

Health Research Authority

Annual report and accounts 2025-2026

For the year 1 April 2025 to 31 March 2026

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 280 staff, who work at home and in our 4 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 health and social care research.

We could not operate without our HRA Community of volunteers and public contributors.

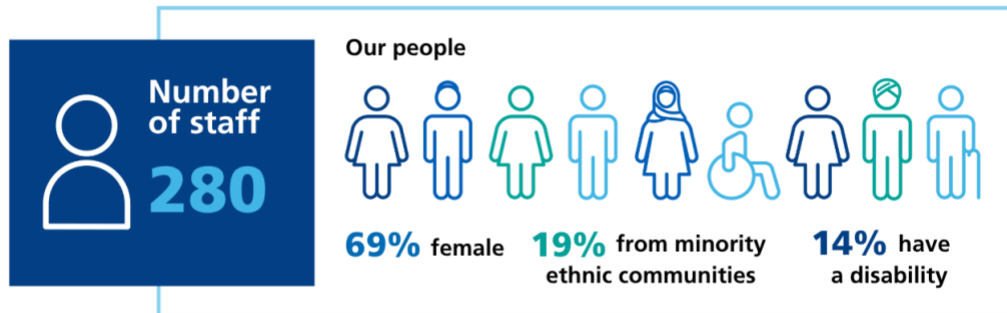
The Community is made up of our Research Ethics Committees (REC) members, Confidentiality Advisory Group (CAG) members, and our public contributors, which includes members of the public who have experience of, or have been impacted by, research.

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



Public contributors worked with us



Research Ethics Committee members



Confidentiality Advisory Group members



Technical assurance reviewers



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

Inclusivity highlights



77% of staff feel that the HRA is an inclusive place to work



We have increased our ethnic minority representation by 2%



74% of staff say they are treated fairly at work

Our strategy: boosting research that improves health and grows the economy



The HRA is part of the health and social care research sector that is focused on improving everyone's health and wellbeing. This is important because research findings can improve everybody's care faster if more health and social care research is taking place that a wider diversity of people are confident and able to take part in. Getting this right will improve the health and wellbeing of everybody in the UK and contribute to economic growth.

Our strategy, launched in 2025, builds on our previous strategy, taking the opportunity to align with government-wide missions to make change happen faster. The UK government has set out 5 missions as part of its plan for change. Our work directly supports the missions for health and growth. At the heart of our work are people. People who could benefit from research findings improving their care, helping them to have a better quality of life and play a more active role in society.

The UK government's health missions set out to address the main underlying drivers of ill-health and tackle persistent inequalities in health to put the NHS on a sustainable footing for the future. Research that has been done with and for everyone so that the whole population can benefit from its findings will be key to doing this well. This is why our work to ensure that research is done in a way that people can trust and includes everyone is important to build a health service fit for the future.

Our strategic objectives

1. The UK is the easiest place in the world to do excellent health and social care research that people can trust, helping grow the contribution of life sciences to our economy
2. Health and social care research is done with and for everyone, meaning that we can all benefit from research findings, helping reduce health inequalities
3. The health and social care research system is streamlined, efficient and encourages and supports success, increasing the impact of investment

We know that we need to be a trusted, effective organisation that makes it simple and fast to do research well. In our strategy, we have set out how you will see us work in this way, with measurable outcomes.

There are 4 areas where you will see the biggest change. These are where we can make impactful change fastest to support government objectives. These are:

- we are part of modern, digital government. We will build our digital foundations as part of the vision for modern, digital government
- we are efficient and take action to increase productivity. We will embed productivity into everything we do, guiding our decision-making
- we give approvals and assurances, working in partnership UK-wide to provide a world-class regulatory system. We are focused on reducing the burden, time and cost to do research with and for everyone
- anyone can understand what we do and why it matters to them and be confident in our decisions. We will build the profile that we need to achieve our objectives well

2. Performance report

Performance overview 2025-26

Chief Executive's introduction: a year of delivery, momentum and system leadership

2025-26 was a defining year for health and social care research in the UK, and for the Health Research Authority's role within it.

It was a year in which strong delivery was matched by growing momentum across the system, and where sustained system leadership translated into clear advantages for UK citizens and UK research.

The year opened with a clear national ambition. The Prime Minister challenged the system to reduce the time to set-up a clinical trial in the UK to 150 days, placing renewed emphasis on pace, predictability and confidence for researchers and sponsors, which in turn translates into more research happening in the UK to benefit UK patients and the UK economy. We've been working with partners as part of the DHSC-led [UK Clinical Research Delivery \(UKCRD\) programme](#) to deliver the changes that are needed to achieve this 150 day target. On 15 April 2026 [the UK](#)

[government announced that we had achieved that target.](#)

At the same time, we continued to deliver consistently against our own statutory responsibilities. For the second consecutive year, we met our monthly target of issuing a final ethics opinion on 100% of all clinical trials of investigational medicinal products (CTIMPs) in England within 60 days of submission. This sustained performance matters: it provides a stable, reliable foundation on which wider system improvements depend.

Building on this momentum, in July 2025, we launched the new [HRA Strategy 2025-28, Boosting research that improves health and grows the economy](#), setting out how the HRA's work supports the national missions on health and growth. While our mission remains unchanged - to make it easier to do research that people can trust – the strategy makes explicit our role as a system enabler and leader, working with others to improve how research is planned, approved and delivered across the UK.

Turning that strategy into delivery was a major focus during the year with momentum across clinical research further strengthened by the government's commitment to “turbocharge” clinical trials, underpinned by significant investment in digital infrastructure.

The Integrated Research Application System (IRAS) is the single system for applying for permissions and approvals for health, social and community care research in the UK. In December 2025, we celebrated a significant milestone with the first live use of the new ‘Plan and Manage Health and Care Research’ service, marking the beginning of the transformation of IRAS. For the first time, a small, invited cohort of users were able to test the service to manage changes to active studies. This represents the start of a wider shift towards a simpler, more joined-up digital experience for researchers, with further progress planned through 2026 and 2027 as we design services for research that is not a clinical trial of an investigational medicinal product (CTIMP) and then CTIMPs. Throughout this programme, involving the users of the system – researchers, committee members and staff – in the development of new services has been fundamental to developing a world leading system that we are all proud of.

As the year drew to a close, we prepared for the most significant reform to UK clinical trials regulation in a generation to come into force. In April 2026, the updated clinical trials regulations became law, making the culmination of a year-long transition, and more than 3 years of sustained, collaborative work between the HRA and the Medicines and Healthcare products Regulatory Agency (MHRA), in partnership with other organisations across the UK.

The new regulations fundamentally reset how clinical trials of medicines are regulated in the UK. They enable faster and more predictable approvals, apply proportionate regulation based on risk and strengthen both transparency and inclusion. Together, these changes are central to delivering the UK government's ambition to reduce clinical trial set-up to 150 days, while reinforcing the UK's position as a trusted and globally competitive environment for clinical research.

Throughout 2025–26, our focus was on supporting researchers and sponsors to prepare for this change. We developed detailed guidance shaped directly by feedback from the research community, recognising that the real value of regulatory reform lies in how confidently and consistently it can be applied. The successful

introduction of the new regulations illustrates the UK system at its best: progress driven by shared purpose, partnership and clear system leadership.

Alongside pace and efficiency, trust remained at the heart of our work.

High-quality research must be transparent, involve the public meaningfully, and include participants from across society. In October 2025, we brought together more than 300 people from across the research community at our research transparency event, focused on improving how results are shared with participants. Over the year, we also strengthened how we collect and analyse final report data, enabling us to provide a clearer picture of transparency compliance and laying the groundwork for a new research transparency strategy to be published in 2026-27. In April 2026, we published our [latest data](#) showing that more studies than ever are registered on a public registry (94%), but that only half of studies completed in 2023 have shared their results with participants. This shows great progress on registration, but we need to harness that momentum to improve the research transparency metrics for publication of results and for feeding back to participants.

This year also saw the publication of the final report of the Infected Blood Inquiry. Its findings were sobering and serve as a powerful reminder of what can go wrong when independent oversight and transparency are absent. The infected blood scandal was a tragedy that must never be repeated. While the research governance environment has changed profoundly since then, not least with the creation of the HRA, we must not be complacent. These historic failings continue to risk undermining trust in clinical research today, making it essential that the HRA and the wider research community continue to earn and maintain public confidence. The Inquiry made 2 recommendations specifically for the HRA. The first asks us to work with the National Institute for Health and Care Research (NIHR) and with research participants to update the 2014 framework on sharing health-related findings with people involved in research, reflecting significant changes in access to health information and public expectations. The second recommends developing a clear, user-friendly explanation of participants' rights and responsibilities, including how concerns can be raised and addressed. We accepted both recommendations unreservedly and will take this work forward in the year ahead.

None of this work would be possible without the commitment of our staff and volunteers.

Our Research Ethics Committees (RECs) provided opinions on 3,607 new research projects this year, which equates to more than 9 a day. We now have nearly 900 REC members, and ably supported by our staff, they have also ensured that more than 6,000 substantial amendments were reviewed this year too – 92% of which were within 35 days, which is a phenomenal achievement. Our Confidentiality Advisory Group (CAG), who provide expert advice on the use of confidential patient information for purposes beyond patient care, reviewed 124 applications, and welcomed a new Chair and Vice Chair this year.

Our staff continually receive high satisfaction scores based on surveys we conduct with our research community, as detailed below, and of this I am immensely proud.

I've been delighted to welcome some new faces to our Board this year, who have helped oversee this new direction. In July 2025, Neelam Patel was appointed as our permanent Chair, and in February 2025 we welcomed 3 new Non-Executive

Directors - Professor Alastair Denniston, Professor Marian Knight MBE and Dr Mark Buswell. We also welcomed Dr Jonathan Fennelly-Barnwell as Interim Director of Approvals, after we said goodbye to Dr Janet Messer, his predecessor, earlier this year. In 2026-27, we will be joined by an additional non-executive director later this year, and will be advertising for a substantive replacement for our Director of Approvals.

Looking ahead, the pace of change, delivery, momentum and system leadership, will continue. We will be convening an important conversation on how we embed the fantastic effort leading to delivery of the PM's 150 day target for long-term sustainability and providing a world class, UK-wide experience for investors, researchers and participants. We will be working on a new operating model for the HRA, and working in partnership with colleagues in all 4 nations of the UK, on a new proposal for how health and social care research is approved and delivered. We will support that through continued delivery of our digital transformation through further releases of Plan and Manage Health and Care Research. The growing use of artificial intelligence in research, alongside rising volumes and complexity of applications, will require continued clarity about how innovation can be enabled safely and ethically. The National Commission into the Regulation of AI in Healthcare, led by the MHRA and co-chaired by our Non-Executive Director Professor Alastair Denniston, will play an important role in shaping that next phase. We ourselves will be publishing our plan for AI in the next few months.

This year demonstrated what can be achieved through delivery, momentum and system leaders working together. I would like to thank everyone who has worked with us and look forward to building on that progress and partnership in the year ahead

What we did



We reviewed
4,111
research
applications

Made up of:

3,607 REC and HRA
Approval applications
380 Pharmacy and Radiation
Assurance applications
124 CAG applications



We approved
3,981
studies to
start

Made up of:

3,557 REC and HRA
Approval applications
301 Pharmacy and Radiation
Assurance applications
123 CAG applications



6,837
amendments
to studies were
reviewed



33
complaints and concerns
about studies were
investigated by the HRA

How we did



84% of research applicants rate our overall service highly



The process was clearly defined, swift and efficient.

The reviewing committee were highly enthusiastic about the research itself, which was lovely to hear.



The conversation around the study was engaging and encouraging. All questions were fair and important topics to discuss, and clarifications were made clear.



Staff were professional, timely and helpful during any interactions I had with them, responding helpfully to queries and directing me as necessary.



The REC meeting was brilliantly run with a professional and friendly Chair, and clear and concise questions that added a lot of value to our final version of study documentation.



Key issues and risks

As with all organisations, there are risks that we face while we make our strategy happen. We actively and effectively manage these to minimise any impact on users of our services, as well as other stakeholders and our people. Page 40 gives more detail about our risk management system.

Our strategic risk register was updated and refreshed this year to reflect our new strategy. This register was developed with involvement from our Executive Committee and Audit and Risk Committee before being approved at the March 2026 Board meeting. We score risks on a scale from 1 to 25, where higher scores mean the risk is more likely to happen and could have a greater impact. The residual risk score shows the level of risk that remains after we have taken steps to reduce it, such as putting controls or actions in place. It reflects the risk we are still managing, rather than the risk before any action was taken.

The Audit and Risk Committee and Board review the strategic risk register every 3 months. The HRA has 6 main strategic risks which are summarised as follows:

Supporting UK growth in life sciences

The HRA may not fully achieve its aim to support growth in life sciences with it facing several strategic and operational risks across its core mission areas. This could be due to inadequate digital infrastructure, resource constraints, policy misalignment, cybersecurity and data governance threats and stakeholder confidence.

The effect of this could lead to slower production of research evidence and in turn, the development and approval of new treatments and technologies, or adoption of new standards. It could lead also to a loss of investment, an erosion of trust, a negative perception of the UK's research environment and therefore a failure to meet government priorities

How we make our strategy happen is a key control to manage this risk with the Board regularly sighted on progress. We have changed how we plan our activities to focus on strategy outcomes and work to review and realign our target operating model has commenced. We are focused on better aligning work to achieve our strategy outcomes and minimise the likelihood of this risk occurring.

The residual risk currently scores 12 on a scale from 1 to 25.

Helping reduce health inequalities

The HRA may not fully achieve its aim to help reduce health inequalities because it faces a range of risks. These include strategic, reputational, and operational risks. This could happen if research policy, funding decisions, or priorities are not inclusive, if research is not designed or carried out in ways that reflect everyone's needs, or if our work is not well aligned with national health priorities. These risks could also arise if there is not enough collaboration, if people perceive bias or unfairness or if there is a lack of openness and transparency.

If this risk occurs, it could make existing health inequalities worse. Some people may have less access to research and opportunities to improve health outcomes could be missed. This could also damage our credibility, lead to perceptions of bias or exclusion, attract criticism from advocacy groups and reduce our influence.

Trust in research is a key part of our strategy. To manage this risk we have undertaken work to better understand who our different stakeholders are, what they know about us and would like from us. This will inform our work over the next two years of the strategy to ensure that the people that need us can find us, understand and trust us, and get the information that they need when they need it.

The residual risk currently scores 6 on a scale of 1 to 25.

Increasing the impact of money invested

The HRA may not fully achieve its aim of increasing the impact of money invested in health and social care research as it faces a range of strategic, reputational, operational, and systemic risks. These include insufficient acceleration of research processes, challenges in our digital transformation, transparency and reporting gaps and public confidence disparities.

If the research system is fragmented and there is no shared, joined-up approach to efficiency and productivity - including how work is prioritised and reported - this could reduce the value gained from public investment. It could also make it harder to deliver research that supports national health priorities. Over time, this could lead to a loss of public trust, less engagement from key stakeholders and could weaken the UK's position as a competitive place to carry out research competitiveness.

We have introduced a strategy information sharing group to manage this risk to enable an aligned understanding of what is happening across the HRA to make our strategy happen. It enables rapid organisational awareness, connects activities, strengthens cross-team collaboration, provides space for clarification and reinforces transparency. We will also embed productivity and efficiency within our business planning and benefits processes and make sure we improve our understanding of the value the HRA and research contributes to better inform investment decisions.

The residual risk currently scores 12 on a scale of 1 to 25.

Digital

Robust and scalable digital systems are essential to helping the HRA do its work well and maintain progress over time. If the HRA does not have the right digital systems in place, particularly systems that support joined-up research applications processes, it may struggle to achieve its strategy. This could happen because of outdated systems, historic underinvestment in digital improvements, skills and capacity gaps, weak change management or risks linked to cybersecurity and data handling.

If this risk occurs, it could lead to slower research approvals, inefficient use of public resources, less transparency and poorer access to reliable data.

To manage this risk, we have made strong progress with our Research Systems programme which is modernising our digital services. In December 2025, we reached an important milestone with the first live use of the new Plan and Manage Health and Care Research service with users able to access a modern service to manage changes to active studies.

Over the year, we also reviewed and updated our existing systems to make them more reliable and secure, while work continues to fully replace older systems.

The residual risk currently scores 12 on a scale of 1 to 25.

Resources

Having the right funding and people in place is essential for the HRA to keep making progress and achieve meaningful results. If the HRA does not have enough financial or staff human resources, it may struggle to deliver its strategic priorities. This could be caused by reduced government funding, rising costs, or increasing national demands that expand the HRA's work. There may be limits on staff capacity, gaps in skills, or weaknesses in planning and prioritisation.

If this risk occurs the HRA may not meet its strategic objectives and research approvals could be delayed. It could also reduce the UK's ability to attract and support research, limit innovation and weaken international competitiveness. High workloads could lead to staff burnout and increased staff turnover, which would further affect the HRA's ability to deliver its objectives.

The design and implementation of our target operating model will help address this risk alongside strategic workforce planning, strategic risk management and strategy delivery improvements to enable more adaptive management and coordination.

The residual risk currently scores 12 on a scale of 1 to 25.

Resilience

If the internal controls systems that keep the HRA resilient are not strong or well-aligned, the HRA may struggle to deliver its strategic priorities. This includes systems that protect against cyberattacks and help the organisation respond effectively if services are disrupted. These risks could arise from outdated or poorly maintained systems, weak access controls or poor data handling practices, staff who are not properly trained or insufficient backup and recovery arrangements.

The effects of this risk could disrupt research approvals and oversight, lead to loss of data integrity and availability, and potentially harm individuals through lost data. It could also result in breaches of UK data protection law, with possible fines or regulatory action and wider legal consequences. Failures in system resilience could also damage the reputation of the HRA and the wider public sector.

To mitigate this risk, the HRA uses a defence in depth approach to cyber security to protect our most important systems and information. Our arrangements are checked every year by the Government Internal Audit Agency, and we have been rated as providing a good level of protection. We also work with other government organisations to share information about cyber threats, monitor our systems on an ongoing basis and ensure our digital services meet government standards for security and protection.

The residual risk currently scores 12 on a scale of 1 to 25.

Performance analysis

Performance management

We plan our work to make our strategy happen. We do this by preparing an annual business plan, which sets out how we will turn our strategy into action. This plan is developed 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 work towards our strategy by focusing on 24 key outcomes highlighted in the strategy and monitoring our progress in making these happen. Importantly, this 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.

This year we strengthened alignment with the 24 strategic outcomes by appointing individual outcome leads, establishing a new information-sharing group to support delivery and working towards adapted governance and reporting arrangements.

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 focus on strategy delivery. 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 achieve 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:

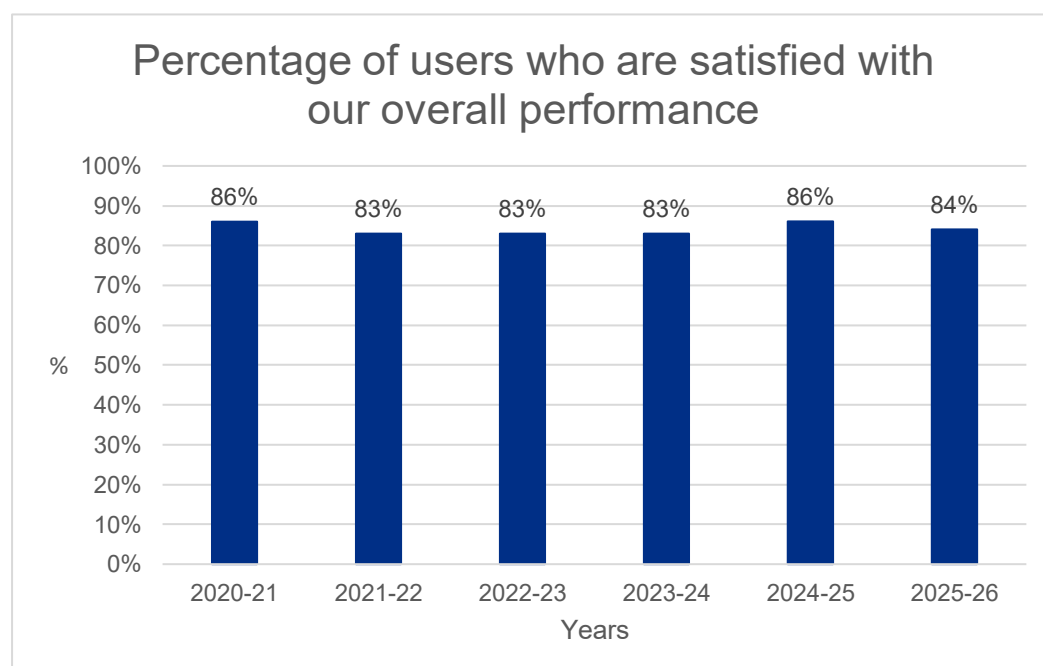
- customer satisfaction
- our services performance
- our people
- financial performance

User satisfaction

We measure how satisfied people are with our services by collecting feedback from those who use them. Overall satisfaction remains high with 84% of users saying they are satisfied or very satisfied with the service they receive. Users also rate their interactions with our staff very positively, with 94% reporting satisfaction or high satisfaction.

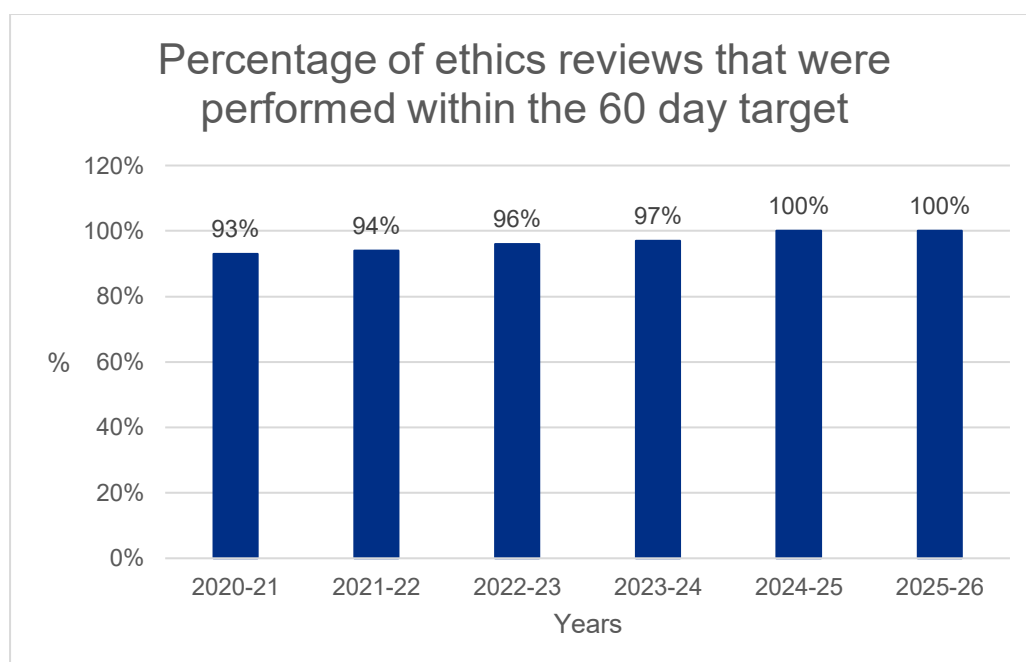
Online guidance is our lowest scoring area with 65% of users satisfied. Our Research Systems programme is modernising our digital services and will improve

online information and guidance. As outdated systems are replaced, we expect user satisfaction in this area to improve.



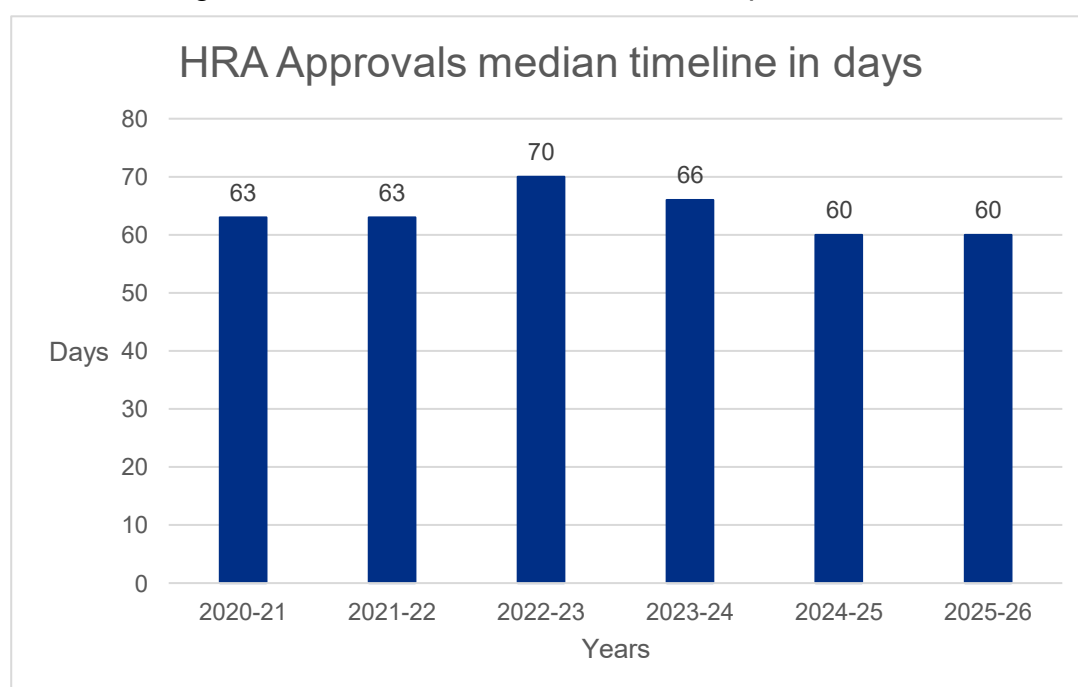
Our services performance

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. We are pleased to report that we have met our statutory performance target throughout the year, maintaining the improvement in this key metric achieved in 2024-25.



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 median time it takes to deliver our HRA approval service, which remained at 60 days in 2025-26. 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, coordinating organisations and researchers responding to queries to deliver a combined outcome to researchers. We work collaboratively with these organisations to make sure timelines are predictable and streamlined.



Our people

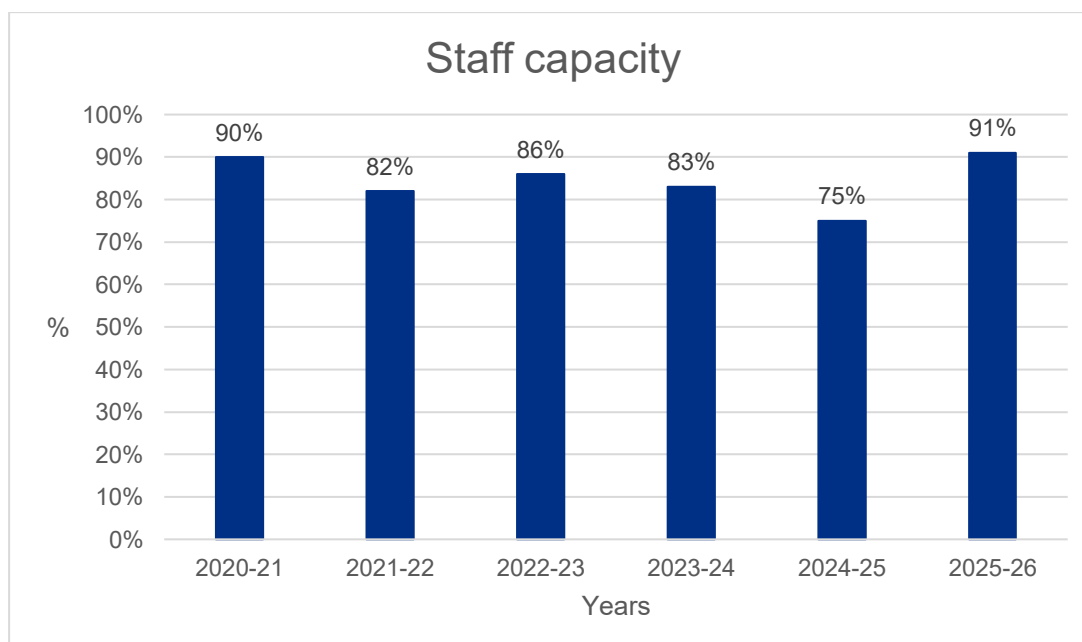
Our staff and HRA Community members show strong commitment to UK health and social care research. They keep our statutory services timely and high-quality and play a vital role in putting our strategy into action. We track their capacity to spot operational pressure points early so that we can put measures 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

Workforce planning is essential to make sure we can consistently provide our statutory services, put our strategy into action and respond to unplanned demands from the sector and UK government. This includes a careful assessment of our staffing, their skills and capabilities to make sure we have sufficient capacity to implement our planned work as well as respond to changes as they arise.

This year our staff numbers were closer to planned levels than in 2024-25 but we did not have enough people to fully meet our needs. Most of the gap was in digital roles needed for our digital transformation. There is strong competition for technical skills, a limited supply of specialists, and we needed to grow our digital capacity quickly for a short period of time. As a result, some roles were hard to fill or took longer than we had planned. This has slowed the pace of our Research Systems programme.

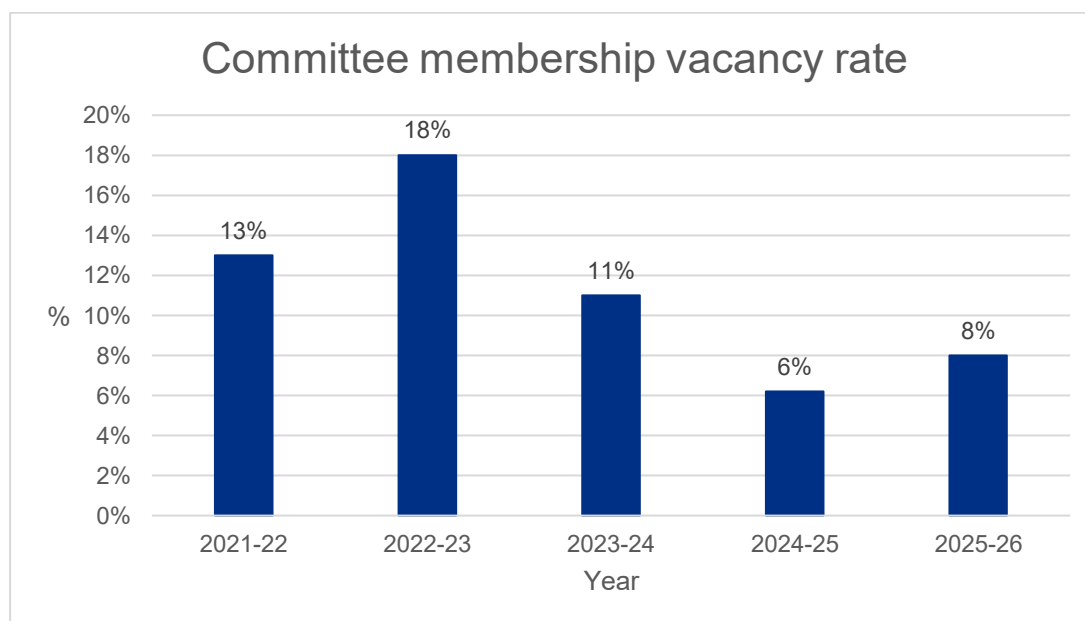


Committee membership vacancy rate

This year we have experienced a small increase in the committee membership

vacancy rate although rates remain good and better than earlier years. We are not overly concerned with this recent change while we move away from old member classifications and allocate new designations to ensure quoracy and alignment with amended clinical trials regulations.

In 2026 we started to design a communications campaign to recruit new REC members with a strong focus on younger people aged 18-29 because currently, only 1% of REC members are under 30.



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 2026.

Government funding

Our total confirmed funding from DHSC for the year was £31.7m (2024-25 £29.0m), of which:

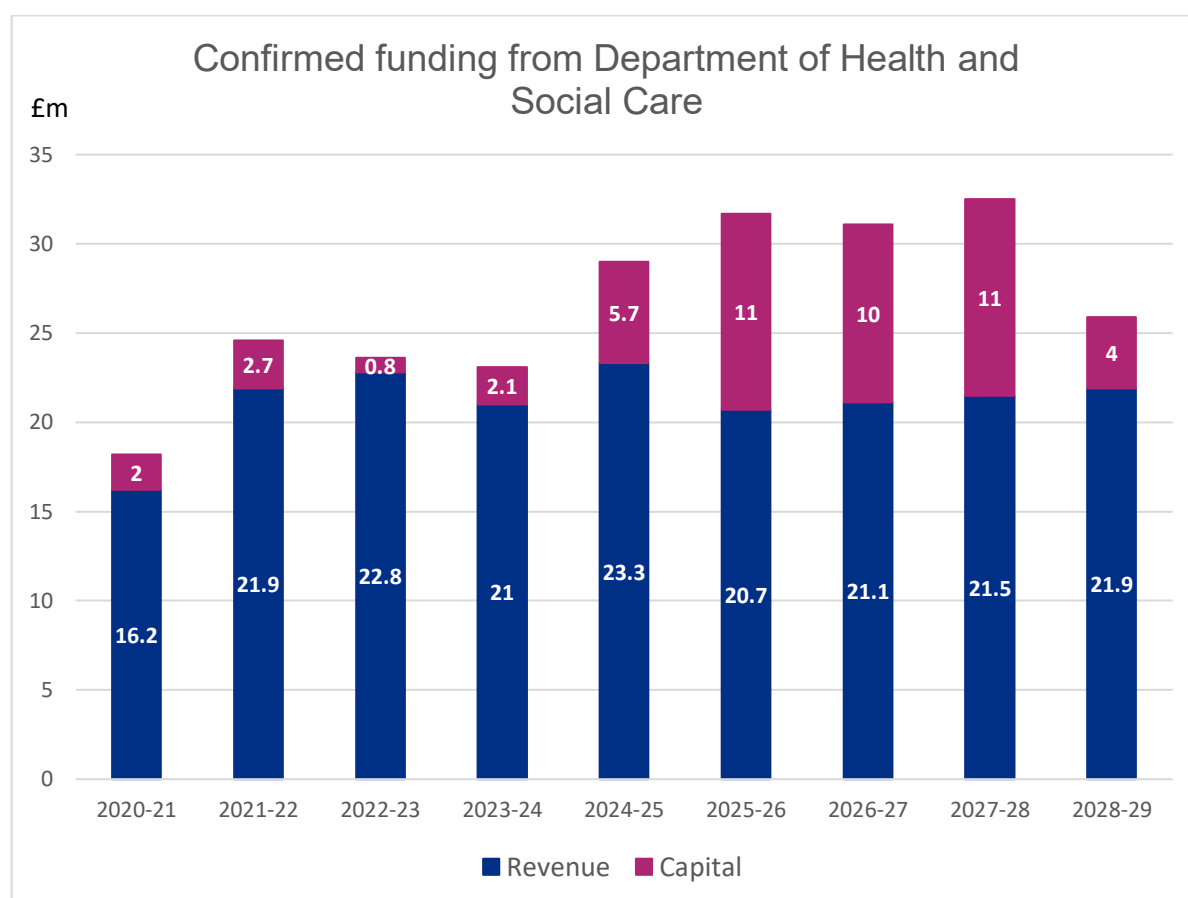
- £20.7m (2024-25: £23.3m) was revenue funding
- £11.0m (2024-25: £5.7m) was capital funding

Funding received from DHSC in year was £24.3m (2024-25 £24.8m) due to changes in our digital transformation profile shifting expenditure into future years.

This year, we have maintained 10% efficiency savings delivered through our 2024-25 Adapt and Change programme. These savings helped manage rising costs that were not covered by funding and created capacity to invest in our digital transformation. In total, we reported £1.6m in ongoing savings in core costs to DHSC. We achieved these savings by reducing our property footprint, stopping

non-statutory services, reshaping teams and making greater use of shared public sector services. The programme finished earlier than planned, allowing savings to be realized 6 months ahead of schedule.

These savings, together with the increased funding confirmed through the recent spending review, will enable us to replace and modernise our research digital services. They will also support our transition to a new target operating model, focused on creating value more quickly for the research sector and improving decision making.



Our digital transformation will help strengthen the UK's position as a global leader in life sciences. It will also support the NHS by making research approvals easier, faster and more cost-effective. The funding for this work has been approved by DHSC Investment Committee and confirmed through the spending review process.

Increased funding between 2021 and 2023 supported the successful launch of our combined review service, developed in partnership with MHRA. Introduced in January 2022, this service allows researchers to apply for both ethics and regulatory approval through a single application. On average, it has reduced approval times by around 50%.

In 2022-23 we paused our digital transformation to review our approach and learn from the introduction of combined review. This pause reduced the funding needed in 2022-23 and 2023-24, particularly for capital investment. As part of the DHSC

Efficiency and Reform Review, we agreed to delay activity to ensure the programme was properly set up for success, which reduced costs in those years. The programme was relaunched in autumn 2023, with funding increasing to support delivery.

Other revenue

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

- £0.65m (2024-25: £0.39m) 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 2026-27 is £21.1m and our capital funding is £10.0m.

How do we spend our funding?

We carefully plan our work to make sure we deliver our strategy effectively. Our business planning process helps us decide how best to use our limited resources so we can achieve the greatest impact. It ensures that we spend public money wisely, based on the funding we have been given. During the year, we may not use all available funding if plans change, are delayed, or if savings are made.

Our total revenue spending for the year was £20.7m (2024–25: £20.2m), this was slightly lower than planned, due mainly to delays in bringing in new staff and skills needed for our Research Systems programme, which reduced staff costs compared to plans. We also spent less than expected on software licences, and a change in how VAT was treated following an independent review reduced costs further. In addition, amortisation costs were lower than planned, reflecting changes in when digital assets are considered fully in use.

Most of our spending (71%) relates to staff costs of £14.7m (2024–25: £15.3m, 76%). Our staff are paid in line with NHS Agenda for Change pay scales and terms and conditions. Our staffing structure is agreed through the annual business planning process. Any changes to this structure must follow our formal financial approval and business case processes.

Making payments

We aim to comply with Better Payments Practice Code by paying suppliers within 30 days of receipt of an invoice and our performance is shown in the tables below.

Non-NHS by number of invoices	2025-26 Number	2024-25 Number
Total non-NHS invoices paid in the period	886	893
Total non-NHS invoices paid within target	878	882
Percentage of non-NHS invoices paid within target	99.1%	98.8%
NHS by number of invoices	2025-26 Number	2024-25 Number
Total NHS invoices in the period	81	94
Total NHS invoices paid within target	81	94
Percentage of NHS invoices paid within target	100.0%	100.0%

Non-NHS by invoice value	2025-26 Value '£000	2024-25 Value '£000
Total non-NHS invoices paid in the period	10,154	8,092
Total non-NHS invoices paid within target	10,150	8,092
Percentage of non-NHS invoices paid within target	100.0%	100.0%
NHS by invoice value	2025-26 Value '£000	2024-25 Value '£000
Total NHS invoices paid in the period	2,088	1,917
Total NHS invoices paid within target	2,088	1,917
Percentage of NHS invoices paid within target	100.0%	100.0%

Strategy performance analysis

This section covers how we are performing against our objectives in our [strategy 2025-28](#).

Achieving our objectives

To achieve our objectives we need to be:



Simple



Fast



Trusted



Effective

Here we have set out how you will see us work in this way, with measurable outcomes that we will achieve over the next 3 years and our progress so far.

Simple: We need to be simple for researchers to find out how to do research with and for everyone and access support to this well

Strategic outcome: make it easier to do research across different settings in the UK, broadening access to research

Measurable outcome:

- 10% increase in the percentage of people who tell us that it is easy to set up studies in the UK including across NHS and non-NHS settings

Performance:

- we set the baseline data for this measure which will be achieved by 2028 using an annual survey, and published the results on our website
- we explored barriers to carrying out research in non-traditional settings and co-produced a report on governance outside the NHS
- we introduced more proportionate ways of managing research, helping studies run more easily across multiple organisations

Strategic outcome: researchers have a positive experience when finding out about what they need to do and earning the approvals that they need

Measurable outcome:

- 75% of applicants rate our overall service highly

Performance:

- we exceeded this benchmark; 84% of applicants provided high ratings for our overall service

Strategic outcome: make research more transparent

Measurable outcome:

- 100% registration of clinical trials and an increase in clinical trials uploading a summary of results on a registry, including across NHS and non-NHS settings

Performance:

- 94% registration of clinical trials (or in the process of registration) achieved, an increase of 2% on the previous year's data.
- research transparency compliance data is available [on our website](#)
- to encourage awareness, we actively contacted sponsors one year after their research approval to check if they had registered their study.
- we also contacted sponsors who had not submitted their final report and by doing so, increased reporting by 8% to 68%.

Strategic outcome: ensure that more research meaningfully involves the public to inform the way it is done

Measurable outcome:

- increase in rates of public involvement in applications for review by a Research Ethics Committee (REC)

Performance:

- we set the baseline data for this measure using data published from 2023 and 2024 on rates of public involvement in applications for review by RECs
- we are analysing the data from 2025 and will publish our findings in 2026

- we lead the shared commitment to public involvement and the group continues to grow and flourish with 38 partners taking part

Strategic outcome: support greater representation in, and access to, research so that people from all backgrounds across the UK can take part in research relevant to them

Measurable outcome:

- increase in the proportion of researchers who use an Inclusion and Diversity Plan and are more confident to include a diverse group of people in their research

Performance:

- we piloted draft guidance to develop an Inclusion and Diversity plan with the MHRA and are now reviewing the results
- these findings will also inform how we will develop measures on the use of plans by researchers and sponsors

Strategic outcome: support researchers to do research in new ways and using new technologies such as AI to improve care in a way that people can trust

Measurable outcome:

- be clear how we support researchers to use new technologies and data to plan and do research, and to research the use of new approaches and technologies in care, in line with the Artificial Intelligence (AI) Opportunities Plan

Performance:

- measurement for this strategic outcome has not yet been established given the emerging nature of research involving new technologies
- we developed a set of commitments aimed at enabling researchers to undertake studies involving AI and other emerging technologies within a trusted regulatory framework
- these commitments form the foundation for future work, which will be reported to the Department of Science, Innovation and Technology to support innovation in research methods and technologies while ensuring studies involving AI continue to meet ethical and governance standards.

Fast: We need to be fast to plan, approve, set up, manage and complete research in the UK

Strategic outcome: provide approvals in time to support the set-up of clinical trials in 150 days

Measurable outcome:

- provide 100% approvals of clinical trials within a maximum of 60 days, with a median timeline below 40 days

- ensure that you get a decision on support for the use of confidential patient information without consent in England and Wales from the Confidentiality Advisory Group within 60 days or where a precedent has been supported, within 30 days
- ensure that all research applications will receive a HRA and HCRW Approval decision in less than 60 days

Performance:

- we provided approvals for 100% clinical trials within 60 days, with a median of 30 days
- we completed 99% CAG decisions for full review within 60 days and 86% of precedent set reviews within 30 days
- we confirmed an HRA and HCRW approval decision within 60 days for 59% of all research applications received. HRA and HCRW approval can only be issued once all regulatory approvals are in place and applicants have responded to requests for information

Strategic outcome: make setting up research more efficient, with simple steps and no duplication

Measurable outcome:

- reduce the burden, time and cost to do research by standardising processes and reducing duplication in the set-up of research studies, with a 20% increase in the percentage of people who tell us that the process of study set up is efficient

Performance:

- we set baseline data for this measure which will be achieved by 2028 using an annual survey, and published the results on our website.
- we worked with a wide group of partners from across the sector to understand where duplication exists and how efficiencies can be made
- we are now translating this learning into initiatives, such as our mandated agreements, to bring improvements over the strategy

Strategic outcome: make it faster and easier to use our new digital services to plan, approve, set up, manage and complete research in the UK

Measurable outcome:

- we will reduce the burden on users by improving end-to-end flow and replacing manual processes including delivering 3 core platform services by 2027

Performance:

- we introduced the first users to our new digital service, plan and manage health and care research; they are now using it to submit and approve modifications to eligible study types

- we continue to design, build and release new functionality

Trusted: We need to be trusted by everyone who needs us

Strategic outcome: ensure that our digital services are secure

Measurable outcome:

- we will maintain and increase the security of our digital services, keeping them available and resilient to cyber-attacks and meeting government assurance standards

Performance:

- we successfully met the expected standards in the Data Security and Protection Toolkit, an online self-assessment tool that allows organisations to measure their performance against the National Data Guardian's 10 data security standards
- we participated in cross-government threat intelligence and security networks, implemented continuous monitoring and made sure our digital services meet government security and data handling standards

Strategic outcome: ensure that people can understand, value and trust us and the way that we work

Measurable outcome:

- better understand who needs us, what they need from us and why they need it to inform how we work, so that sentiment analysis will show an increase in awareness and trust in the HRA across all stakeholders that need us
- meaningfully involve people in the HRA's work with at least 80% telling us that they feel that they had shaped and informed the work they had been involved in
- make sure that an increasing diversity of perspectives inform our work by setting objectives for where we want to increase representation in our work and working to achieve this

Performance:

- we received feedback from 40 people and 90% told us that they felt they had shaped and informed the work they had been involved in
- we defined personas for HRA stakeholders and conducted a sentiment analysis, the findings of which will be used to make decisions over how to build a profile that we need to achieve our objectives well, informing activity in 2026-27
- we worked with partners across the UK to improve how we collect and monitor demographic data include REC members, and engagement with under-represented groups to help us take action to improve inclusion

Strategic outcome: ensure that our assurances are understood, valued and trusted, and not unnecessarily repeated to set up research

Measurable outcome:

- 20% reduction in percentage of people who tell us that there is duplication in study set up

Performance

- we held qualitative interviews to better understand the personas that we need to engage with to ensure that our assurances are understood, valued and trusted
- this foundational work will inform targeted campaign activity in 2026-27 focused on increasing awareness of our assurances among these personas

Strategic outcome: ensure that people know when and how to raise questions and concerns with us and we are clear how we will act on them

Measurable outcome:

- 100% of complaints completed in 25 days and not more than 5% resulting in a subsequent appeal to the Chief Executive

Performance:

- we fully met this performance measure

Effective: We need to be effective taking action to improve the research system and support our people well

Strategic outcome: develop safe, scalable and secure digital infrastructure

Measurable outcome:

- we will build safe, scalable and secure digital infrastructure and the internal capability to expand, innovate and support future regulatory change

Performance:

- we developed our digital target operating model and planned how it would be implemented
- we implemented the first phase of our new digital service management tool improving user experience and service resilience

Strategic outcome: use Artificial Intelligence (AI) well

Measurable outcome:

- we will use AI and digital technologies well and find ways to use them more to improve the way we work and our services in a way that people can trust

Performance:

- we made Copilot available to all staff supported by training, guidance and policies.
- we explored how Copilot might further streamline workflows and automate basic processes.
- we increased our capability to use AI in our digital service management

Strategic outcome: ensure that our staff have a high level of engagement

Measurable outcome:

- maintain and grow our high level of staff engagement to 80% and maintain our strive measure at 85%

Performance:

- our staff engagement score in 2026 is 77% and improvement of 3% on 2025 (74%)
- we put in place an action plan to respond to our 2025 staff survey, organised around 3 key themes; valuing people, developing people and supporting people well through change
- key actions achieved include the introduction of a staff recognition scheme, our Stepping into Leadership programme, training a group of staff to be mentors and coaches, a new buddy scheme for new joiners and our first secondment policy

Strategic outcome: ensure that our community of volunteers and public contributors have a good experience with us and can see the difference they make

Measurable outcome:

- maintain satisfaction rates at or above 80%

Performance

- we exceeded this measure and achieved over 80% satisfaction from our community members in our 2026 survey
- we plan actions to address feedback from this survey which is repeated every 2 years
- our 2024 action plan is available [on our website](#)

Strategic outcome: play our part in reducing government running costs

Measurable outcome:

- play our part in meeting the commitment for government departments to reduce their administrative budgets by 15% by the end of the decade

Performance

- we made £1.6m annual efficiency savings through our Adapt and Change programme
- we reported on our progress to DHSC every 3 months

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 embeds environmental sustainability in our culture and ways of working and was updated in 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 strategic priorities are to embed environmentally sustainable practices into our daily business, making environmental sustainability the norm, and encouraging and facilitating sustainability in research.

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 works alongside our environmental sustainability strategy to support our HRA-wide 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 2025, we reduced our 5 office locations to 4 ensuring we were in spaces shared with other government bodies such as the Care Quality Commission (CQC) to improve office utilisation and energy efficiency.

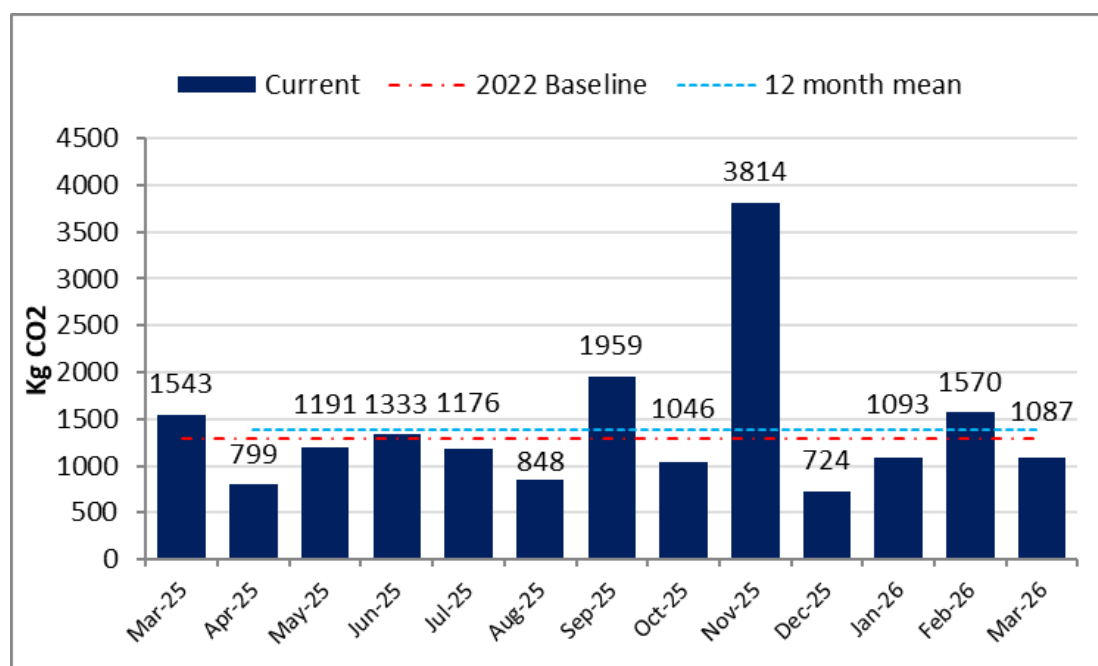
Where we share offices, energy reporting is provided by our public landlord and is included in our Greening Government Commitment reporting.

Several initiatives have continued 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

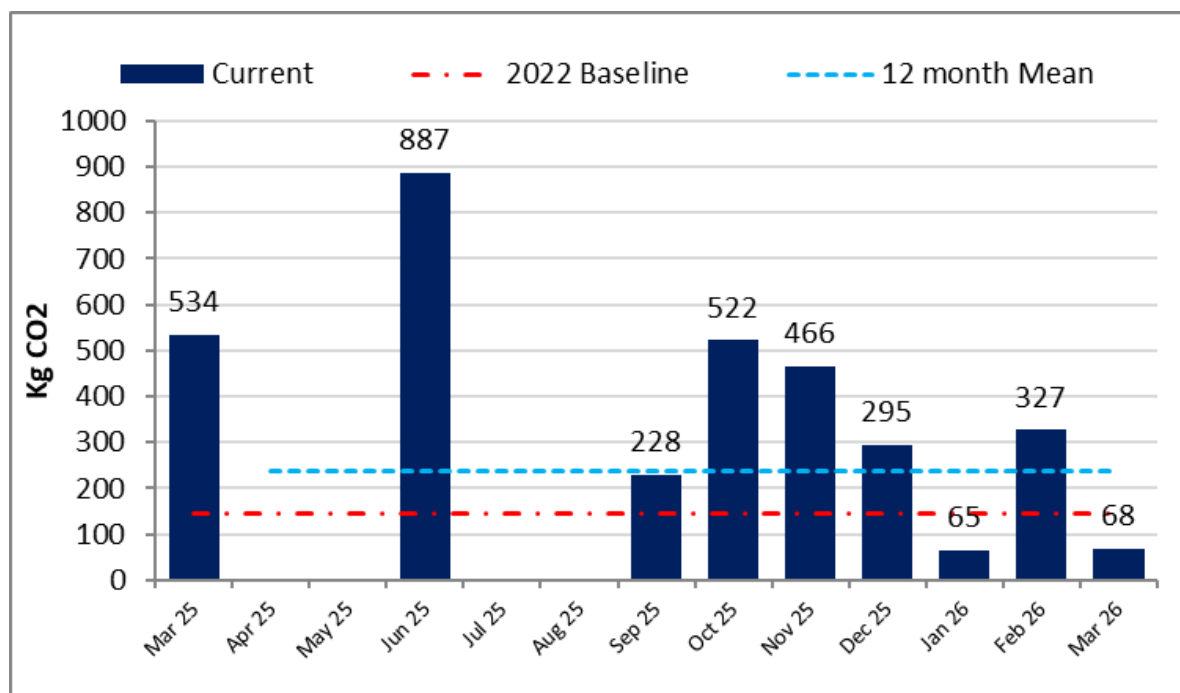


The graph shows monthly carbon dioxide CO₂ emitted from rail travel undertaken by staff from April 2025 to March 2026. Emissions were highest in November 2025, reflecting an in-person meeting attended by over 100 staff, which was important for our operational effectiveness. The 2022 baseline and our 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 above this target. We set this target as a stretch target for 2025, unsure what our future travel requirements would be following the pandemic. We are closely monitoring our staff travel 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 2025 to March 2026 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 no domestic flights during 2025-26.

Dr Matthew Westmore
Chief Executive

Health Research Authority
29 June 2026

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'.

Meet our Board



Neelam Patel
Chair



Alastair Denniston
Non-Executive
Director



Marian Knight
Non-Executive
Director



Mark Buswell
Non-Executive
Director



Matt Westmore
Chief
Executive



Karen Williams
Deputy Chief
Executive



**Jonathan Fennelly-
Barnwell**
Interim Director of
Approvals Service

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.

The membership of the Board has changed in year with Professor Andrew George, non-executive director leaving the Board in August 2025. The HRA currently has 1 non-executive director vacancy with recruitment underway to fill this post.

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

HRA Board membership

Neelam Patel

Chair of Board, Chair of Pay and Remuneration Committee, Non-Executive Director

1 April 2021 – present

Neelam Patel became Chair of the HRA on 7 July 2025 after holding the post on an interim basis from 1 February 2025 to 6 July 2025.

Professor Andrew George

Chair of Audit and Risk Committee, Non-Executive Director

1 January 2019 – 31 August 2025

Professor George left the HRA on 31 August 2025.

Dr Mark Buswell

Chair of Audit and Risk Committee, Non-Executive Director

1 February 2025 – present

Dr Mark Buswell became Chair of the Audit and Risk Committee on 1 September 2025.

Professor Alastair Denniston

Non-Executive Director

1 February 2025 – present

Professor Marian Knight

Chair of Community Committee, Non-Executive Director

1 February 2025 – present

Professor Knight became Chair of Community Committee on 11 March 2025 until 23 February 2026.

Dr 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

Dr Janet Messer

Director of Approvals, Executive Director

15 September 2014 – 16 January 2026

Janet Messer left the HRA on 16 January 2026.

Dr Jonathan Fennelly-Barnwell

Interim Director of Approvals, Executive Director

19 January 2026 - present

Dr Jonathan Fennelly-Barnwell was appointed as Interim Director of Approvals on 19 January 2026.

We are committed to openness and transparency, with our Board meetings held in public and papers and minutes available on our website. The Board monitors performance every quarter by reviewing performance reports. These reports enable the Board to scrutinise performance against agreed metrics, check progress in delivering our business plan and change portfolio, and examine our financial performance and strategic risk register. Our reporting also includes an assessment of progress made in achieving our strategy.

Private meetings are held each quarter, and as and when required, to review any confidential business.

The Board also holds 2 strategic sessions twice a year in private with the purpose of considering the HRA's future strategic direction.

The Board is supported by 3 sub-committees:

1. the Audit and Risk Committee
2. the Pay and Remuneration Committee
3. the Community Committee (formally disestablished as a sub-committee on 23 January 2026)

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 all 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. The Board took the decision in February 2026 to disestablish the Community Committee as a formal sub-committee of the Board. We have put in place 4 steps to effectively involve diverse perspectives in our work and ensure our community of volunteers and public contributors have a good experience with us going forward.

Prior to its disestablishment, the Community Committee comprised of one non-

executive director, 3 members of Research Ethics Committees, one member of the Confidentiality Advisory Group and 5 members of the public.

Executive Committee

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*	Community Committee*
Neelam Patel	Non-Executive Director	4/4		4/4	
Dr Mark Buswell	Non-Executive Director	4/4	5/5	4/4	
Professor Alastair Denniston	Non-Executive Director	3/4	5/5	3/4	
Professor Andrew George	Non-Executive Director	1/1	3/3	2/2	
Professor Marian Knight	Non-Executive Director	4/4		4/4	5/5
Dr Janet Messer	Executive Director	3/3			
Dr Matt Westmore	Executive Director	4/4			
Karen Williams	Executive Director	4/4			
Dr Jonathan Fennelly-Barnwell	Executive Director (interim)	1/1			
Nick Longhurst	Independent member of Audit and Risk Committee		5/5		

Name	Role	Board*	Audit and Risk Committee*	Pay and Remuneration Committee*	Community Committee*
George Ritchie	Independent member of Audit and Risk Committee		5/5		

*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 2025-26

During 2025-26 the Board considered key strategic issues and routine business. The topics considered included:

- approval and launch of the HRA strategy 2025-28
- approval of the 2025-26 business plan
- 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
- Audit and Risk Committee ways of working
- HRA scheme of delegation
- our achievements and key messages for stakeholders

The Board improves its performance and effectiveness through seminars and strategic sessions. During 2025-26 these included:

- plans for developing our strategy
- the subsequent delivery of our strategy
- business planning and priorities
- Board ways of working and effectiveness
- target operating model development
- making decisions in a way that people can trust and how the Board can bring in perspectives from other stakeholders to inform discussions
- our approach to communications and engagement supporting our new strategy
- a joint seminar with a delegation from Singapore to share approval best practices

Summary of the Board effectiveness review

The Board regularly considers its effectiveness internally with a discussion held in July 2025 to consider the Board's ways of working with 3 new non-executive

directors in post.

The HRA commissioned an independent third party to conduct an effectiveness review in March 2026. This involved an audit of Board papers and other relevant documentation, one to one interviews with all directors and observing the March 2026 Board meeting.

The review was largely positive. Board members showed a strong sense of common purpose and commitment to the HRA's mission, and demonstrated a clear understanding of the HRA's work. The Board follows the expected public sector standards, uses concise, easy-to-read papers and has good links with stakeholders and processes in place to enable engagement at different levels.

The review also made several recommendations to support ongoing improvement. These included making better use of Board seminars to focus on key strategic issues, introducing more structured Board development sessions to deepen understanding of the HRA and its role in the wider research system, continuing to improve key documents such as the performance report and strategic risk register and developing new ways to engage the community.

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.

In the opinion of the Accounting Officer, this Annual Report and Accounts is fair, balanced and understandable. The Accounting Officer is not aware of any relevant audit information that has not been shared with the auditors, and has taken all reasonable steps to make sure they have the information they need.

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.

The HRA Risk Management Framework is aligned to the 5 principles set out in the Orange Book. It provides a structured and consistent approach for identifying, assessing, managing, and governing risk across the organisation. It brings together the essential building blocks of strong risk management—including positive risk behaviours and culture, clear roles and responsibilities, effective communication of risk information, an agreed organisational risk appetite, and robust risk capability—to ensure risks are understood, owned, and integrated into decision-making at every level of the HRA.

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

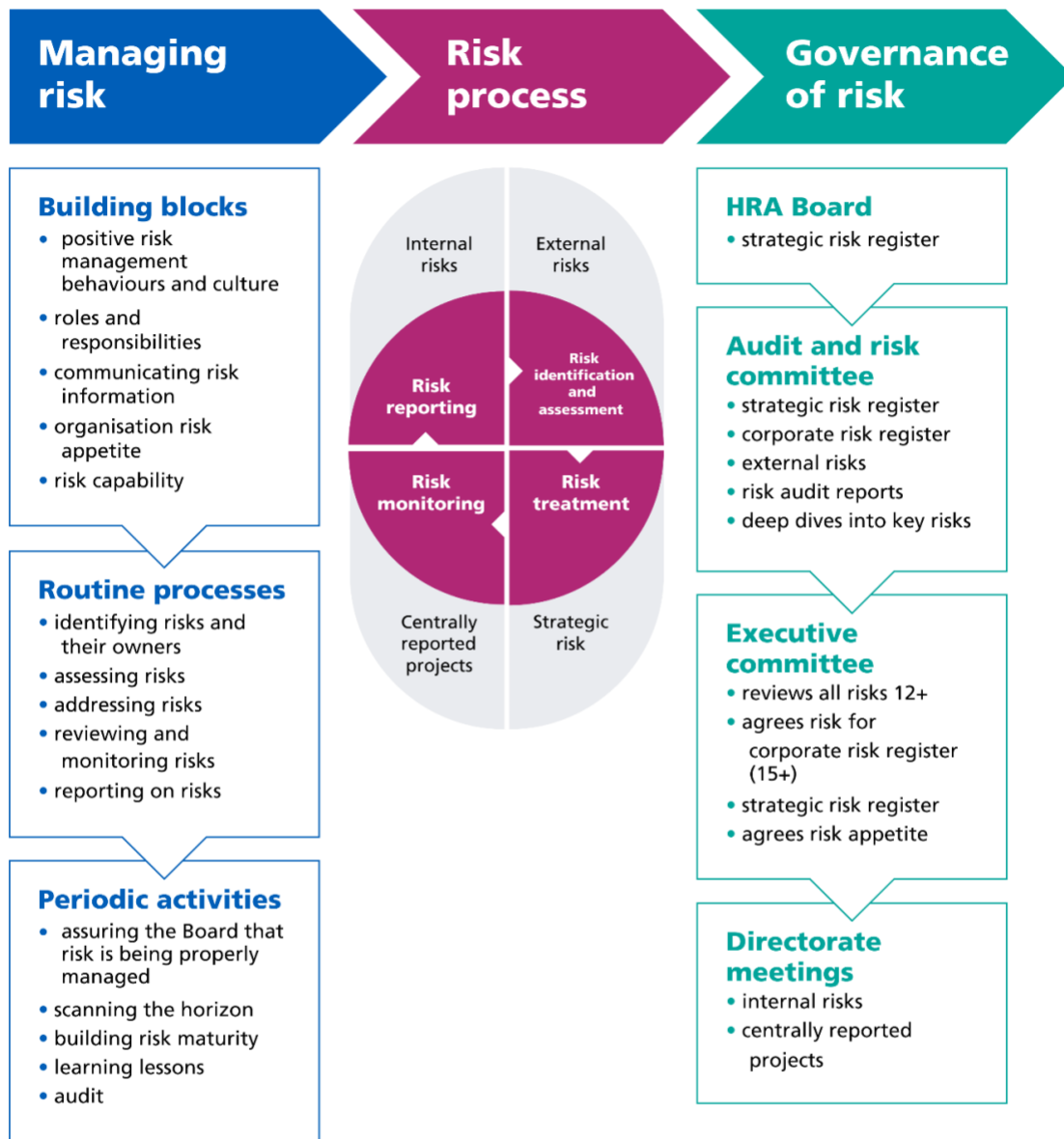
Risks are scored on their likelihood and for the severity of their impact, from 1 (low) to 5 (high), both before and after any actions have been taken to manage the risks. The risk score is calculated by multiplying these scores together, giving a maximum risk score of 25. All risks scoring over 12,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

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

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

- sharing of feedback and good practice throughout the year

Risk management framework



Our risk appetite

Risk appetite provides a framework which enables an organisation to make informed management decisions. By defining both optimal and tolerable positions, an organisation clearly sets out both the target and acceptable position in pursuit of its strategic objectives.

Minimal

The organisation will accept only very limited risk, and only when essential.

Decisions are carefully controlled, with a strong emphasis on tight processes, strong monitoring, and prevention of loss or disclosure. This applies to:

- Information risks
- Security risks

Cautious

The organisation is willing to take small, carefully considered risks where the benefits clearly outweigh the risks. There is a preference for maintaining the status quo, with senior-level decision-making and structured controls guiding activity. This applies to:

- Commercial risks
- Financial risks
- Governance risks
- Legal risks
- Operations risks
- Property risks

Open

The organisation is receptive to innovation and managed risk-taking. It accepts that risk is sometimes necessary to achieve objectives and is comfortable devolving certain decisions. Agile approaches and thoughtful experimentation are encouraged where governance is clear. This applies to:

- People risks
- Project/ Programme risks
- Reputational risks
- Strategy risks
- Technology risks

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. 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.

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

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
- Dr Jonathan Fennelly-Barnwell, Interim Director of Approvals 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. The IGSG also receives assurance that cyber security controls are sufficient to prevent information security threats.

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.

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 also completed the Cyber Assessment Framework aligned Data Security and Protection Toolkit in June 2025 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 2025 to 31 March 2026 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 quarter 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.

5 internal audit reviews were performed this year by the Government Internal Audit Agency. The reviews and their rating are as follows:

- Cyber Assessment Framework - aligned Data Security and Protection Toolkit. Moderate assurance
- Research System Programme Transformation – governance. Moderate assurance

- Conflicts of interest. Moderate assurance
- IT disaster recovery. Moderate assurance
- Key financial controls. Moderate assurance

A Moderate assurance rating indicates some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control.

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 the 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 Global International Internal Audit Standards, on the overall adequacy and effectiveness of the HRA's risk management, control and governance processes.

Head of Internal Audit opinion 2025-26

In accordance with the requirements of the Global Internal Audit Standards in the UK Public Sector, I provide the Accounting Officer (AO) and the Audit and Risk Committee with my annual opinion on the adequacy and effectiveness of the organisation's risk management, control and governance arrangements. My opinion supports the AO's Governance Statement. However, the AO retains personal responsibility for risk management, governance and control processes.

The 2023 revised Orange Book: Management of risks - principles and concepts introduced the Risk Control Framework (RCF) as a basis for AOs to navigate and gain assurance on the design and application of controls to mitigate risks to tolerance. It is also referenced in the Financial Reporting Manual (the FReM) guidance on Governance Statements. To support the AO, my annual opinion report is now presented in accordance with the areas and sub-areas of the RCF based on an analysis of our work.

I am providing an overall Moderate opinion on the framework of governance, risk management and control within the HRA for the financial year ended 31 March 2026 that 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.

In my 2024-25 annual opinion, two key themes were identified which were 'roles and responsibilities'; and 'process development'. The HRA has made good progress at addressing the underlying issues as all but one of 2024-25 recommendations relating to these themes have been implemented. For the key theme from this year's work, we have concluded that there is a need to ensure that there are adequate processes in place (a recurring theme from 2024-25). Overall root cause issues identified across all recommendations primarily fall under the 'roles and accountabilities' and 'standards, policies and procedures' and 'strategy, planning and reporting' RCF pillars.

Although we have not undertaken any specific work this year under the RCF pillar

governance & management framework, having had sight of HRA Board papers and attendance at the Audit and Risk Committee, I am satisfied that at senior level the HRA governance arrangements remain adequate and effective in terms of decision making. From a risk exposure and control weakness perspective it is positive that most of the recommendations made in 2025-26 were low priority with no high rated recommendations made.

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 <https://www.hra.nhs.uk/about-us/governance/publication-scheme/list-and-registers/board-declaration-interest-register/>

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 £75,500 (2024-25: £81,600, this is made up of £72,100 reported in 2024-25 and an additional fee of £9,500 which was notified to the HRA during 2025-26). The audit certificate can be found on page 67.

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.

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. These have been reported and agreed by the Audit and Risk Committee.

In 2025-26 we have successfully embedded functional standards across all but one standard with 10 of the 11 standards achieving over 70% completion of the good/shall criteria. The remaining standard has had a delay in starting due to workload/resources.

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
Neelam Patel ⁽²⁾ Chair	2026	45 to 50	0	45 to 50
	2025	10 to 15	0	10 to 15
Professor Sir Terence Stephenson ⁽³⁾ Chair	2026	0	0	0
	2025	35 to 40	0	35 to 40
Dr Mark Buswell ⁽⁴⁾	2026	10 to 15	0	10 to 15
	2025	0 to 5	0	0 to 5
Richard Cooper ⁽⁵⁾	2026	0	0	0
	2025	10 to 15	300	10 to 15
Professor Alastair Denniston ⁽⁴⁾	2026	5 to 10	0	5 to 10
	2025	0 to 5	0	0 to 5
Professor Andrew George ⁽⁶⁾	2026	5 to 10	0	5 to 10
	2025	5 to 10	0	5 to 10
Professor Marian Knight ⁽⁴⁾	2026	5 to 10	0	5 to 10
	2025	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 2025-26 or 2024-25.

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

(2) Neelam Patel was appointed as Chair from 7 July 2025 on an initial 3-year term after holding the post on an interim basis from 1 February to 6 July 2025. Prior to this Neelam served as a Non-Executive Director. Her full year equivalent salary as Chair to 31 March 2026 and as Interim Chair were between £45,000 and £50,000. Her full year equivalent salary as a Non-Executive Director to 31 March 2025 was between £5,000 and £10,000.

(3) 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.

(4) Dr Mark Buswell, Professor Alastair Denniston and Professor Marian Knight were appointed as Non-Executive Directors from 1 February 2025 on initial 3 year 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) Professor Andrew George was employed as a Non-Executive Director until 31 August 2025. His full year equivalent salary to 31 March 2026 was between £10,000 and £15,000.

Remuneration of Directors

Name	Year ended 31 March	Salary (bands of £5,000) £000	Taxable expense payments ⁽¹⁾ (to nearest £100) £	Performance pay and bonuses ⁽²⁾ (bands of £5,000) £000	Pension related benefits ⁽³⁾ (to nearest £1,000) £000	Total (bands of £5,000) £000
Dr Matthew Westmore	2026	150 to 155	1,600	5 to 10	39	200 to 205
Chief Executive	2025	145 to 150	1,000	0	36	185 to 190
Dr Jonathan Fennelly-Barnwell⁽⁴⁾	2026	20 to 25	0	0	12	30 to 35
Interim Director of Approvals Service	2025	0	0	0	0	0
Dr Janet Messer⁽⁵⁾⁽⁶⁾	2026	85 to 90	0	0	26	115 to 120
Director of Approvals Service	2025	105 to 110	0	0	19	125 to 130
Becky Purvis	2026	100 to 105	0	5 to 10	27	135 to 140
Director of Policy and Partnerships	2025	100 to 105	0	0	26	125 to 130
Julie Waters	2026	105 to 110	0	0	32	135 to 140
Chief Digital Transformation Officer	2025	100 to 105	0	0 to 5	30	135 to 140
Karen Williams	2026	135 to 140	0	0	40	175 to 180
Deputy Chief Executive and Director of Resources	2025	130 to 135	0	0	38	170 to 175

⁽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⁾ During 2025-26 the Pay and Remuneration Committee approved 5% non-consolidated performance related pay awards to Dr Matthew Westmore and Becky Purvis for demonstrating continued excellence over the previous year. During 2024-25 a 5% non-consolidated performance related pay award was made to Julie Waters in recognition of work undertaken on the Research Systems programme.

⁽³⁾ 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 or any increase or decrease due to a transfer of pension rights that will be received by the individual. This value does not represent an amount 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.

(4) Dr Jonathan Fennelly-Barnwell was appointed Interim Director of Approvals Service from 17 January 2026. His full year equivalent salary to 31 March 2026 was between £100,000 and £105,000.

(5) Dr Janet Messer was employed as Director of Approvals Service until 16 January 2026. Her full year equivalent salary to 31 March 2026 was between £110,000 and £115,000.

(6) 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.

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 2026 (bands of £5,000)	Accrued related lump sum at pension age at 31 March 2026 (bands of £5,000)
	£000	£000	£000	£000
Dr Matthew Westmore Chief Executive	2.5 to 5	0	15 to 20	0 to 5
Dr Jonathan Fennelly-Barnwell Interim Director of Approvals Service	0 to 2.5	0 to 2.5	25 to 30	55 to 60
Dr Janet Messer ⁽¹⁾ Director of Approvals Service	0 to 2.5	0 to 2.5	30 to 35	75 to 80
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 to 2.5	20 to 25	5 to 10
Karen Williams Deputy Chief Executive and Director of Resources	2.5 to 5	0	25 to 30	0

Pension Benefits of Directors

Name	Cash equivalent transfer value at 31 March 2025 ⁽¹⁾	Real Increase in cash equivalent transfer value ⁽²⁾	Cash equivalent transfer value at 31 March 2026 ⁽¹⁾	Employer's contribution to stakeholder pension
	£000	£000	£000	£000
Dr Matthew Westmore Chief Executive	184	25	230	0
Dr Jonathan Fennelly Barnwell Interim Director of Approvals Service	523	10	594	0
Dr Janet Messer ⁽³⁾ Director of Approvals Service	746	0	136	0
Becky Purvis Director of Policy and Partnerships	84	13	111	0
Julie Waters Chief Digital Transformation Officer	295	25	338	0
Karen Williams Deputy Chief Executive and Director of Resources	338	33	393	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⁾ 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. Where a member reaches the normal retirement age of a scheme, CETV figures are no longer included from that year onwards.

⁽²⁾ 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).

⁽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.

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 2025-26, the banded annualised total remuneration of the highest paid director was £160,000 to £165,000 (2024-25, £150,000 to £155,000) and the banded salary of the highest paid director was £150,000 to £155,000 (2024-25, £145,000 to £150,000). The relationship to the remuneration of the organisation's workforce is disclosed in the below table:

Pay ratio table

Highest paid director mid-point	2025-26	2024-25
Total remuneration	£162,500	£152,500
Salary	£152,500	£147,500
25th Percentile	2025-26	2024-25
Total remuneration	£37,796	£36,483
Total remuneration ratio	4.3:1	4.2:1
Salary	£37,796	£36,483
Salary ratio	4.0:1	4.0:1
Median (50th Percentile)	2025-26	2024-25
Total remuneration	£46,580	£44,962
Total remuneration ratio	3.5:1	3.4:1
Salary	£46,580	£44,962
Salary ratio	3.3:1	3.3:1
75th Percentile	2025-26	2024-25
Total remuneration	£55,690	£52,809
Total remuneration ratio	2.9:1	2.9:1
Salary	£55,690	£52,809
Salary ratio	2.7:1	2.8:1

All percentile values show an increase on last year. The median total remuneration has increased by 3.6 per cent to £46,580 and the median salary has increased by 3.6 per cent to £46,580. These increases are in line with the 3.6% consolidated pay award for staff employed on agenda for change contracts. The median total remuneration and salary values for both years are 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 per cent to 3.5:1 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 in 2025-26 including a 5 per cent non-consolidated performance related pay award that was not present in 2024-25. For 2025-26 all staff employed on agenda for change contracts have received a pay award of 3.6% and staff employed on executive and senior managers (ESM) contracts have received a pay award of 3.25 per cent. The movements in percentile ratios reflect 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 2025-26 ranged from £25,000 to £30,000 up to £160,000 to £165,000 (2024-25 £20,000 to £25,000 up to £150,000 to £155,000). No substantive employees received remuneration more than the highest paid director during 2025-26 or 2024-25.

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 in respect of	2025-26	2024-25
Highest paid Director	3.4%	3.5%
All employees (excluding highest paid Director)	4.3%	8.9%

Highest paid Director

The percentage increase in the highest paid director's remuneration for 2025-26 is due to the 3.25% consolidated pay award to staff employed on executive and senior managers (ESM) contracts. The increase shown is higher than the full 3.25% 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 2025-26 is mainly due to the 3.25 per cent consolidated pay award for staff employed on executive and senior managers (ESM) contracts and 3.6% 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 2025-26, coupled with incremental pay progression has led to a greater average per cent increase in year than the 3.6% pay award.

Performance pay and bonuses

Percentage change from the previous financial year in respect of:	2025-26	2024-25
Highest paid Director	Undefined ⁽¹⁾	0.0%
All employees (excluding highest paid Director)	(7.0%)	Undefined ⁽¹⁾

⁽¹⁾ Undefined is shown as it is not mathematically possible to calculate a percentage change due to the denominator value in the calculation being zero.

Highest paid Director

Staff employed on executive and senior managers (ESM) contracts can be awarded a non-consolidated performance related pay award at the discretion of the Pay and Remuneration Committee. A non-consolidated performance related pay award of 5% (banded value of £5,000 to £10,000) was made to the highest paid Director in 2025-26 for demonstrating continued excellence over the previous year. No performance related pay award was made to the highest paid Director in 2024-25.

All employees (excluding highest paid Director)

Staff employed on executive and senior managers (ESM) contracts can be awarded a 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 £5,000 to £10,000) was made in 2025-26 for demonstrating continued excellence over the previous year. One non-consolidated performance related pay award of 5% (banded value of £0 to £5,000) was made in 2024-25 in recognition of work undertaken on the Research Systems programme. The average percentage decrease in all employees (excluding highest paid Director) for 2025-26 is due to a higher total number of employees in 2025-26 which has given a lower average performance pay and bonuses figure per employee.

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 tables below shows the total cost of exit packages agreed and accounted for in 2025-26 and 2024-25. 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 these tables. During the year, 4 exit packages with a total cost of £33,036 were agreed and paid (2024-25; 12, £381,233). In addition to the exit packages included in the table below, a duplicate payment of £13,368 was made to an employee during the year in error related to a payment in lieu of notice. After statutory deductions, the net overpayment to the employee was £7,613, which was fully recovered after the end of the financial year. Two additional payments were made during the year, totalling £3,581 in respect of payments in lieu of notice for 2024-25 that had not been uplifted to reflect that year's pay award. The corresponding backdated pay award uplift was subsequently paid in 2025-26.

Exit packages for year ended 31 March 2026

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	3	10,754	3	10,754
£10,001 to £25,000	0	0	1	22,282	1	22,282
£25,001 to £150,000	0	0	0	0	0	0
Totals	0	0	4	33,036	4	33,036

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

Analysis of staff costs (subject to audit)

Staff costs	Year ended 31 March 2026			Year ended 31 March 2025 Restated
	Permanently employed	Other	Total	Total
	£000	£000	£000	£000
Salaries and wages	12,793	259	13,052	11,639
Social security costs	1,661	0	1,661	1,170
Employer contributions to NHSPA	2,720	0	2,720	2,465
Redundancies/notice	33	0	33	381
Staff costs	17,207	259	17,466	15,655
Less recoveries in respect of secondments	(15)	0	(15)	(105)
Less capitalized staff costs	(2,669)	(149)	(2,818)	(308)
Total net staff costs	14,523	110	14,633	15,242

The 2024-25 comparative figures have been restated to present total staff costs within 'Salaries and wages' before the capitalisation of costs associated with staff involved in capital projects.

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 ended 31 March 2026	Year ended 31 March 2026	Year ended 31 March 2026	Year ended 31 March 2025
	Permanently employed number	Other Number	Total number	Total Number
Total	260	2	262	246

The average number of persons employed during the year includes 36 full time equivalents whose costs have been charged to capital projects (2024 - 25: 5)

Staff turnover was 10.4% during 2025-26 (2024-25: 12.1%). (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 2026 (£nil 2024-25). This information has been supplied by NHS Pensions Authority.

Pension costs

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

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”.

An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2026, is based on valuation data as at 31 March 2024, updated to 31 March 2026 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (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 2026 earning £245 per day or greater

	Number
Number of existing engagements as of 31 March 2026	1
Of which number that have existed at the time of reporting:	
for less than 1 year	1
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 2025 and 31 March 2026 earning £245 per day or greater

	Number
Number of temporary off-payroll workers engaged between 1 April 2025 and 31 March 2026	4
Of which number:	
not subject to off-payroll legislation	4
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 2025 and 31 March 2026

	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 2026 the HRA incurred £nil on consultancy (2024-25: £nil).

Sickness absence

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

Quarterly sickness absence publication Average FTE 2025	Adjusted FTE days lost to sickness absence	Average sickness days per FTE	FTE-days available	FTE-days lost to sickness absence
255	1,969	7.7	93,039	3,193

These statistics cover January 2024 – December 2025.

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. For the Annual Report and Accounts the following figures are used:

The number of full time equivalent (FTE) days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365. The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

The average number of sick days per FTE has been estimated by dividing the FTE Days by the FTE days lost and multiplying by 225/365 to give the Cabinet Office measure. This figure is replicated on returns by dividing the adjusted FTE days lost by Average FTE.

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 see this reflected in their day-to-day experience.

In 2025-26, we:

- strengthened our approach to tackling antisemitism by adopting the International Holocaust Remembrance Alliance definition and providing awareness training for senior leaders
- ran a 90-minute training session to help staff recognize unconscious bias and support fair, inclusive recruitment
- listened to staff feedback on workplace adjustments and launched a survey to better understand experiences and identify improvements
- worked closely with staff networks to support their long-term sustainability, including creating shared terms of reference and a forward plan
- built inclusion into how we gather feedback by embedding EDI into Community Group Engagement Survey
- reviewed the REC volunteer agreement to make sure it reflects inclusive and fair practice

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 recognised through the awarding of Disability Confident Leader status, which only 2% 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 2026 Number	31 March 2026 %	31 March 2025 Number	31 March 2025 %
Gender				
Female	193	69%	182	70 %
Male	87	31%	78	30 %
Grand total	280	100%	260	100%
Ethnic Origin (Grouped)				
Asian or British Asian	29	10%	23	9%
Black or Black British / Mixed / Other ethnic group	25	9%	21	8%
Not stated / undefined	12	4%	12	5%
White	214	77%	204	78 %
Grand total	280	100%	260	100 %
Disabled				
No	227	81%	208	80 %
Not declared / undefined	14	5%	16	6%
Yes	39	14%	36	14 %
Grand total	280	100%	260	100 %
Age				
<20-25	2	1%	4	2%
26-35	66	24%	69	26%
36-45	112	40%	99	38%
46-55	68	24%	62	24%
56-75	32	11	26	10%
Grand total	280	100%	100	100 %

	March 2026				31 March 2025			
	Male	%	Female	%	Male	%	Female	%
Directors	2	40%	3	60%	1	20%	4	80%
Other senior managers	30	44%	38	56%	24	42%	33	58%
Employees	55	27%	152	73%	53	27%	145	73%
Total	87	31%	193	69%	78	30%	182	70%

We publish gender pay information showing the difference in average earnings between women and men. The results for 2026 show that the average hourly rate is 5.1% higher for men, with the median being 2.6% higher (2025 average hourly rate 5.6% higher, and median 5.1% 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 two freedom to speak up claims during 2025-26.

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 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.

Staff Engagement

We have a well-established and embedded staff forum (Staff Voices) and a formal partnership with Unison and Managers in Partnership.

Pension Liabilities

Past and present employees of the HRA are covered by the provisions of the NHS Pensions Scheme. Page 58 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 2026 the Health Research Authority incurred 21 losses totaling £7,960 (2024-25: 21 losses totaling £5,677).

No special payments were made during the year.



Dr Matthew Westmore

Chief Executive

Health Research Authority

29 June 2026

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 2026 under the Care Act 2014.

The financial statements comprise the Health Research Authority's

- Statement of Financial Position as at 31 March 2026;
- 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 2026 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 2024*. 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 .
- 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 2nd July 2026

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 2026

	Notes	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Expenditure			
Staff costs	4	14,718	15,326
Amortisation and depreciation	4	576	619
Other expenditure	4	5,383	4,297
		20,677	20,242
Income			
Income from activities	5	(697)	(405)
Net operating expenditure for the year		19,980	19,837
Finance expense		26	14
Net expenditure for the year		20,006	19,851
Comprehensive net expenditure for the year		20,006	19,851

The notes on pages 78 to 92 form part of these accounts.

Statement of financial position as at 31 March 2026

	Notes	As at 31 March 2026 £000	As at 31 March 2025 £000
Non-current assets			
Property, plant and equipment	6.1, 6.2	210	300
Intangible assets	6.3, 6.4	12,170	5,478
Right of use assets	7.1, 7.2	485	745
Total non-current assets		12,865	6,523
Current assets			
Trade and other receivables	8	576	1,239
Cash and cash equivalents	9	4,192	5,928
Total current assets		4,768	7,167
Total assets		17,633	13,690
Current liabilities			
Trade and other payables	10	(1,478)	(1,639)
Lease liabilities	7.4	(151)	(145)
Other liabilities	10	(646)	(567)
Total current liabilities		(2,275)	(2,351)
Total assets less current liabilities		15,358	11,339
Non-current liabilities			
Lease liabilities	7.4	(438)	(663)
Assets less liabilities		14,920	10,676
Taxpayers' equity			
General fund		14,920	10,676
Total taxpayers' equity		14,920	10,676

The notes on pages 78 to 92 form part of these accounts.

The financial statements on pages 74 to 77 were signed on behalf of the Health Research Authority by:



Dr Matthew Westmore
Chief Executive
 Health Research Authority
 29 June 2026

Statement of cash flows for the year ended 31 March 2026

	Notes	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Cash flows from operating activities			
Net expenditure for the year		(20,006)	(19,851)
Adjustments for non cash transactions: depreciation and amortisation	4	576	619
Adjustments for non cash transactions: disposal of asset	4	-	1
Adjustments for net finance costs		26	14
Decrease / (Increase) in trade and other receivables	8	663	(862)
Increase / (Decrease) in trade payables	10	250	(7)
Net cash (outflow) from operating activities		(18,491)	(20,086)
Cash flows from investing activities			
Purchase of plant, property and equipment	6.1, 10	(308)	10
Purchase of intangible assets	6.3, 10	(7,097)	(3,548)
Net cash (outflow) from investing activities		(7,405)	(3,538)
Cash flow from financing activities			
Grant in aid funding		24,250	24,750
Lease liability payments		(64)	(196)
Lease interest payments		(26)	(14)
Net financing		24,160	24,540
Net increase in cash and cash equivalents		(1,736)	916
Cash and cash equivalents at the beginning of the year		5,928	5,012
Cash and cash equivalents at the end of the year	9	4,192	5,928

The notes on pages 78 to 92 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2026

	General fund £000	Total reserves £000
Balance as at 1 April 2024	5,777	5,777
Net expenditure to 31 March 2025	(19,851)	(19,851)
Grant in aid for resources to 31 March 2025	24,750	24,750
Balance as at 31 March 2025	10,676	10,676
Net expenditure to 31 March 2026	(20,006)	(20,006)
Grant in aid for resources to 31 March 2026	24,250	24,250
Balance as at 31 March 2026	14,920	14,920

The notes on pages 78 to 92 form part of these accounts.

Notes to the accounts

1. Accounting policies

These financial statements have been prepared in line with directions given 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.

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 2025-26 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 Revenue

Operating revenue is revenue 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 administrations 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). Revenue 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 revenue 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 revenue in accordance with IAS 20, Accounting for Government Grants. Where these funds are paid directly to an accredited training provider, non-cash

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

1.4 Taxation

The HRA 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) Recognition

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

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

(b) Valuation

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

(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.

(d) 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

(e) 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.

1.6 Intangible Assets

(a) Recognition

Intangible assets are non-monetary assets without physical substance. They are recognised only when it is probable that future economic benefits will flow to, or operational capacity will be provided to us; where the cost of the asset can be measured reliably; and where the cost is

at least £5,000.

(b) Valuation

All intangible assets are initially recognised at cost from the date when the criteria for recognition are initially met. Following initial recognition intangible assets are carried at cost net of amortisation and impairment.

(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 subject to an annual impairment review. 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.

1.7 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.

Work to design and build our new digital service, Plan and Manage Health and Care Research 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. The programme involves both capital and revenue activities.

Delivery partner costs have been apportioned between capital and revenue by determining the nature of the work using IAS 38 for each work cycle. Activities have been assessed as capital where they are directly attributable to preparing the asset.

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 worked solely on revenue activities have been allocated to revenue. Internal staff costs for staff who work across both capital activities and revenue activities have been apportioned across both capital and revenue. The methodology applied is based on work activity data captured in a key system managing the programme delivery. The work activity data for staff involved in the programme is converted into workdays for each staff member individually and allocated between capital and revenue based on whether the work directly contributes towards bringing the asset into use. The allocation is completed every three months, for each staff member.

1.8 Cash and cash equivalents

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

1.9 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 schemes are accounted for as though they were defined contribution schemes: the cost to our organisation of participating in a 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. The schemes are subject to a full actuarial valuation every four years and an accounting valuation every year.

1.10 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 4.81% applied to new leases and lease modifications commencing in the 2025 calendar year and 5.32% for new leases in the 2026 calendar year.

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

Our right of use assets consist of property leases for office space. We use the cost model for subsequent measurement of our right of use assets. We consider this an appropriate proxy for the current value due to either the duration of the leases or the terms of the leases having periodic market based rent reviews included. 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.

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.

1.11 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.

1.11.1 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.

1.11.2 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.

1.11.3 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.

1.12 Insurance Contracts

IFRS17 Insurance Contracts has replaced IFRS4 Insurance Contracts and is effective for periods beginning on or after 1 April 2025. An insurance contract is a contract under which the issuer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In applying the Standard we have not identified any contracts that meet the definition of an Insurance Contract.

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.

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.

IFRS19 Subsidiaries without Public Accountability Disclosures

The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK-endorses and not yet adopted by the FReM. Early adoption is not permitted. This will not 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 57 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 2026 £000	Year ended 31 March 2025 (reclassified) £000
Salaries and wages		10,219	11,226
Pension costs		2,720	2,465
Social security costs		1,661	1,170
Redundancies and notice not worked		33	381
Non-executive members' remuneration		85	84
Total staff costs		14,718	15,326
Premises costs ⁽¹⁾		946	806
Digital services		3,394	2,652
Establishment expenses		563	385
Supplies and services		285	269
External audit fee ⁽²⁾ (statutory work)		85	76
Other		110	108
Loss on disposal of assets		-	1
Total other expenditure		5,383	4,297
Capital: Amortisation	6.3, 6.4	331	332
Depreciation on property, plant and equipment	6.1,6.2	140	132
Depreciation on Right of Use assets	7.1,7.2	105	155
Total depreciation and amortisation		576	619
Total Expenditure		20,677	20,242

⁽¹⁾Premises costs have been restated in 2024-25 to separately disclose IT infrastructure costs relating to digital services, which were previously included within the premises expenditure.

⁽²⁾The HRA did not make any payments to external auditors for non-audit work. The audit fee reported at the year ended 31 March 2026 includes an additional fee of £9,500 relating to the 2024-25 audit, which was notified to the HRA during 2025-26. (2024-25: £4,000)

5 Operating revenue

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Administration		
Income received from Scottish Parliament	333	199
Income received from National Assembly for Wales	203	123
Income received from Northern Ireland Assembly	113	67
Fees and charges to external customers	47	16
Profit on disposal of right of use assets	1	-
Total administration income	697	405

6 Non-current assets

6.1 Tangible assets – property, plant and equipment 2025-26

	Information technology £000	Furniture and fittings £000	Total £000
Gross cost at 1 April 2025	603	47	650
Additions	50	-	50
Disposals ⁽¹⁾	(128)	-	(128)
Gross cost at 31 March 2026	525	47	572
Accumulated depreciation at 1 April 2025	315	35	350
Charged in year	128	12	140
Disposals	(128)	-	(128)
Accumulated depreciation at 31 March 2026	315	47	362
Net book value at 1 April 2025	288	12	300
Net book value at 31 March 2026	210	-	210

⁽¹⁾ Disposals in the year include servers which had been fully depreciated and were no longer in use. Faulty models of older laptops were also disposed during the year and replaced with newer models. These laptops were fully depreciated.

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 with newer models, with a small amount of accelerated depreciation (£1k) being charged in year to recognise the decrease in their useful life.

6.2 Intangible assets 2025-26

	Assets under construction £000	Software licences £000	Information technology £000	Total £000
Gross Cost at 1 April 2025	4,732	642	9,231	14,605
Additions	7,023	-	-	7,023
Gross Cost at 31 March 2026	11,755	642	9,231	21,628
Accumulated amortisation at 1 April 2025	-	613	8,514	9,127
Charged in year	-	13	318	331
Accumulated amortisation at 31 March 2026	-	626	8,832	9,458
Net book value at 1 April 2025	4,732	29	717	5,478
Net book value at 31 March 2026	11,755	16	399	12,170

The asset under construction expenditure relates to the construction of our new digital service, Plan and Manage Health and Care Research. The value of staff costs capitalised within the asset under construction additions is £2,818k (2024-25: £308k)

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 the Plan and Manage Health and Care Research digital system. The value of staff costs capitalised within the asset under construction additions is £308k (2023-24: £191k).

7 Right of use assets

7.1 Right of use assets 2025-26

	Property (land and buildings) £000	Total £000	Of which leases within DHSC Group £000
Gross cost at 1 April 2025	1,071	1,071	1,071
Additions	12	12	12
Lease liability remeasurements	(57)	(57)	(57)
Disposals / derecognition	(110)	(110)	(110)
Gross cost at 31 March 2026	916	916	916
Accumulated depreciation at 1 April 2025	326	326	326
Depreciation charged in year	105	105	105
Accumulated depreciation at 31 March 2026	431	431	431
Net book value at 1 April 2025	745	745	745
Net book value at 31 March 2026	485	485	485

Our London office lease at Redman Place and our Manchester office lease at Piccadilly Place are recognised as right of use assets under IFRS 16 and included within the note above. We reduced the space we occupy within our London office this year resulting in a decrease in our lease liability. This is disclosed within the lease liability remeasurements line and disposals/derecognition line of the note above. The additions line relates to our Manchester office at Piccadilly Place.

Our Newcastle office agreement at Newcastle Blood Centre is treated as a service agreement 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 this arrangement is included within the statement of comprehensive net expenditure and future commitments related to this service agreements has been included in Note 12. During the year we vacated our Nottingham office at Equinox House and moved to Seaton House where we can use a small number of desks from another Non Departmental Public Body (NDPB) as and when required. For Seaton House there is no identified right of use asset and nil consideration and therefore no disclosure required.

7.2 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 the 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 asst 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

	2025-26 £000	2024-25 £000
Carrying value at 1 April	808	788
Lease additions	12	158
Lease liability remeasurements	(57)	58
Interest charge in year	26	14
Early terminations	(110)	-
Lease payments	(90)	(210)
Carrying value at 31 March	589	808

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

No income was generated from subleasing right of use assets in 2025-26 (2024-25: £nil).

7.4 Maturity analysis of future lease payments at 31 March 2026

	31 March 2026 £000	31 March 2025 £000
Undiscounted future lease payments payable in:		
- not later than 1 year	175	157
- later than 1 year and not later than 5 years	480	593
- later than 5 years	-	96
Total gross future lease payments	655	846
Finance charges allocated to future years	(66)	(38)
Net lease liabilities at 31 March	589	808
Of which:		
- current	151	145
- non-current	438	663

8 Trade and other receivables

	31 March 2026 £000	31 March 2025 £000
Amounts falling due within one year		
Contract receivables (invoiced)	13	32
Contract receivables (not invoiced)	2	-
Expected credit loss allowance	(13)	-
Other receivables	278	976
Prepayments	296	231
Trade and other receivables	576	1,239

9 Cash and cash equivalents

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Opening balance	5,928	5,012
Net change in year	(1,736)	916
Closing balance	4,192	5,928
Comprising:		
Government banking service	4,192	5,928
Balance at year end	4,192	5,928

10 Trade payables and other current liabilities

	31 March 2026 £000	31 March 2025 £000
Amounts falling due within one year		
Trade payables	296	167
Accruals	849	807
Capital payables	333	665
Trade and other payables	1,478	1,639
Other taxation and social security	388	339
Other current liabilities	258	228
Total other current liabilities	646	567
Total trade payables and other current liabilities	2,124	2,206

11 Capital commitments

At 31 March 2026, we had £493,223 capital commitments (31 March 2025: £345,705) relating to the Plan and Manage Health and Care Research digital system.

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 2026 £000	31 March 2025 £000
Not later than 1 year	1,881	1,154
Later than 1 year and not later than 5 years	809	886
Later than 5 years	-	-
Total	2,690	2,040

13 Commitments under leases

Operating lease income

On 1 July 2025 we entered into an arrangement with the Care Quality Commission (CQC) to share our Newcastle office space.

Income under operating leases comprise:	31 March	31 March
	2026	2025
Buildings	£000	£000
Not later than 1 year	27	-
Later than 1 year and not later than 5 years	81	-
Total	108	-

14 Losses and special payments

Losses and special payments are reported on page 65 in the parliamentary accountability and audit report section of the annual report.

15 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.

16 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 2026 to be £12,661 (31 March 2025: £237).

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 2026 £000	31 March 2025 £000
Not past due	623	832
Past due 0-30 days	6	0
Past due 31-120 days	0	0
More than 121 days	0	0

17 Contingent Liabilities

On 14 November 2025 the HRA were notified of a judicial review application being made against them regarding a clinical trial that was approved in the financial year. The HRA has engaged external legal advisors to support in this matter. The hearing for this case is expected to take place during 2026-27 financial year. The likelihood of any liability arising from this case and its timing remains very much uncertain.

18 Events after the reporting period

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

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