands of £5,000)	Taxable expense payments ⁽¹⁾ (to nearest £100)	Total (bands of £5,000)
		£000	£	£000
Professor Sir Terence Stephenson ⁽²⁾ Chair	2025	35 to 40	0	35 to 40
	2024	45 to 50	0	45 to 50
Neelam Patel ⁽³⁾ Interim Chair	2025	10 to 15	0	10 to 15
	2024	5 to 10	0	5 to 10
Dr Mark Buswell ⁽⁴⁾	2025	0 to 5	0	0 to 5
	2024	0	0	0
Richard Cooper ⁽⁵⁾	2025	10 to 15	300	10 to 15

Name	Year ended 31 March	Salary (bands of £5,000)	Taxable expense payments ⁽¹⁾ (to nearest £100)	Total (bands of £5,000)
	2024	10 to 15	300	10 to 15
Professor Alastair Denniston ⁽⁴⁾	2025	0 to 5	0	0 to 5
	2024	0	0	0
Professor Andrew George	2025	5 to 10	0	5 to 10
	2024	5 to 10	0	5 to 10
Professor Marian Knight ⁽⁴⁾	2025	0 to 5	0	0 to 5
	2024	0	0	0
Dr Nicole Mather ⁽⁶⁾	2025	0	0	0
	2024	0 to 5	0	0 to 5

The Chair and Non-Executive Directors are not eligible for membership of the HRA's Pension Schemes and therefore no Pension Related Benefits column has been included in the table above. No performance related pay awards or bonuses were made to the Chair or Non-Executive Directors in 2024-25 or 2023-24.

⁽¹⁾ The Taxable expenses payments represent the monetary value of commuting expenses claimed and reimbursed during the year.

⁽²⁾ Professor Sir Terence Stephenson was employed as Chair until 31 January 2025. His full year equivalent salary to 31 March 2025 was between £45,000 and £50,000. He was not paid directly by the HRA. His salary was paid by University College London and then recharged to the HRA on a cost-recovery basis.

⁽³⁾ Neelam Patel, is employed as a Non-Executive Director and was appointed as Interim Chair from 1 February 2025 whilst the recruitment process for a permanent Chair is undertaken.

⁽⁴⁾ Dr Mark Buswell, Professor Alastair Denniston and Professor Marian Knight were appointed as Non-Executive Directors from 1 February 2025 on initial 3year terms. Their full year equivalent salaries to 31 March 2025 were all between £5,000 and £10,000.

⁽⁵⁾ Richard Cooper was employed as a Non-Executive Director until 31 January 2025. His full year equivalent salary to 31 March 2025 was between £10,000 and £15,000.

⁽⁶⁾ Dr Nicole Mather was employed as a Non-Executive Director until 31 July 2023. Her full year equivalent salary for the year ending 31 March 2024 was between £5,000 and £10,000.

Remuneration of Directors

Name	Year ended 31 March	Salary (bands of £5,000)	Taxable expense payments ⁽¹⁾ (to nearest £100)	Performance pay and bonuses (bands of £5,000)	Pension related benefits ⁽²⁾ (to nearest £1,000)	Total (bands of £5,000)
		£000	£	£000	£000	£000
Dr Matthew Westmore	2025	145 to 150	1,000	0	36	185 to 190
Chief Executive	2024	140 to 145	400	0	40	180 to 185
Dr Janet Messer⁽³⁾	2025	105 to 110	0	0	19	125 to 130
Director of Approvals Service	2024	100 to 105	0	0	0	100 to 105
Becky Purvis	2025	100 to 105	0	0	26	125 to 130
Director of Policy and Partnerships	2024	95 to 100	0	0	23	115 to 120
Julie Waters⁽⁴⁾	2025	100 to 105	0	0 to 5	30	135 to 140
Chief Digital Transformation Officer	2024	95 to 100	0	0	41	135 to 140
Karen Williams	2025	130 to 135	0	0	38	170 to 175
Deputy Chief Executive and Director of Resources	2024	125 to 130	0	0	34	160 to 165

⁽¹⁾ 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.

⁽²⁾ 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 that will be received by the individual. It is a calculation that is intended to convey to the reader of the accounts 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.

⁽³⁾ Dr Janet Messer is affected by the Public Service Pensions Remedy. Accrued pension benefits included in this table have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service

pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

⁽⁴⁾ During 2024-25 the Pay and Remuneration Committee approved a 5 per cent non-consolidated performance related pay award to Julie Waters in recognition of work undertaken on the Research Systems programme. No performance related pay awards or bonuses payments were made to the Directors in 2023-24.

Pension Benefits of Directors

Name	Real Increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2025 (bands of £5,000)	Accrued related lump sum at pension age at 31 March 2025 (bands of £5,000)
	£000	£000	£000	£000
Dr Matthew Westmore Chief Executive	2.5 to 5	0	10 to 15	0 to 5
Dr Janet Messer ⁽¹⁾ Director of Approvals Service	0 to 2.5	0	30 to 35	70 to 75
Becky Purvis Director of Policy and Partnerships	0 to 2.5	0	5 to 10	0
Julie Waters Chief Digital Transformation Officer	0 to 2.5	0	15 to 20	5 to 10
Karen Williams Deputy Chief Executive and Director of Resources	2.5 to 5	0	20 to 25	0

Pension Benefits of Directors

Name	Cash equivalent transfer value at 31 March 2024 ⁽²⁾	Real Increase in cash equivalent transfer value ⁽³⁾	Cash equivalent transfer value at 31 March 2025 ⁽²⁾	Employer's contribution to stakeholder pension
	£000	£000	£000	£000
Dr Matthew Westmore Chief Executive	134	24	184	0
Dr Janet Messer ⁽¹⁾ Director of Approvals Service	667	21	746	0
Becky Purvis Director of Policy and Partnerships	55	12	84	0
Julie Waters Chief Digital Transformation Officer	243	22	295	0
Karen Williams Deputy Chief Executive and Director of Resources	273	30	338	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.

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

⁽¹⁾ Dr Janet Messer is affected by the Public Service Pensions Remedy. Accrued pension benefits included in this table have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

⁽²⁾ A Cash Equivalent Transfer Values (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.

⁽³⁾ The real increase in CETV 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).

Fair Pay (subject to audit)

Pay Ratio Information

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

In 2024-25, the banded annualised total remuneration of the highest paid director was £150,000 to £155,000 (2023-24, £140,000 to £145,000) and the banded salary of the highest paid director was £145,000 to £150,000 (2023-24, £140,000 to £145,000). The relationship to the remuneration of the organisation's workforce is disclosed in the below table.

Pay ration table

Highest paid director mid-point	2024-25	2023-24
Total remuneration	£152,500	£142,500
Salary	£147,500	£142,500
25th Percentile	2024-25	2023-24
Total remuneration	£36,483	£34,581
Total remuneration ratio	4.2:1	4.1:1
Salary	£36,483	£34,581
Salary ratio	4.0:1	4.1:1
Median (50th Percentile)	2024-25	2023-24
Total remuneration	£44,962	£42,618
Total remuneration ratio	3.4:1	3.3:1
Salary	£44,962	£42,618
Salary ratio	3.3:1	3.3:1
75th Percentile	2024-25	2023-24
Total remuneration	£52,809	£50,056
Total remuneration ratio	2.9:1	2.8:1
Salary	£52,809	£50,056
Salary ratio	2.8:1	2.8:1

All percentile values are showing an increase from last year. The median total remuneration has increased by 5.5 per cent to £44,962 and the median salary has increased by 5.5 per cent to £44,962. These increases are in line with the 5.5 per

cent consolidated pay award for staff employed on agenda for change contracts. The median total remuneration and salary values for both years is the top pay point of the agenda for change band 6.

The total remuneration and salary percentile ratios are largely consistent with last year. The median total remuneration ratio has increased by 3.0% to 3.4:1 and the median salary ratio has remained at 3.3:1. The increase in median total remuneration ratio is due to the highest paid director's total remuneration value rounding up to a higher banding mid-point in 2024-25. For 2024-25 all staff employed on agenda for change contracts have received a pay award of 5.5 per cent and staff employed on executive and senior managers (ESM) contracts have received a pay award of 5 per cent and the movements in percentile ratios are considered consistent with these pay awards.

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. Total banded remuneration for 2024-25 ranged from £20,000 to £25,000 up to £150,000 to £155,000 (2023-24 £20,000 to £25,000 up to £140,000 to £145,000). No substantive employees received remuneration more than the highest paid director during 2024-25 or 2023-24. During 2024-25 one individual received annualised equivalent remuneration greater than the highest paid director. This individual was engaged via an agency to provide specialist skills and capabilities for the Research Systems programme. Approval for this arrangement was provided by DHSC through a Professional Services Business Case.

Salary and allowances

Percentage change from the previous financial year	2024-25	2023-24
Highest paid Director	3.5%	3.6%
All employees (excluding highest paid Director)	8.9%	7.5%

Highest paid Director

The percentage increase in the highest paid Director's remuneration for 2024-25 is due to the 5 per cent consolidated pay award to staff employed on executive and senior managers (ESM) contracts. The increase shown is lower than the full 5 per cent pay award due to the calculation using the mid-point of the salary banding rather than the actual salary.

All employees (excluding highest paid Director)

The average percentage increase in all employees (excluding highest paid Director) salary and allowances for 2024-25 is mainly due to the 5 per cent consolidated pay

award for staff employed on executive and senior managers (ESM) contracts and 5.5 per cent consolidated pay award for staff employed on agenda for change contracts. Changes in the composition and distribution of the pay banding of the workforce during 2024-25, coupled with incremental pay progression has led to a greater average per cent increase in year than the 5.5 per cent pay award.

Performance pay and bonuses

Percentage change from the previous financial year in respect of:	2024-25	2023-24
Highest paid Director	0.0%	0.0%
All employees (excluding highest paid Director)	Undefined	-100.0%

Highest paid Director

No non-consolidated performance related pay awards were made to the highest paid Director in 2024-25 or 2023-24.

All employees (excluding highest paid Director)

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. One non-consolidated performance related pay award of 5 per cent (banded value of £0 to £5,000) was made in 2024-25 in recognition of work undertaken on the Research Systems programme. No performance related pay or bonuses were made in 2023-24.

Staff report

Early retirements and redundancies (subject to audit)

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 2024-25 and 2023-24. The amounts are due to the individuals and do not include any employers' National Insurance contribution. 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 retirement costs are met by the NHS pension scheme and are not included in this table. There are no redundancy payments that are special payments.

12 exit packages were agreed during the year, costing £381,223 (2023-24; 3, £78,616).

Of the total £359,886 compulsory redundancies agreed, £182,768 was paid during the year to staff who left prior to the 31 March 2025 (2023-24: £18,616). £177,118 relates to payments to be made after 1st April 2025. There were 3 other departure costs agreed and paid in 2024-25 £21,336 (2023-24 £0)

Exit packages for year ended 31 March 2025

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	0	0	2	5,783	2	5,783
£10,001 to £25,000	5	85,373	1	15,554	6	100,927
£25,001 to £50,000	2	72,426	0	0	2	72,426
£50,001 to £100,000	1	60,805	0	0	1	60,805
£100,001 to £150,000	1	141,282	0	0	1	141,282
Totals	9	359,886	3	21,336	12	381,223

Exit packages for 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	0	0	1	5,878
£10,001 to £25,000	1	12,738	0	0	1	12,738
£25,001 to £50,000	0	0	0	0	0	0
£50,001 to £100,000	1	60,000	0	0	1	60,000
Totals	3	78,616	0	0	3	78,616

Analysis of staff costs (subject to audit)

Staff costs	Year ended 31 March 2025			Year ended 31 March 2024
	Permanently employed	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	11,247	84	11,331	10,663
Social security costs	1,170	0	1,170	1,103
Employer contributions to NHSPA	2,465	0	2,465	2,006
Redundancies/notice	381	0	381	79
Staff costs	15,263	84	15,347	13,851
Less recoveries in respect of outward secondments	(105)	0	(105)	(269)
	15,158	84	15,242	13,582

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 Full Time Equivalent (FTE) persons employed during the year (subject to audit)

	Year-end 31 March 2025 Permanently employed number	Year-end 31 March 2025 Other number	Year-end 31 March 2025 Total number	Year-end 31 March 2024 Total Number
Total	245	1	246	242

The average number of persons employed during the year includes 5 full time equivalents whose costs have been charged to capital projects (2023-24: 3)

Staff turnover was 12.1% during 2024-25 (2023-24: 8.2%). (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 2025 (£nil 2023-24). 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](#). 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 4 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 2025, is based on valuation data as at 31 March 2023, updated to 31 March 2025 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.

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (considering recent demographic experience), and to recommend the contribution rate payable by 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.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

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 as of 31 March 2025 earning £245 per day or greater

	Number
Number of existing engagements as of 31 March 2025	2
Of which number that have existed at the time of reporting:	
for less than 1 year	2
for between 1 and 2 years	0
for between 2 and 3 years	0
for between 3 and 4 years	0
for 4 or more years	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: number of off-payroll engagements between 1 April 2024 and 31 March 2025 earning £245 per day or greater

	Number
Number of temporary off-payroll workers engaged between 1 April 2024 and 31 March 2025	2
Of which number:	
not subject to off-payroll legislation	2
subject to off-payroll legislation and determined as in-scope of IR35	0
subject to off-payroll legislation and determined as out of scope of IR35	0
reassessed for compliance or assurance purposes during the year	0
that saw a change to IR35 status following review	0

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 engagements of board members, and/or senior officials with significant financial responsibility between 1 April 2024 and 31 March 2025

	Number
Number of off-payroll engagements of Board members and/or senior officers with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'board members, and/or senior officials with significant financial responsibility' during the financial year. This figure includes both off-payroll and on-payroll engagements.	11

Consultancy expenditure

For the year ended 31 March 2025 the HRA incurred no costs on consultancy (2023-24: £11,461).

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 2024	Adjusted FTE days lost to sickness absence	Average sickness days per FTE
246	2,072	8.4

These statistics cover January 2023 – December 2024.

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 2024-2025, we:

- celebrated a continuing rise in disability disclosure, from 9% in 2023 to 11% in 2024 and increasing to 14% in 2025
- held learning events on chronic fatigue and hearing impairment and retained our Disability Confident Leader status for a further 3 years following external independent re-validation
- published a suite of reproductive health policy and guidance documents
- finalised and published a welcoming and supportive candidate area on our website
- launched a project to do more for race equity in our recruitment and progression, agreeing an action plan to challenge and change the way we work

Disability Confidence

We are committed to being a place where disabled people feel valued, supported and able to progress. We are proud that this has been recognized through the awarding of Disability Confident Leader status, which only two percent of organisations signed up to the scheme have achieved.

Recruitment and retention of disabled staff

Wherever possible, we offer a guaranteed interview to disabled applicants who meet the essential criteria. When we receive a very high-volume number of applicants, we may need to apply further selection criteria to ensure we offer a proportionate number of interviews to disabled applicants. Once staff join the HRA, we have lots in place to ensure our workplace and practices are accessible.

Disability support

- all policies and projects complete an Equalities Impact Assessment, to ensure we are building accessibility in at the design stage
- our Health and Accessibility Passport offers a framework to agree reasonable adjustments, which can then be carried into any role within the organisation, or easily shared if an employee's line manager changes
- we have a central budget for reasonable adjustments and will fund up to £2,000 per person in-house, before asking employees to apply to [Access to Work](#)
- we have an agreed process for ensuring Access to Work recommendations are procured quickly
- we have a Disability Leave policy for planned and unplanned leave related to the treatment and management of a long-term health condition
- we are able to refer to Occupational Health specialists where further advice is needed
- we have an active Disability and Neurodiversity Network for staff, which has a strategic voice within the HRA
- we publish [equality information](#) annually, which includes the representation of disabled staff within the organisation – this data is collected at the application stage and pulled through to our employee records system, where it can be updated at any time

Equality information for staff

	31 March 2025 Number	31 March 2025 %	31 March 2024 Number	31 March 2024 %
Gender				
Female	182	70%	187	72%
Male	78	30%	73	28%
Grand total	260	100%	260	100%
Ethnic Origin (Grouped)				
Asian or British Asian	23	9%	23	9%
Black or Black British / Mixed / Other ethnic group	21	8%	20	8%
Not stated / undefined	12	5%	10	4%
White	204	78%	207	79%
Grand total	260	100%	260	100%
Disabled				
No	208	80%	219	84%
Not declared / undefined	16	6%	13	5%
Yes	36	14%	28	11%
Grand total	260	100%	260	100%
Age				
<20-25	4	2%	4	2%
26-35	69	26%	81	31%
36-45	99	38%	91	35%
46-55	62	24%	58	22%
56-75	26	10%	26	10%
Grand total	260	100%	260	100%

	31 March 2025				31 March 2024			
	Male	%	Female	%	Male	%	Female	%
Directors	1	20%	4	80%	1	20%	4	80%
Other senior managers	24	42%	33	58%	22	39%	35	61%
Employees	53	27%	145	73%	50	25%	148	75%
Total	78	30%	182	70%	73	28%	187	72%

We publish gender pay information showing the difference in average earnings between women and men. It is pleasing to see that the gap has reduced this year compared to previous years. The results for 2025 show that the average hourly rate is 5.1% higher for men, with the median being 2.6% higher (2024 average hourly rate 6.0% higher, and median 14.6% 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.

It's good to see that this year's results are an improvement on previous years as we work towards removing this gap. To do this, we have developed actions to address these differences and to further close this gap.

We [publish diversity information](#) on the HRA website.

Our gender pay gap data is also published on the [gov.uk website](#).

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 2024-25 and 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 7 members of staff (7 FTE) were union officials at the HRA.

Percentage time	Number of employees
0%	1
1-50%	6
51-99%	0
100%	0

Percentage of staff costs spend on union facility activities	Spend information
Total cost of union facility activities	£6,088
Total staff costs	£15,274,290
Percentage of total staff costs spend on union facility activities	0.04%

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 56 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 2025 the Health Research Authority incurred 21 losses totalling £5,677 (2023-24: 16 losses totalling £151,280).

No special payments were made during the year.



Dr Matthew Westmore

Chief Executive

Health Research Authority

11 July 2025

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 2025 under the Care Act 2014.

The financial statements comprise the Health Research Authority's

- Statement of Financial Position as at 31 March 2025;
- 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 2025 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 (2024)*. 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 and report 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 Report and Accountability Report.

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 and key performance indicators.
- 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: revenue recognition, posting of unusual journals including journals to manipulate expenditure in order to reduce underspend, complex transactions, and bias in management 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;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; assessing the apportionment of expenditure between capital and revenue with respect to the internally generated intangible asset capitalised in the year; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

Date 15 July 2025

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 2025

	Notes	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Expenditure			
Staff costs	4	15,326	13,668
Amortisation and depreciation	4	619	899
Other expenditure	4	4,297	3,887
		20,242	18,454
Income			
Income from activities	5	(405)	(453)
Net operating expenditure for the year		19,837	18,001
Finance expense		14	9
Net expenditure for the year		19,851	18,010
Comprehensive net expenditure for the year		19,851	18,010

The notes on pages 77 to 91 form part of these accounts.

Statement of financial position as at 31 March 2025

	Notes	As at 31 March 2025 £000	As at 31 March 2024 £000
Non-current assets			
Property, plant and equipment	6.1, 6.2	300	347
Intangible assets	6.3, 6.4	5,478	2,214
Right of use assets	7.1, 7.2	745	684
Total non-current assets		6,523	3,245
Current assets			
Trade and other receivables	8	1,239	377
Cash and cash equivalents	9	5,928	5,012
Total current assets		7,167	5,389
Total assets		13,690	8,634
Current liabilities			
Trade and other payables	10	(1,639)	(1,558)
Lease liabilities	7.4	(145)	(198)
Other liabilities	10	(567)	(511)
Total current liabilities		(2,351)	(2,267)
Total assets less current liabilities		11,339	6,367
Non-current liabilities			
Lease liabilities	7.4	(663)	(590)
Assets less liabilities		10,676	5,777
Taxpayers' equity			
General fund		10,676	5,777
Total taxpayers' equity		10,676	5,777

The notes on pages 77 to 91 form part of these accounts.

The financial statements on pages 73 to 76 were signed on behalf of the Health Research Authority by:



Dr Matthew Westmore

Chief Executive

Health Research Authority

11 July 2025

Statement of cash flows for the year ended 31 March 2025

	Notes	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Cash flows from operating activities			
Net expenditure for the year		(19,851)	(18,010)
Adjustments for non cash transactions: depreciation and amortisation	4	619	899
Adjustments for non cash transactions: disposal of asset	4	1	141
Adjustments for net finance costs		14	9
(Increase) in trade and other receivables	8	(862)	(52)
(Decrease) in trade payables	10	(7)	(854)
(Decrease in provisions)		0	(185)
Net cash (outflow) from operating activities		(20,086)	(18,052)
Cash flows from investing activities			
Purchase of plant, property and equipment	6.1, 10	10	(198)
Purchase of intangible assets	6.3, 10	(3,548)	(722)
Net cash (outflow) from investing activities		(3,538)	(920)
Cash flow from financing activities			
Net parliamentary funding		24,750	19,600
Lease liability payments		(196)	(203)
Lease interest payments		(14)	0
Net financing		24,540	19,397
Net increase in cash and cash equivalents		916	425
Cash and cash equivalents at the beginning of the year		5,012	4,587
Cash and cash equivalents at the end of the year	9	5,928	5,012

The notes on pages 77 to 91 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2025

	General fund £000	Total reserves £000
Balance as at 1 April 2023	4,187	4,187
Net expenditure to 31 March 2024	(18,010)	(18,010)
Grant in aid for resources to 31 March 2024	19,600	19,600
Balance as at 31 March 2024	5,777	5,777
Net expenditure to 31 March 2025	(19,851)	(19,122)
Grant in aid for resources to 31 March 2025	24,750	24,750
Balance as at 31 March 2025	10,676	11,405

The notes on pages 77 to 91 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 2024-25 financial statements on a going concern basis.

1.2 Accounting conventions

These financial statements are prepared under the historical cost convention, modified by the revaluation of certain assets and liabilities as determined by the relevant accounting standards, and subject to the interpretations and adaptations of those standards in the UK Government Financial Reporting Manual.

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 1 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.

(c) Impairment

All assets, including those not yet in use, are reviewed annually to consider any changes in their economic life or any indications of impairment. If there is an indication of an impairment, the recoverable amount is estimated to determine whether there has been a loss and, if so, its amount. Impairment losses that arise from a clear consumption of economic benefits or of service potential in the asset are charged to the operating expenses.

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:

Asset Type	Years
Tangible information technology	2 to 5
Personal computers	4
Furniture and fittings	3 to 4

During the year we reviewed and updated the useful economic life of the hardware supporting our legacy research systems to align with the updated Programme roadmap to transform the Integrated Research Application System (IRAS).

(a) Assets under construction

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

Personal computers are recognised in assets in use when they are received.

1.7 Intangible Assets

(a) Capitalisation

Intangible assets are capitalised initially at cost.

(b) Valuation

All intangible assets are carried in the Statement of Financial Position at cost net of amortisation and impairment as a proxy for amortised replacement cost

(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 our research legacy systems and the hardware licence fee for those 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.

Asset type	Years
Software licences	2 to 5
Bespoke software licences	3 to 7
Intangible information technology	5 to 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, including those not in use, are reviewed annually for any indications of impairment. If there is an indication of an impairment, the recoverable amount is estimated to determine whether there has been a loss and, if so, its amount. Impairment losses that arise from a clear consumption of economic benefits or of service potential in the asset are charged to the 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 consider the amortised historical cost as an appropriate proxy for amortised replacement cost for our intangible assets. The basis for this judgement reflects the opposing effects of increases in development costs, and technological advances, which would result in a replacement cost that is not materially different to the historic cost.

We have considered the economic life of our legacy IT systems following the revision to the Research Systems programme roadmap to replace these systems and have extended the economic life as a result.

Work to design and build IRAS has continued during the year, using Agile

methodology with a delivery partner. Costs incurred in the programme have included both external costs paid to our delivery partner and internal costs for staff working on the programme.

Due to the contractual arrangements and methodology used, each defined sprint has been assessed against IAS 38 to determine the nature of the work. Costs incurred from our delivery partner in the year, have been apportioned between capital and revenue. Activities have been assessed as capital where they are directly attributable to preparing the asset.

The programme involves both capital and revenue activities. Internal staff costs have been allocated to capital for staff who have worked solely on capital activities within the programme during the financial year. Internal staff costs for staff who have not solely worked on capital activities have been allocated to revenue.

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 2 NHS pension schemes. The schemes are unfunded, defined benefit schemes that cover 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 4.72% applied to new leases and lease modifications commencing in the 2024 calendar year and 4.81% for new leases in the 2025 calendar year. We have not entered into any new leases or had any lease modifications since 1 January 2025.

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 -2023

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 2 of our 5 office agreements do not fall within IFRS16 definition of a lease. The annual expenditure of these 2 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 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

IFRS 17: Insurance Contracts replaces IFRS4: Insurance Contracts and is to be included in the FReM for mandatory implementation from 2025-26. Early adoption is not permitted. We do not expect the adoption of the standard 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 1 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 55 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 2025 £000	Year ended 31 March 2024 £000
Salaries and wages		11,226	10,394
Pension costs		2,465	2,006
Social security costs		1,170	1,103
Redundancies and notice not worked		381	79
Non-executive members' remuneration		84	86
Total staff costs		15,326	13,668
Premises costs		3,458	2,934
Establishment expenses		385	462
Supplies and services		269	258
Provision expenses		-	(76)
External audit fee ⁽¹⁾ (statutory work)		76	56
Transport and moveable plant		-	3
Other		108	109
Loss on disposal of assets		1	141
Total other expenditure		4,297	3,887
Capital: Amortisation	6.3, 6.4	332	558
Depreciation on property, plant and equipment	6.1, 6.2	132	138
Depreciation on Right of Use assets	7.1, 7.2	155	203
Total depreciation and amortisation		619	899
Total Expenditure		20,242	18,454

⁽¹⁾The HRA did not make any payments to external auditors for non-audit work. The audit fee reported at the year ended 31 March 2025 includes an additional fee of £4,000 relating to the 2023-24 audit, which was notified to the HRA during 2024-25.

5. Operating revenue

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Administration		
Income received from Scottish Parliament	199	221
Income received from National Assembly for Wales	123	137
Income received from Northern Ireland Assembly	67	75
Fees and charges to external customers	16	20
Total administration income	405	453

6. Non-current assets

6.1 Tangible assets – property, plant and equipment 2024-25

	Information technology £000	Furniture and fittings £000	Total £000
Gross cost at 1 April 2024	580	47	627
Additions	86	-	86
Disposals ⁽¹⁾	(63)	-	(63)
Gross cost at 31 March 2025	603	47	650
Accumulated depreciation at 1 April 2024	257	23	280
Charged in year	120	12	132
Disposals	(62)	-	(62)
Accumulated depreciation at 31 March 2025	315	35	350
Net book value at 1 April 2024	323	24	347
Net book value at 31 March 2025	288	12	300

⁽¹⁾ Disposals in year consist of faulty models of older laptops that were returned and replaced for newer models, with a small amount of accelerated depreciation (£1k) being charged in year to recognise the decrease in their useful life.

6.2 Tangible assets – property, plant and equipment 2023-24

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

⁽¹⁾ 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.

6.3 Intangible assets 2024-25

	Assets under construction £000	Software licences £000	Information technology £000	Total £000
Gross Cost at 1 April 2024	1,136	642	9,231	11,009
Additions*	3,596	-	-	3,596
Gross Cost at 31 March 2025	4,732	642	9,231	14,605
Accumulated amortisation at 1 April 2024	-	600	8,195	8,795
Charged in year	-	13	319	332
Accumulated amortisation at 31 March 2025	-	613	8,514	9,127
Net book value at 1 April 2024	1,136	42	1,036	2,214
Net book value at 31 March 2025	4,732	29	717	5,478

The asset under construction expenditure relates to the construction of future IRAS. The value of staff costs capitalized within the asset under construction is £308k (2023-24: £191k)

6.4 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	10,162
Additions ⁽¹⁾	1,136	51	(200)	987
Transfers	-	-	-	-
Disposals ⁽²⁾	(140)	-	-	(140)
Gross cost at 31 March 2024	1,136	642	9,231	11,009
Accumulated amortisation at 1 April 2023	-	591	7,646	8,237
Charged in year	-	9	549	558
Disposals*	-	-	-	-
Accumulated amortisation at 31 March 2024	-	600	8,195	8,795
Net book value at 1 April 2023	140	-	1,785	1,925
Net book value at 31 March 2024	1,136	42	1,036	2,214

⁽¹⁾ Information technology negative additions in the year relate to a VAT accrual which was released following professional advice confirming the eligibility for reclaim.

⁽²⁾ 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.

7. Right of use assets

7.1 Right of use assets 2024-25

	Property (land and buildings) £000	Total £000	Of which leases within DHSC Group £000
Gross cost at 1 April 2024	928	928	928
Additions	158	158	158
Lease liability remeasurements	58	58	58
Disposals / derecognition	(73)	(73)	(73)
Gross cost at 31 March 2025	1,071	1,071	1,071
Accumulated depreciation at 1 April 2024	244	244	244
Depreciation charged in year	155	155	155
Disposals / derecognition	(73)	(73)	(73)
Accumulated depreciation at 31 March 2025	326	326	326
Net book value at 1 April 2024	684	684	684
Net book value at 31 March 2025	745	745	745

Our London office lease at Redman Place and our Manchester office lease at Piccadilly Place 4th floor which was an addition in year are recognised as right of use assets under IFRS 16 and included within the note above. Our London office had a rent review in year and the resulting increase has been included within the remeasurements of the lease liability line of the note above. Our Manchester office lease at Piccadilly Place 3rd floor was terminated in year 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 assets 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 12.

7.2 Right of use assets 2023-24

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

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 12.

7.3 Reconciliation of the carrying value of lease liabilities

	2024-25 £000	2023-24 £000
Carrying value at 1 April	788	909
Lease additions	158	73
Lease liability remeasurements	58	-
Interest charge in year	14	9
Lease payments	(210)	(203)
Carrying value at 31 March	808	788

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 in the Statement of Financial Position are disclosed in the reconciliation above.

No income was generated from subleasing right of use assets in 2024-25 (2023-24: £555).

7.4 Maturity analysis of future lease payments at 31 March 2025

	31 March 2025 £000	31 March 2024 £000
Undiscounted future lease payments payable in:		
- not later than 1 year	157	204
- later than 1 year and not later than 5 years	593	390
- later than 5 years	96	218
Total gross future lease payments	846	812
Finance charges allocated to future years	(38)	(24)
Net lease liabilities at 31 March 2025	808	788
Of which:		
- current	145	198
- non-current	663	590

8. Trade and other receivables

	31 March 2025 £000	31 March 2024 £000
Amounts falling due within one year		
Contract receivables (invoiced)	32	76
Expected credit loss allowance	-	(1)
Other receivables	976	108
Prepayments	231	194
Trade and other receivables	1239	377

9. Cash and cash equivalents

	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Opening balance	5,012	4,587
Net change in year	916	425
Closing balance	5,928	5,012
Comprising:		
Government banking service	5,928	5,012
Balance at year end	5,928	5,012

10. Trade payables and other current liabilities

	31 March 2025 £000	31 March 2024 £000
Amounts falling due within one year		
Trade payables	167	155
Accruals	807	882
Capital payables	665	521
Trade and other payables	1,639	1,558
Other taxation and social security	339	296
Other current liabilities	228	215
Total other current liabilities	567	511
Total trade payables and other current liabilities	2,206	2,069

11. Capital commitments

At 31 March 2025, we had £345,705 capital commitments (31 March 2024: £366,437) relating to future IRAS.

12. Other financial commitments

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

	31 March 2025 £000	31 March 2024 £000
Not later than 1 year	1,154	1,373
Later than 1 year and not later than 5 years	886	798
Later than 5 years	-	57
Total	2,040	2,228

13. Losses and special payments

Losses and special payments are reported on page 64 in the parliamentary accountability and audit report section of the annual report.

14. 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 also had transactions with other government departments and other central government bodies. Most of these transactions have been with HMRC for social security costs and the NHS Pension Scheme for our pension costs. No Board members as identified within the Remuneration report, key managers or other related party has undertaken any material transactions with the HRA during the year.

15. 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 2025 to be £237 (31 March 2024 £1,422).

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 2025 £000	31 March 2024 £000
Not past due	832	681
Past due 0-30 days	0	(6)
Past due 31-120 days	0	1
More than 121 days	0	0

16. 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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