NHS
Health Research Authority

Health Research Authority
Annual Report and Accounts

For the Year to 31 March 2014

NHS

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1.0 The Health Research Authority: Making a Difference

The Health Research Authority (HRA) is a Special Health Authority established on 1 December 2011. Its purpose is to protect and promote the interests of patients and the public in health research. We do this by supporting and promoting a robust and efficient regulatory and governance framework in the UK.

Our vision and ambition is to develop a Health Research Authority:

- Driven by our key purpose of protecting and promoting the interests of patients and the public in health research;
- Underpinned by our leadership in creating a streamlined and efficient framework for the approval and management of research; and
- With success acknowledged by key stakeholders, as well as seen through improved approval times, increased numbers of research participants, and greater confidence in health research.

We will work with all the relevant partners to help create an environment where:

- Greater numbers of patients and the public can and do take part in health research, and continue to feel safe when they do;
- Applying to do research is simpler, and getting a decision is quicker and more predictable;
- Researchers find it easier to do high-quality, ethical research;
- Commissioners and providers in the NHS appreciate how health research benefits patients and staff;
- Industry sees the UK as a great place to do health research;
- More money from charities and other research funders goes into carrying out research, and less into getting through unnecessary hoops before it starts; and
- Clinical trials get registered and research results get published.

2.0 Strategic Report

2.1 Our Strategic Objectives

i. Strategic Direction

Our overall strategic goal is to make the UK a global leader for health research.

We will work with a wide range of partners to help create an environment where more money invested in research goes into carrying out relevant, good quality research that is registered and published. To achieve this we will deliver the following strategic aims:

- Leading improvements that make it easier to conduct good quality research in the UK;
- Improving efficiency and effectiveness of systems, and of advice and guidance;
- Building and consolidating productive relationships with public and professional stakeholders;
- Having a skilled, dedicated and motivated workforce and HRA volunteer ethics committee members; and

- Ensuring the HRA is managed and governed effectively, and provides value for money to the tax payer.

We will help increase public participation in research by continuing to ensure it is explained well, conducted safely, and to appropriate ethical standards including registration and publication of trial results.

We have committed to a range of actions to improve transparency in health research. We require that clinical trials are registered as a condition of a favourable ethical opinion and we publish the summary and ethical opinion of health research approved by the HRA in England. The HRA recognises that transparency of research is essential so that participants and patients are protected from unnecessary research and patients benefit from improved outcomes and care informed by high quality research.

We will aim to make the approval and management of health research even simpler and more efficient to help attract global research to the UK. This, in turn, will help speed up the adoption of proven new treatments.

We will reduce bureaucracy within the framework for the approval and management of research in the UK to ensure a greater proportion of research funds are used for direct research purposes to inform improvements to patient treatments and care.

ii. Implementing the Strategy

Streamlining Research

We have a set out an ambitious programme of work to improve the framework and processes for the approval and management of health research in the NHS. Many of the projects involve collaboration with partners, and some are led by them. We work closely with other bodies, including the NIHR (National Institute for Health Research) and MHRA (Medicines and Healthcare Products Regulatory Agency), to provide proportionate and effective processes for approving research and with colleagues in the Devolved Administrations to provide a UK wide system for research. We also promote proportionate standards within a consistent national system of research governance. Regular updates on progress are available on our website and newsletter.

Transparency

Our plans to promote transparency in research will provide important reassurances to the public, and are part of our duty to support good quality, ethical research. These include the registration of clinical trials as a formal condition of Research Ethics Committee (REC) approval (from September 2013), working with partners to understand what is meant by publication, and developing standards for publication to ensure findings are available for participants, patients and the public, researchers, clinicians and commissioners of health care.

We publish a summary and the ethical opinion of every health research project conducted in England that requires HRA ethical approval.

Given the support for our transparency agenda, we expect that the vast majority of researchers, sponsors and funders will embrace the plans. In implementing our plans we have been mindful of our ambition to make it easier to do good quality research in the UK and have set out sensible and proportionate measures to increase transparency and increase confidence in UK-based research.

Protecting the interests of the Public

The HRA has responsibility for the 69 NHS Research Ethics Committees (RECs) in England, and works with colleagues in the Devolved Administrations to provide a UK wide service working to HRA Standard Operating Procedures (SoPs). RECs meet regularly to consider UK wide applications for new research projects each year. The HRA is also responsible for the Gene Therapy Advisory Committee (GTAC), which reviews gene and stem cell therapy clinical trial applications from an ethical perspective.

The HRA, through its independent Confidentiality Advisory Group (CAG), provides advice about appropriate use of confidential patient information without consent in the NHS for research, and for other purposes, such as commissioning. The HRA is responsible for approving access in research and for advising the Secretary of State for purposes outside of research.

As well as protecting the public interest through our system of RECs and the CAG, the HRA now oversees TOPS (The Over-Volunteering Prevention System), to prevent healthy volunteers from taking part too often in trials of new medicines.

Working with Devolved Administrations

Whilst the HRA's remit covers England, we work closely with the devolved administrations in Scotland, Wales and Northern Ireland to provide a UK wide ethics service and support UK-wide compatibility for the governance and management of research.

The HRA provides the Integrated Research Application System (IRAS) on behalf of partners, including the devolved administrations.

2.2 History

There have been some significant milestones leading to the establishment of the HRA. Some of the key points in this history are:

- The formal establishment of research ethics committees in the National Health Service in England in 1991, following the publication of Department of Health guidance HSG(91)5 (known as 'The Red Book');
- The establishment of multi-centre research ethics committees (MRECs) in 1997, following the publication of Department of Health guidance HSG (97)23;
- The establishment of the Central Office for Research Ethics Committees (COREC) in 2000;
- The publication of Governance Arrangements for NHS Research Ethics Committees (GAfREC) in July 2001;
- The provision of a single UK-wide ethical opinion, following the implementation of version 1.0 of the Standard Operating Procedures for RECs in the United Kingdom on 1 March 2004;
- The implementation of the EU Clinical Trials Directive 2001/20/EC on 1 May 2004 'Building on Improvement' plan to deliver the ideas on REC operation and the interfaces with other research approvals processes set out by the advisory group chaired by Lord Warner;
- The establishment of NRES on 1 April 2007, which incorporated COREC and NHS RECs (in England);
- An independent review of medical research regulation and governance by the Academy of Medical Sciences, which reported in January 2011, recommended rationalising research regulation into a new arm's length body;
- The legislation to establish the HRA as a Special Health Authority and provide a new pathway for the regulation and governance of health research was laid before

Parliament on 27 September 2011 and the HRA was formally established on December 2011; and

- On 31 March 2013 all functions that advised on the use of confidential patient information without consent, according to regulations made under section 251 of the NHS Act 2006, transferred from the National Information Governance Board (NIGB) to the HRA. To undertake the work, the HRA established the Confidentiality Advisory Group (CAG), replacing the Ethics and Confidentiality Committee (ECC).

2.3 Statutory Basis, Governance and Functions

i. Statutory Basis

The HRA, as a Special Health Authority, is an Arm's Length Body (ALB) of the Department of Health (DH), which operates within a framework agreement with DH and is governed by a Statutory Instrument. The HRA lays its Annual Report and Accounts before Parliament, and robust public and Parliamentary accountability arrangements are in place between the DH and the HRA to ensure good communication and effective collaborative working between the two organisations. Monthly sponsorship and accountability meetings are held which provide a mechanism for the DH to assure itself of the HRA's delivery of its objectives.

The HRA's key statutory functions are:

- Facilitating and promoting research; and
- It is the Appointing Authority for research ethics committees (RECs) in England, indemnifies their members and provides the National Research Ethics Service.

In discharging these functions it will act economically, efficiently and effectively.

The HRA also has a number of other functions:

- By agreement with the Devolved Administrations, supports a UK-wide system for ethical review in the UK;
- Has an on-going programme of work to shape effective national roles for the HRA within its remit to provide a unified approval process and to promote consistent, proportionate standards for compliance and inspection (also see HRA Assessment and Approval above);
- Works in partnership to coordinate activity with other organisations including the Devolved Administrations, Medicines and Healthcare products Regulatory Agency (MHRA), Human Tissue Authority (HTA), Human Fertilisation and Embryology Authority (HFEA), National Information Governance Board (NIGB), National Institute for Health Research (NIHR) and Administration of Radioactive Substances Advisory Committee (ARSAC);
- Provides advice and support through an advice service, published guidance, information and training programmes;
- Provides the Integrated Research Application System (IRAS), through which applications for regulatory and governance approvals of health research are made in the UK, and have agreed plans to provide a platform for the unified approval process from IRAS; and
- Through the Confidentiality Advisory Group (CAG), advises on the use of confidential patient information without consent, according to regulations made under section 251 of the NHS Act 2006.

ii. Governance

The HRA is governed by a Board that functions as a corporate decision-making body. The Board is composed of four non-executive directors (including the Chair) and two executive directors (including the Chief Executive). Four further non-voting directors attend the Board:

Chair	Professor Jonathan Montgomery
Non-Executive Directors	Sally Cheshire, Dr Allison Jeynes-Ellis, Julie Stone
Chief Executive	Dr Janet Wisely *(Executive)*
Executive Director of Communications, Engagement & Partnerships	Dr Shaun Griffin *(Executive)*
Director of Finance	Debbie Corrigan *(non-voting)*
Director of Operations	Joan Kirkbride *(non-voting)*
Director of Quality, Standards & Information	Tom Smith *(non-voting)*
Director of Business Support	Ian Cook *(non-voting)*

The HRA is committed to openness and transparency with Board meetings held in public and Board papers and minutes available on the HRA website.

The HRA Board has established:

- An Audit and Risk Management Committee, which meets quarterly to scrutinise audit services, risk management policy and activity, the annual governance statement, statutory annual accounts and corporate governance arrangements, providing assurance to the Board that the HRA is meeting its statutory and regulatory requirements; and
- A Remuneration Committee to advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and those on Very Senior Manager Terms and Conditions of Service.

To ensure the organisation operates to the highest standards of information governance, Dr. Hugh Davies, HRA Ethics Advisor, is the Caldicott Guardian and Stephen Robinson (HRA Corporate Secretary) is the board-level Senior Information Risk Owner (SIRO).

The HRA has an engagement strategy that includes a staff partnership forum and established formal feedback routes for the users of our services. The HRA has commissioned specific projects for patient and public involvement that inform the HRA public and patient involvement strategy.

The HRA was responsible for a revenue expenditure budget of £9.7M during 2013-14 and currently has 131 full time equivalent (fte) staff based in London, at the HRA office at Skipton House, and four offices in Bristol, Jarrow, Manchester and Nottingham.

An invaluable contribution to the HRA is made by the 1,000 committee members who voluntarily serve on the 69 national Research Ethics Committees (RECs) and the National Research Ethics Advisors' Panel (NREAP) and the 17 members of the Confidentiality Advisory Group (CAG) and who give their time freely to provide robust and independent ethical review of research proposals and advice to the HRA, research funders, research sponsors and those responsible for managing and conducting research in the UK .

iii. Executive Functions

HRA's Senior Executive team have the day-to-day responsibility of managing the organisation and have specific executive responsibilities to deliver both strategic, operational and tactical objectives and functional, statutory or mandatory requirements. They are accountable, primarily through the Chief Executive, to the Board for delivery.

The HRA's Executive Management Team (EMT) comprises two executive Directors (Chief Executive and Director of Communications, Engagement and Partnerships) and four non-voting Directors namely Director of Operations, Director of Finance, Director of Business Support and Director of Quality, Standards and Information. A copy of the HRA's senior management organisational structure is provided at **Appendix A1** and Senior Management Committee (SMC) structure at **Appendix A2.**

Each member is assigned functional responsibilities as detailed in the tables below and is responsible for developing and delivering objectives within these functional responsibilities. They are then accountable for delivery, cascading objectives to staff as appropriate and holding them to account through normal line management means.

<table>
<tr><th colspan="2">Operations</th><th rowspan="2">Finance</th><th rowspan="2">Communications, Engagement & Partnerships</th></tr>
<tr><th>REC Operations</th><th>Confidentiality Advice</th></tr>
<tr><td colspan="2">Joan Kirkbride; Director of Operations</td><td>Debbie Corrigan; Director of Finance</td><td>Shaun Griffin; Executive Director of Communications, Engagement & Partnerships</td></tr>
<tr><td>REC Support, Improvement, Quality and Standing Operating Procedures.
TOPs management.</td><td>S251 including CAG support, Improvement & Quality and Standing Operating Procedures.</td><td>Financial governance Incl. Standing Financial Instructions and scheme of financial delegations.
Financial management information.
Financial accounts and statutory annual accounts.
Budget setting and monitoring.
Payroll.
Capital planning.
Internal audit.
Estates.
Counter Fraud.</td><td>Strategic planning
Internal and External communications incl. Public Relations.
Branding.
Key external events.
Parliamentary questions.
Website management.
Partnership development.
Advice and Guidance.</td></tr>
<tr><th colspan="2">Business Support</th><th colspan="2">Quality, Standards & Information</th></tr>
<tr><td colspan="2">Ian Cook; Director of Business Support</td><td colspan="2">Tom Smith; Director of Quality, Standards and Information</td></tr>
<tr><td colspan="2">Human Resources (Recruitment, Retention, Terms & Conditions, transactions, advice, Occupational Health).
Contracting & Procurement.
Shared Services.
Public and Patient Involvement.
Training & Development Business Support.
Business Intelligence.
HRA queries line
Technical IT Support.
Travel (incl. booking).</td><td colspan="2">Quality assurance.
Quality audit and improvement.
ISO 9001.
Information Technology (The Open Service IT Platform, Video Conferencing, Infrastructure).
Systems / applications maintenance support.
Strategic IT development.
Integrated Research Applications System (IRAS) and Research Ethics Database (RED) management.
IRAS and RED Re-development.
Transparency.</td></tr>
</table>

In addition to the functional responsibilities that have been allocated to Directors, other key functions have been allocated as follows:

Collaboration & Development	Corporate
Janet Messer; Associate Director Collaboration & Development	Stephen Robinson; Corporate Secretary
Collaboration & Development (C&D) programme management. C&D project management. HRA Assessment and Approval proposals.	Business planning. Organisational development. Board support. Corporate and Information Governance. Risk management. Standing Orders / Scheme of Delegation. Health & Safety, Business Continuity Planning, Equality & Diversity. Freedom of Information / Complaints. REC Projects (e.g. EOP). Non Departmental Public Body transition. Appointing authority RECs, CAG and NREAP.

2.4 Performance

i. Highlights of 2013-14

Collaboration & Development Programme

The collaboration and development programme was fully initiated at the beginning of the financial year, with a number of new fixed-term posts working on a range of projects. The team was all seconded part-time alongside roles in a variety of organisations across the country. This allowed the team to bring knowledge and experience from their own settings and to explore and test proposals with their local communities and organisations. During the course of the year the team achieved significant progress, laying the ground for future developments and providing a comprehensive business case for HRA Assessment and Approval. The work comprised:

- A feasibility study for a new system to simplify the research approvals system was completed. Opportunities for improved integration and interaction by research partners were identified and communicated;
- Systems for simplifying assessments for pharmacy, radiation and contracting for research studies were designed;
- Situations where poor or inconsistent quality concerns create waste or consume excessive resources were identified, and proposals were tested; and
- A multi-agency steering group provided a forum for partners to contribute and share their own initiatives.

The Business Case was submitted to the Department of Health on schedule in October 2013 and subsequently approved. The HRA welcomed the announcement which means that the HRA will be able to reduce duplication and bureaucracy by incorporating assessments by NHS staff alongside the independent Research Ethics Committee opinion, which will result in one application, one assessment and one approval for research in the NHS in England.

These proposals will build on recent improvements in timelines for approvals, will radically simplify the regulation of research and will remove complexity for researchers and industry. The HRA will now streamline this complex process, with the HRA's Approval addressing practical, legal and ethical aspects of the study. This will allow local research teams to work with their NHS trust to set up and deliver the study. The HRA will now be able to recruit a team to develop and implement the plans with key partners, particularly

the NIHR Clinical Research Network. We will also work closely with the devolved administrations to maintain UK compatibility.

Research Ethics Committee Operation

The HRA has 69 RECs and has continued to deliver an excellent service to researchers. Following the closure of the two offices in Cambridge and Leeds in early 2013, the transition of the administrative support for the committees was implemented successfully with no disruption to service. The timelines have continued to improve and the performance within statutory timelines is excellent with good efforts being made to achieve the stretched targets. Those efforts will continue in 2014. The number of applications reviewed by full committee was 3760 in England and proportionate review applications (low risk applications through sub-committee) 1253 across the UK. The total number of applications submitted to the UK service showed the smallest percentage reduction since 2004 when SOPs were introduced in the UK. .

The type of applications which can be processed through the proportionate review service was widened and the service was enhanced with the introduction of a single national booking line which helped researchers to have their applications reviewed more quickly and again compliance with the 14 day review timeline was excellent with many applications being reviewed in less than 10 days. Applications through full committee continue to be reviewed well within the statutory 60 day target and progress has been made on the stretched target of 95% of applications reviewed within 40 days.

The quality control checking system for RECs has been refined and improved. The number of RECs going through the 3-year audit process successfully at first review has increased and where action plans have been developed compliance with submission has been 100%.

Improvements in the review of Phase 1 (Early trials with Healthy Volunteers) applications have been made including: the ability for the REC reviewing the application being able to review local site suitability through Site Specific Assessments which removed the need for a separate application for the site; a submission deadline of 7 days before the REC meeting; the establishment of a Phase 1 advertising (material used to identify healthy volunteers for studies) review system to ensure consistent and appropriate standards in the UK.

All applications reviewed through the new Gene Therapy Advisory Committee have been reviewed within the timeline targets, which represents a considerable reduction on previous timelines.

Confidentiality Advisory Group

CAG is an expert advisory group appointed by the HRA. CAG members are appointed by the HRA to provide expert and independent advice to the HRA on access to confidential patient information for medical research purposes under section 251 of the NHS Act 2006 and the Health Service (Control of Patient Information) Regulations 2002 in line with the Health Research Authority Directions 2013. This includes providing advice in relation to regulations 2, 3 (4) and 5, in line with regulation 7.

The HRA successfully recruited to and has firmly established the CAG as an independent advisory group in April 2013 when the responsibilities transferred to the HRA. A key achievement this year has been the maintenance of consistent provision of advice in a changing information landscape The CAG has provided detailed scrutiny and robust advice against research and non-research applications, and has supported complex applications while maintaining its credibility and independence. All CAG advice and approval decisions continue to be made publicly available on the HRA website and it has strongly supported the moves towards transparency through its advice recommendations.

Well-attended stakeholder events were held at the time of CAG establishment that sought views to inform future development. Active links have been made with key stakeholders and new national bodies to encourage early consideration and collaborative working to help ensure sufficiently robust applications are submitted for consideration.

The advice team supporting the CAG were also effectively transitioned in the HRA with no loss of service throughout this time. The placement of CAG in the HRA has enabled greater integration of processes between the CAG and RECs so that a more streamlined service can be delivered, and SOPs have been developed to standardise the process of integration and application handling. The pre-assessment service has been developed and standardised, and an improvement plan is now in place to deliver anticipated improvements to processing timescales. Applicant feedback is now actively sought to help inform future streamlining of processes and development of priorities for the forthcoming year.

Quality Assurance

Quality Assurance achievements within the HRA include:

- The completion, on schedule, of the second three year cycle of REC accreditation audits and audits of REC Centres was achieved. The third cycle commenced in September 2013;
- The revision of the Quality Control checklist was undertaken to streamline the system, provide greater emphasis on the RECs end product – minutes and letters and to make better use of the available management information data. This is currently being piloted until March 2014 when the results of the pilot will be analysed and further modification to the checklist considered;
- Working together with NRES Operational colleagues to produce a timely analysis of appeals and increased the sampling of the targeted feedback from applicants as from January 2014. Moving forward into 2014/15 looking to revised and tailor the questions put to applicants in order to increase both levels of feedback and its effectiveness to the management teams;
- Retaining ISO9001 certification for the HRA QA department with no findings and starting the scoping work to extend certification to the whole of the HRA;
- Undertaking internal audits for NRES operations on the use of favourable with conditions and targeted audits on compliance with the RED dataset for a selected number of RECs;
- Carrying out a gap analysis on CAG, which joined the HRA in year;
- Working with the HRA Director of Operations and HRA Ethics Guidance & Strategy Manager revised the Shared ethical debate process in addressing feedback from REC Chairs and members on the shortfalls of the process. The pilot, which commenced in September 2013 and being run over 2 exercises, has three key aims: - identifying / building consensus on an issue (and the need for possible guidance to applicants and REC members), identifying issues in REC process (i.e. problems re: minutes, process) and identifying training needs for REC Chairs and members. The pilot is due to complete in May 2014; and
- Training on QC and accreditation has been completed at all five REC Centres.

Transparency

In terms of HRA's Transparency agenda, 2013-14 saw a significant gain of approval and support when from the end of September the registration of clinical trials in a publicly accessible database became a condition of the favorable ethical opinion. For all REC approvals of clinical trials moving forwards, failure to register will therefore be a breach of good research practice. Towards the end of the year, the HRA actively sought feedback on the barriers to registration of clinical trials, so that this might be advanced in the coming year with Trial Registries. In addition, work was undertaken with the medical devices sector to work through moving timelines for all registrations similarly.

The HRA has also been working closely with key stakeholders on related areas of the Transparency-related agenda where they are leading, such as ABPI and the Institute of Medicine Study / Wellcome Trust on responsible sharing of Clinical Trial Data. In addition the HRA is leading the agenda on 'What we mean by Publication?' culminating in a workshop with stakeholders in March, where the interim results of the HRA audit on publication were shared.

Advice and Guidance

The HRA has a programme of work to provide further guidance and support and to improve accessibility in new user-friendly formats, such as online decision tools and developing web-based version of our consent guidance. Information on the website is arranged according to the stage in the research life cycle and includes improved signposting to other sources of information.

EU CT Regulation / Working in Partnership

The text for the European Clinical Trials Regulation, which will replace the current EU Clinical Trials Directive, was agreed by the permanent representatives in each member state in December 2013. The HRA worked closely with the MHRA throughout the negotiations and we are satisfied with the position negotiated. The HRA proposals for Approval and Assessment are compatible with the requirements of the regulations, and early implementation of these proposals will give a competitive advantage to the UK in being ready to implement the new regulations.

The Over Volunteering Protection System (TOPs)

The HRA has assumed responsibility for the above service and mandated its use as part of a favourable ethical opinion. TOPs is a database which records the details of healthy volunteers who wish to participate in Phase 1 trials and is one of a range of measures to ensure their safety by reducing the ability to over-volunteer. The transfer to the HRA has enabled the system to be implemented UK wide and its use is also a requirement for the MHRA accreditation of Phase 1 research sites.

Communications

During 2013-14, the HRA developed and launched a new website, restructured to help users find the information they need more readily, and is now compatible with mobile devices.

We have refined and developed the bi-monthly newsletter, and have built a database of over 1500 subscribers. The HRA has also launched on Twitter.

Media highlights have included an interview with Janet Wisely on BBC Radio 5 Live, articles in the national press and frequent coverage in specialist journals.

Improvements have been made to internal communications, in line with feedback from our staff survey, and we have made HRA News a regular weekly newsletter for staff and are in the process of using the new videoconferencing equipment to deliver frequent, direct, two-way communications with staff.

Corporate

To ensure that the HRA's management structure reflected the developing business and operational needs of the organisation, comprehensive reviews of both the Executive Management Structure and Executive Committees were undertaken resulting in refinements that have improved decision making processes and accountability. In conjunction with this, risk management, objective setting and performance management process continue to evolve and improve. Further, internal audits on Health & Safety, Business Continuity and Information Governance concluded that the HRA is operating to a high standard.

Finance

The HRA completed a successful year of business within the agreed budget envelope set for us. £8.8million was spent from an available revenue budget of £9.7 million and an under spend of £0.9million. Whilst an under spend had been predicted from October onwards the extent of it was larger than expected due to the following main reasons:

a. Significantly lower level of redundancies as a result of the decision to reconfigure the London Research Ethics Committee Centre due to staff securing alternative employment;
b. The HRA submitted a business case for an HRA Assessment and Approval in October 2013 which if approved would increase the WTE of the organisation by a further 80. Planning assumptions were made which earmarked reserves for deployment in the final quarter of the financial year. These were to include resources to support recruitment ready for a prompt start in the new financial year if not before, resources to secure premises with associated furnishing, IT connectivity costs, IT equipment for new starters together with the necessary support costs and any necessary premises alterations. The final decision on the case was not made until late March 2014;
c. Staffing resource provided to support our key programmes of work, for which associated budget was earmarked but for which organisations confirmed late that they would not recharge costs;
d. Late agreement on final charges and a one off reduction in costs for a key contract to supply IT services with the Department for Health;
e. Successful delivery of a project to develop an HRA intranet at a lower level of cost than budget; and
f. Late confirmation by HMRC which meant that earmarked reserves set aside for retrospective costs associated with the changes in the VAT Contracted Out rules for temporary staffing would no longer be required. The changes are now confirmed as coming into effect from 1st April 2014.

The HRA also managed the resources provided for capital projects within the agreed envelope set. £0.7million was spent from an available budget of £1million, primarily on a source code agreement relating to the Integrated Research Application System as well as final investments in video conferencing technology and a new system for managing applications requiring ethical review which is still work in progress. The under spend was due to the successful negotiation of the source code agreement which meant that additional costs associated with a tender to procure a new system were avoided.

ii. Key Performance Indicators

The HRA Board reviews progress against delivery of objectives quarterly with the HRA Executive Management Team (EMT) reviewing progress bi-monthly, and the Senior Management Committees (SMCs) monthly. To support these processes, a performance management framework has been developed to report progress against each objective.

The HRA has a set of operational measures that it monitors closely to determine and demonstrate progress against key objectives. Each director is responsible for managing and measuring performance against objectives and will have detailed metrics to inform the reports scrutinised by the Executive Team and Board. The HRA recognises that these indicators can provide core components of an overall measure of its performance, but that success in many areas is much more than a simple quantitative measure. Success is that the HRA has delivered outputs that have led to tangible improvements that are realised and valued by stakeholders including patients and the public, researchers, others involved in the regulation and management of research in the UK and other key stakeholders and opinion leaders. So we are truly making judgements about our ultimate ambition to make the UK a great place to do health research and to build patient confidence in health research.

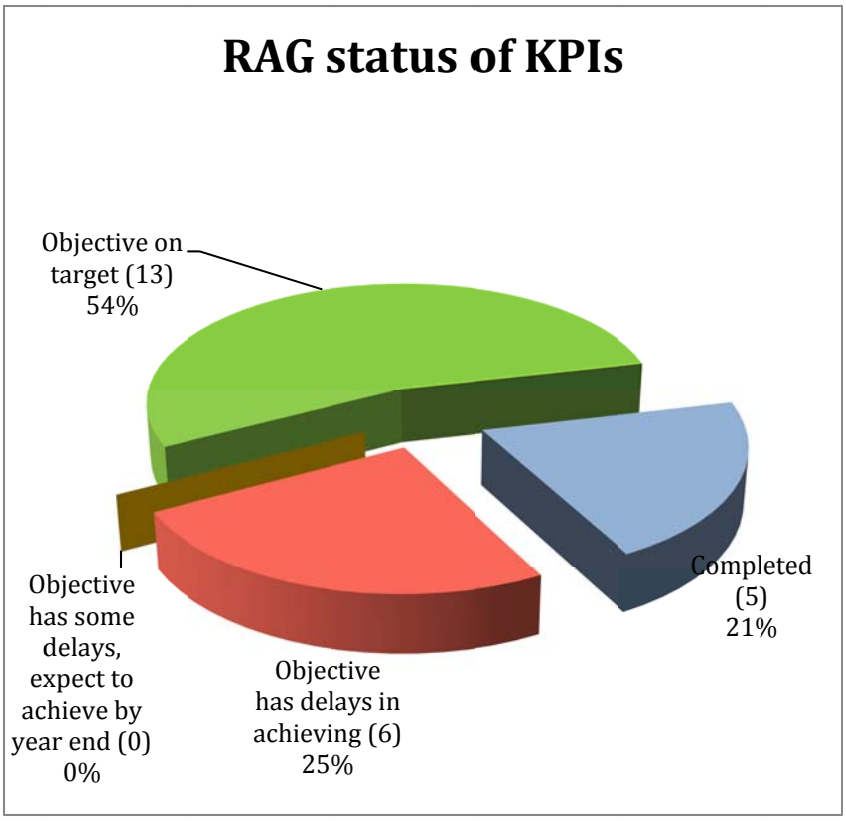
The HRA has set out key performance indicators for each high level business objective, together with the component measures that will be used to make judgements on the successful improvement and delivery of these indicators.

Individual staff objectives that complement and reflect these organisational objectives are developed during the Appraisal process and monitored during regular 1-1s between staff and line managers.

Performance Indicators

The HRA's 2013-14 Summary Dashboard of performance against Key Performance Indicators is set out below:

RAG status of 2013 / 14 Business Plan KPIs



No. of KPIs met	
Objective on target	13
Objective has some delays, expect to achieve by year end	0
Completed	5
Objective has delays in achieving	6

Objective has delays in achieving (light red)	
Whilst at the time of publication the following KPI's are classified as having delays in achieving their objectives, the HRA is very pleased with the excellent progress made against statutory deadlines and the good progress that has been made against what we know are ambitious and stretched targets. We will continue to push ourselves to improve and reduce timelines and satisfied that good progress is now being made towards full compliance.	
• 95% of applications to full research ethics committee meetings to receive final decision within 40 calendar days *(SOP requirement is 60 calendar days; the HRA has set stretched targets of 95% within 40 calendar days for applications going through full committee)*	75% compliance year to date cumulative figure, March 2014 (77% in Quarter 3 report). 2013-14 has seen continuing improvement in the number of applications reviewed within statutory timelines (60 calendar days) 98% of applications reviewed in 60 days (England average)
• 95% of amendments, on approved applications, to receive a decision within 28 calendar days *(SOP requirement is 35 calendar days; the HRA has set a stretched target of 28 days)*	89% compliance year to date cumulative figure, March 2014 (88% in Quarter 3 report) Individual committees have met the stretched target 98% of amendments reviewed in 35 days (England average)
• To consolidate the HRA corporate and visual identity	Visual identity agreed; final development of guidelines/ templates almost complete but not fully adopted for

	use by end March 2014 due to increased interest as a result of the positive interest linked to the HRA Approval Business Case being approved and the associated need to divert communications resources into dealing with the additional queries and interest from stakeholders, partners and the media.
• Publish 50% of research summaries (from the current 15%) of applications receiving review at full committee	Owing to technical difficulties of linking the current RED (research ethics database) feed to the new website, management decision taken to hold publication until the streamlined functionality on new research ethics database (HARP) is available. With the delivery of HARP and purchase of additional modules for the HRA website, it is anticipated that research summaries will be published in Quarter 1 2014-15.
• Demonstrate improved website user satisfaction	User satisfaction survey still to be undertaken. Anticipate results being available before end of June 2014.
• Reduce S251 approval timelines in line with other approvals within HRA	Since January 2014 and the recruitment of a new staff member, there has been a reduction in processing times. The most significant increase involves review of Precedent Set review applications which has reduced by 40%.

Objectives on target (green)	
• Create a common language and understanding within regulation, governance and compliance of quality, risks and standards; seek researcher feedback on how this leads to improved understanding of requirements for regulation and governance	A plan for the work on replacing the Research Governance Framework has been completed. A number of projects are underway, and some already completed, that will inform the principles for the new framework. These projects include seeking input from the research community, patients and the public.
• Monitor REC membership and demonstrate greater diversity in REC member profile so greater alignment with that of the general population	The survey went to the HRA Executive Management Team in February and was approved with no major issues identified. The survey to be published on the HRA website shortly.
• Determine baseline timeline across full integrated approval pathway to final approval	The plans for HRA Assessment and Approval have been approved and funding agreed. Initial explorations of data from NIHR benchmark returns and HRA data show no pattern in relation to timing of applications or duration of process, confirming absence of clear guidance on expectations for all parties. Future plans include whole system measurement as new systems are implemented.

• Set target to reduce the timeline UK-wide	The plans for HRA Assessment and Approval have been approved and funding agreed. The plans include performance metrics that will be based not only on time to navigate the whole approval pathway, but also on predictability and consistency of timing against targets.
• Reduce GTAC timelines in line with other HRA RECs *(Legal requirement is 90 calendar days; the HRA has stretched targets of 100% in 60 calendar days (previous data shows over 100 days))*	GTAC (Gene Therapy Advisory Committee) has transferred to the HRA. Mean review time has reduced from 180 days to 40 days.
• Maintain IRAS as an available system 24 hours a day, 7 days per week (to 99%)	100% compliance.
• Maintain current 4 working days response times to requests for advice (90%) *(Quarterly report)*	For this final quarter, rather than sampling the KPI reflects 100% of the enquiries received; even with an increasing number of enquiries, the average response time was 0.38 days, or less.
• 95% of applications to research ethics proportionate review service to receive decision within 14 calendar days	90% compliance year to date cumulative figure, March 2014 (97% Quarter 3 report). Proportionate sub-committee review for low-risk studies has a target of 14 days.
• 100% of audit action plans from the accreditation of research ethics committees to be completed within agreed timeframes	100% compliance for quarter.
• Responding to complaints within 25 working days *(Half yearly report)*	70% compliance. Out of a total of 17 complaints, 4 were responded to over the 25 day target, though in agreement with the complainant. 1 complaint over 25 days is now in 2014 – 15.
• 100% of all FOI requests (valid and invalid) acknowledged and additional clarification sought within 10 working days *(Half yearly report)*	100% compliance.
• 100% of valid FOI requests to receive final response within 20 working days of receipt (where qualified exemption does not apply) *(Half yearly report)*	100% compliance.
• 100% of valid FOI requests where qualified exemption applies, and a public interest test may be required, to receive a final response within 40 working days *(Half yearly report)*	N/A – none received.

Completed	
• Publish trends on number of individual applications to IRAS and individual IRAS partners, including NRES *Many IRAS partners now publish data on numbers of applications, with explanation.* *HRA routinely publishes management information for NRES and CAG on the website and in this report*	• Publish all REC decisions. *Annual Reports for RECs in England for the period April 2012 - March 2013 formally adopted by the HRA Board on 29 October 2013 and published on HRA website*
• Determine baseline and set target to increase no. of applications through IRAS *Agreement has been achieved that HFEA (H**uman Fertilisation and Embryology Authority**) will be a new partner and NOMS (**National Offender Management Service**) will increase their use of IRAS rather than off-line versions. (Implementation not possible until IRAS4 developed)*	• Develop a fit-for-purpose website. *New website went live first week of October. Ongoing improvements include a consultation area and revised CAG/s251 section*
• Publish advice from the Confidentiality Advisory Group and decisions made by the HRA on access to confidential data under Section 251 of the NHS act	*Detailed CAG advice, HRA and Secretary of State approval decisions published in minutes on the HRA website*

Further details are available in **Appendix A3.**

2.5 Employees

i. Analysis

2013-14 (as at 31/03/14)	Male	Female	Ethnicity	Disability	Age Range
On payroll	32 24%	99 76%	15% of those declared (Non-White British)	>1% declared	20 - 29 = 33 (25%) 30 - 39 = 36 (27%) 40 - 49 = 31 (24%) 50 - 59 = 25 (19%) 60+ = 6 (5%)

NB: percentages are of all staff

	Male	Female	Total
Directors	3 (43%)	4 (57%)	7
Other Senior Managers	8 (40%)	12 (60%)	20
Employees	21 (20%)	83 (80%)	104

ii. Equal Opportunities

The HRA is committed to ensuring that all its practices are carried out in a fair, reasonable and consistent manner and will promote human rights and equality and diversity and will not discriminate against any staff, potential staff, members, partners, service users or anyone that deals with the HRA in any way.

The HRA's Equality Policy is at the heart of enabling it to deliver its core values. Through implementation of the policy, the HRA will ensure that commitment to fairness and equality is evident at every level throughout the organisation and that everyone is treated fairly, reasonably and consistently regardless of background or personal characteristics.

The HRA will promote equality and integrate an anti-discriminatory approach into all areas of its work. It will ensure that barriers to accessing services and employment are identified and removed, and that no person is treated less favourably on the grounds of their race, ethnicity, religion or belief, age, gender, marital status, trans status, disability, sexual orientation, mental health status, caring responsibilities or socio-economic background.

The HRA recognises the importance of this policy in both the employment relationship and service provision, and will reflect these commitments in all HRA policies.

Anyone that deals with the HRA will receive equitable treatment whether they are staff, members, receiving a service, providing a service, tendering for a contract or any other relationship and the HRA will uphold the Human Rights of all service users, staff and anyone else with a relationship to it. These include practices that reflect the principles of the right to a fair trial, respect for private and family life and freedom of thought, conscience and religion.

2.6 Sustainability Report

Whilst the HRA is looking to apply for exemption from formal reporting on a number Greening Government Commitments as it has less than 250 FTE, it has already demonstrated its commitment to the sustainability agenda. Since its establishment in December 2011 it has reduced the number of its regional offices from seven to five,

introduced video conferencing in its remaining offices to reduce the need to travel and developed policies that ensure HRA staff consider the necessity of travel before doing so.

During 2014-15 it will also be moving towards an increasingly paperless approach of its main operational function of reviewing Health Research Applications (c 6000 p.a.). The aim is go from receipt of application to final review without the necessity to print documents, the pilot phase has commenced and this will inform a future more comprehensive roll-out.

The HRA realises it has a real responsibility for ensuring sustainability remains a fundamental principle of how it does it business and that it is committed to capture the data* it is able to during 2014-15, to determine a baseline from which it can effectively measure progress.

** Data related to energy, waste and water is very difficult to access as we are tenants in shared accommodation in each of our offices*

2.7 Key Developments for 2014-15

i. HRA Assessment and Approval

Earl Howe, the Parliamentary Under Secretary of State for Quality, announced the funding for the HRA's 2014-15 Business Plan, including our proposal for a single assessment and approval for the NHS. These proposals will build on recent improvements in timelines for approvals, will radically simplify the regulation of research and will remove complexity for researchers and industry, making it easier for research studies to be set up.

We will be able to reduce duplication and bureaucracy by incorporating assessments by NHS staff of the practical and legal aspects of studies alongside the independent Research Ethics Committee opinion, which will result in one application, one assessment and one approval for research in the NHS in England. We will work closely with the devolved administrations in order to ensure UK compatibility.

This will allow decisions at local sites about participation to be made on local capacity and capability alone, and allow resource to be focused on getting studies set up and identifying participants.

The new system means that the answers to research questions about how to improve patient care or about new treatments will be answered quicker. Patients will benefit from research funding being dedicated to delivery of research rather than being wasted in navigating complex systems. By removing duplication of reviews of research by NHS support teams, the NHS will be freed up to focus on delivering research.

ii. Non Departmental Public Body (NDPB)

Preparatory work is continuing on establishing the HRA as a Non Departmental Public Body (NDPB), with the Department of Health consulting on legislation within the Care Bill to establish the HRA as an NDPB in either late 2014 or early 2015, the exact timing dependent upon when parliamentary time allows.

NDPBs are more or less self-determining and enjoy greater independence. They are not directly part of government, being at a remove from both ministers and any elected assembly or parliament. Typically an NDPB would be established under statute and be accountable to Parliament rather than to Her Majesty's Government. This arrangement allows more financial independence since the government is obliged to provide funding to meet statutory obligations. The change in status will enable it to take on more functions

and in particular take direct responsibility for the Research Governance Framework (RGF) from the Department of Health.

There will also be a consultation on the future of the Human Fertilisation and Embryology Authority to determine if its research-related functions should pass to the HRA. It is the intention to publish clauses on the HRA for pre-legislative scrutiny in the second session.

iii. Establishing Principles for Good Research

When we become a NDPB, we will take on responsibility from the Department of Health for issuing guidance for research in England, in place of the Research Governance Framework (RGF).

The RGF was last updated in 2005 and the HRA and Devolved Administrations have committed to fundamentally review the framework with the ambition of having a single UK wide framework for research. The framework is relevant not only to researchers but also to those who participate in research and the wider public to help ensure principles for good research are understood and followed.

Health research by its nature can contain an element of risk, which must be minimised and mitigated against. It is essential to ensure suitable governance measures are in place to make sure the public benefit from, and have assurance in, good quality research in health and social care. We are working on projects to understand the level and impact of these risks, and to see whether there is a difference between this actual level and the risk perceived by researchers and their organisations.

Several projects are already underway to better understand issues with the current document. This work is overseen by a steering group involving stakeholders (including representatives of each of the Devolved Administrations). We will be seeking comments on the reports resulting from this work, this process being completed in early summer 2014. This allows time to draft the framework of principles for good research, ahead of the Care Bill's enactment.

Janet Wisely
Chief Executive
Health Research Authority
16 June 2014

3.0 Directors' Report

3.1 Governance

The HRA was established in December 2011 by Statutory Instrument signed by the authority of the Secretary of State for Health:

"This Order provides for the establishment and constitution of a Special Health Authority under section 28 of the National Health Service Act 2006 to be known as the Health Research Authority ("the Authority") to exercise such of the Secretary of State's functions in connection with the facilitation and promotion of research and the establishment, and appointment of members to, Research Ethics Committees, and such other functions, as the Secretary of State may direct".
From the Explanatory Note to The Health Research Authority (Establishment and Constitution) Order 2011

The HRA's relationship with the Department of Health acting on behalf of the Secretary of State, is regulated by a Framework Agreement that sets out the respective roles and responsibilities of each party, the shared principles that underpin the relationship and the arrangements for ensuring that the Department is able to discharge its responsibilities as sponsor and in relation to accountability. It also explains the HRA's governance arrangements as well as clarifying the lines of accountability for its performance.

As an arm's length body, the HRA works in close partnership with the Department to deliver its objectives. Whilst the HRA is responsible for its operational decisions and the way in which it discharges its functions, the Framework Agreement helps to describe how the Department will assure itself of the Health Research Authority's performance without interfering in its day-to-day decision making.

The Department's Research and Development Directorate act as Sponsors for the HRA and provide assurance to the Department's Permanent Secretary and the Secretary of State that it is meeting its obligations.

As detailed in the Strategic Report (see 2 3. ii Page 9), the HRA is governed by a Board that functions as the corporate decision-making body and comprises of a Chair, three Non-Executive Directors, two Executive Directors (one of which is the Chief Executive) and four non-voting Directors. Also as detailed the HRA Board has established:

- An Audit and Risk Management Committee which provides assurance to the Board that the HRA is meeting its statutory and regulatory requirements; and
- A Remuneration Committee to advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and those on Very Senior Manager Terms and Conditions of Service.

The Chief Executive, the Executive Director and the non-voting Directors comprise the Executive Management Team (EMT) who are charged with the day to day responsibility for managing the organisation and delivering the strategic and business plan objectives set by the Board.

3.2 Pension Liabilities

Past and present employees of the Health Research Authority are covered by the provisions of the NHS Pensions Scheme. Note 3.2 of the accounts presents how pension liabilities have been treated.

3.3 Declaration of Interests

The HRA maintains a formal register of Board member's 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 a Board agenda. Board members are also asked to declare any spouse / partner interests. The register, showing current declarations made by the Board, is updated on a regular basis and made available to the public on the HRA website at: http://www.hra.nhs.uk/wp-content/uploads/2013/06/HRA-Board-Declaration-of-interest-register-for-website-April-2014.pdf

3.4 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 in accordance with the National Health Service Act 2006 at the cost of £37,000. The audit certificate can be found on page 50.

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

3.5 Sickness Absence

Statistics Produced by hscic from ESR Data Warehouse		Figures Converted by DH to Best Estimates of Required Data Items		
Quarterly Sickness Absence Publications	Monthly Workforce Publication			
Average of 12 Months (2013 Calendar Year)	Average FTE 2013	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
2.7%	114	25,637	698	6.1

Source: hscic - Sickness Absence and Workforce Publications - based on data from the ESR Data Warehouse
Period covered: January to December 2013
Data items: ESR does not hold details of normal number of days worked by each employee. (Data on days lost and days available produced in reports are based on a 365-day year.)
The number of FTE-days available has been estimated by multiplying the average FTE for 2013 (from March 2014 Workforce publication) by 225.
The number of FTE-days lost to sickness absence has been estimated by multiplying the estimated FTE-days available by the average sickness absence rate.
The average number of sick days per FTE has been estimated by dividing the estimated number of FTE-days sick by the average FTE.
Sickness absence rate is calculated by dividing the sum total sickness absence days (including non-working days) by the sum total days available per month for each member of staff).

3.6 Personal Data Related Incidents

No significant personal information incidents have occurred throughout 2013-14 resulting in a submission to the Information Commissioner. There have been three minor breaches (letter sent to wrong address, a shared drive folder having the wrong permissions and inability to retrieve a full research record from archive) which have all been investigated and appropriate action taken.

Janet Wisely
Chief Executive
Health Research Authority
16 June 2014

4.0 Remuneration Report

4.1 Sub Committees

There are two sub-committees of the HRA Board: Audit and Risk Committee and Pay and Remuneration Committee (See also 2.3. ii.).

4.2 Pay and Remuneration

The Chairman and Non-Executive Board members are remunerated in line with DH guidance that applies to all NHS bodies. Details of the senior managers' remuneration are given below. Pay for one Executive is set and reviewed in line with the DH guidance 'Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts' (VSM). Senior managers employed under the VSM framework are under stated contracts of employment as set out by NHS Employers.

Pay for the other Executives employed and contained in the report is set and reviewed in line with Agenda for Change terms and conditions. There are 2 members of the Executive Management team, Shaun Griffin and Rebecca Stanbrook, who are not directly employed by the HRA.

	Salaries and Allowances			
	2013-14			
Name and Title of Directors	**Salary (bands of £5,000)**	**Other Remuneration (bands of £5,000)**	**All Pension related benefits (bands of £2500)**	**Total (bands of £5,000)**
	£000	**£000**	**£000**	**£000**
Non-Executive Directors				
Jonathan Montgomery, Chairman **See Note (1**)	45-50	0	0	45 -50
Sally Cheshire, Non-Executive Director and Audit Chair	10-15	0	0	10 - 15
Allison Jeynes-Ellis, Non-Executive Director	5-10	0	0	5 - 10
Julie Stone, Non-Executive Director	5-10	0	0	5 - 10
Directors				
Janet Wisely, Chief Executive	120-125	5-10	42.5 - 45	170 - 175
Debbie Corrigan, Director of Finance **See Note (2)**	60-65	0	57.5 - 60	115 - 120
Joan Kirkbride, Director of Operations	85-90	0	62.5 - 65	150 - 155
Tom Smith, Director of Quality, Standards and Information	55-60	0	22.5 - 25	80 - 85
Ian Cook, Director of Business Support (appointed 22 July 2013)	55-60	0	0	55 - 60
Shaun Griffin, Executive Director of Communications, Engagement and Partnerships **See Note (3**)	45-50	0	Note 3	45-50
Rebecca Stanbrook, Director of Confidential Advice, Section 251 (from 1st April 2013 to 31st December 2013) **See Note (4)**	30-35	0	Note 4	30-35

Band of Highest Paid Directors Total Remuneration (£000's) annualised	120-125	5-10		
Median Total	25,783			
Remuneration ratio	4.95			

	Salaries and Allowances			
	2012-13			
Name and Title of Directors	**Salary (bands of £5,000)**	**Other Remuneration (bands of £5,000)**	**All Pension related benefits (bands of £2500)**	**Total (bands of £5,000)**
	£000	**£000**	**£000**	**£000**
Non-Executive Directors				
Jonathan Montgomery, Chairman (appointed 12 June 2012) **See Note (1**)	35-40	0	0	35-40
Sally Cheshire, Non-Executive Director and Audit Chair (appointed 2 July 2012)	5-10	0	0	5-10
Allison Jeynes-Ellis, Non-Executive Director	5-10	0	0	5-10
Julie Stone, Non-Executive Director	5-10	0	0	5-10
Directors				
Janet Wisely, Chief Executive	115-120	0-5	72.5 - 75	190 - 195
Debbie Corrigan, Interim Director of Finance **See note (2)**	80-85	0	87.5 - 90	165 - 170
Joan Kirkbride, Director of Operations (appointed 1 August 2012)	55-60	0	87.5 - 90	145 - 150
Tom Smith, Director of Quality, Standards and Information (appointed 3 March 2013)	0-5	0	27.5 - 30	30 - 35
Shaun Griffin, Executive Director of Communications, Engagement and Partnerships (appointed 1 November 2012) **See Note (3**)	15-20	0	0	15-20

Band of Highest Paid Directors Total Remuneration (£000's) annualised	115-120	0-5		
Median Total	27,901			
Remuneration ratio	4.30			

Note (1): Jonathan Montgomery, Chairman was seconded from the University of Southampton until the 30th October 2013 and is remunerated for his role as Chair in line with Department of Health (DH) guidance that applies to all NHS bodies. From the 1st November 2013, he was appointed onto the Health Research Authority's payroll. The 2013-14 figures above are the amounts earned in the year at both the University of Southampton and the Health Research Authority.

Note (2): Debbie Corrigan, Director of Finance, voluntarily reduced her working hours in 2013/14 in line with the revised organisational structure established during the year. The 2013/14 figures above are the amounts earned in the period.

Note (3): Shaun Griffin, Executive Director of Communications, Engagement and Partnerships is seconded to the Health Research Authority for two days a week. He is employed by the Human Tissue Authority, who re-charge the Health Research Authority for his services. In 2013-14, the HRA has paid the Human Tissue Authority £34,463.50 and accrued a further charge of £11,393.07 in respect of his services. (2012-13 paid £11,570.25 and accrued £7,713.50. Shaun was appointed from the 1 November 2012). Details of his remuneration are included in the Annual Report of the Human Tissue Authority.

Note (4): Rebecca Stanbrook, Director of Confidential Advice, Section 251, was seconded to the Health Research Authority for 2 days a week. She is employed by the Medicines and Healthcare Regulatory Authority (MHRA), who re-charged the Health Research Authority for her services. In 2013-14, the HRA has paid the MHRA £33,121.68 in respect of her services. Rebecca Stanbrook, Director of Confidential Advice, Section 251, is a member of the Civil Service Pension Scheme. As she is not an Executive Director of MHRA, her pension costs have not been disclosed within their accounts.

The information above has been subject to audit

There were no other benefits in kind.

Reporting Bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisations workforce.

The remuneration of the highest paid Director in the HRA in the period 01 April 2013 to 31 March 2014 was £127,200. This was 4.95 times the median remuneration of the directly employed workforce, which was £25,783. The ratio has increased compared to 2012 -13 due to an increase in permanently employed staff as a result of transferring staff employed by other NHS Trusts to the HRA. This has resulted in a wider spread of salaries across the HRA compared to the position in 2012-13.

There were no staff employed by the HRA who received remuneration at a higher level than the highest paid director.

Total remuneration includes salary, benefits in kind and non-consolidated performance related bonus. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Name and Title	Pension Benefits 2013 – 14			
	Real Increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at aged 60 (bands of £2500)	Total accrued pension at age 60 at 31 March 2014 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2014 (bands of £5,000)
	£000	£000	£000	£000
Janet Wisely, Chief Executive	0 - 2.5	5 - 7.5	25 - 30	75 - 80
Debbie Corrigan, Director of Finance	2.5 - 5	7.5 - 10	15 - 20	50 -55
Joan Kirkbride, Director of Operations	2.5 - 5	7.5 - 10	35 - 40	105 -110
Tom Smith, Director of Quality, Standards and Information	0 - 2.5	2.5 - 5	5 - 10	25 - 30
Shaun Griffin, Executive Director of Communications, Engagement and Partnerships	Note 1	Note 1	Note 1	Note 1
Rebecca Stanbrook, Director of Confidentiality, Section 251	Note 2	Note 2	Note 2	Note 2

Name and Title	Pension Benefits 2013 -14				
	Cash Equivalent Transfer Value at 31 March 2014	Cash Equivalent Transfer Value at 31 March 2013	Real Increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension	Total pension entitlement at 31 March 2014 (Bands of £5,000)
	£000	£000	£000	£000	£000
Janet Wisely, Chief Executive	452	400	43	0	105 - 100
Debbie Corrigan, Director of Finance	293	239	49	0	70 - 75
Joan Kirkbride, Director of Operations	738	646	78	0	140 - 145
Tom Smith, Director of Quality, Standards and Information	137	116	18	0	35 - 40
Shaun Griffin, Executive Director of Communications, Engagement and Partnerships	Note 1	Note 1	Note 1	Note 1	Note 1
Rebecca Stanbrook, Director of Confidentiality, Section 251	Note 2	Note 2	Note 2	Note 2	Note 2

Note 1: Shaun Griffin, Executive Director of Communications, Engagement and Partnerships, is seconded to the Health Research Authority for two days a week. He is employed by the Human Tissue Authority, who re-charge the Health Research Authority for his services. Details of his pension entitlements are included in the Annual Report of the Human Tissue Authority.

Note 2: Rebecca Stanbrook, Director of Confidential Advice, Section 251, was seconded to the Health Research Authority for 2 days a week. She is employed by the MHRA, who re-charged the Health Research Authority for her services. Rebecca Stanbrook, Director of Confidential Advice, Section 251, is a member of the Civil Service Pension Scheme. As she is not an Executive Director of MHRA, her pension costs have not been disclosed within their accounts.

Note 3: Ian Cook is not a member of the NHS Pensions Scheme.

4.3 Cash Equivalent Transfer Values

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

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosures applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute of Faculty of Actuaries.

On 1 October 2008, a change in the way the factors used to calculate CETVs came into force as a result of the Occupational Pension Scheme (Transfer Value Amendment) regulations. These placed responsibility for the calculation method for CETVs (following actuarial advice) on Scheme Managers or Trustees. Further regulations from the Department of Work and Pensions to determine cash equivalent transfer values (CETV) from Public Sector Pensions Schemes came into force on 13 October 2008.

In his budget of 22 June 2010 the Chancellor announced that the uprating (annual increase) of public sector pensions would change from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) with the change expected from April 2011. As a result, the Government Actuaries Department undertook a review of all transfer factors. The new CETV factors have been used in our calculations.

4.4 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, the Health Research Authority must publish the following tables of information on their highly paid and/or senior off-payroll engagements.

Table 1: For all off-payroll engagements as at 31 March 2014, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2014	4
Of which, the number that have existed:	
for less than one year at the time of reporting	0
for between one and two years at the time of reporting	3
for between 2 and 3 years at the time of reporting	1
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	0

The HRA 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: For all new off-payroll engagements between 1 April 2013 and 31 March 2014, for more than £220 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached 6 months in duration, between 1 April 2013 and 31 March 2014	11
Number of new engagements which include contractual clauses giving the Health Research Authority the right to request assurance in relation to income tax and National insurance obligations	11
Number for whom assurance has been requested	3
Of which:	
assurance has been received	3
assurance has not been received	0
engagements terminated as a result of assurance not being received	0
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility during the year	3
Number of Individuals that have been deemed "board members, and/or senior officers with significant financial responsibility" during the financial year. This figure includes both off-payroll and on-payroll engagements	11

Two of the off-payroll board members are as a result of formal joint arrangements with other Arm's Length Body organisations in order to maximise efficiencies.

Two of the off-payroll board member engagements have now ceased, with one engagement leaving the organisation and one now on the Health Research Authority payroll.

Janet Wisely
Chief Executive
Health Research Authority
16 June 2014

5.0 Statement of Accountable Officer's Responsibilities

Under the National Health Service Act 2006, Section 232 (Schedule 15, paragraph 3) 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 net resource outturn, application of resources, changes in tax payers' equity 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 sensible 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; and
- prepare the accounts on a going concern basis.

The Accounting Officer of the Department of Health has designated the Chief Executive as Accounting Officer of the HRA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the HRA's assets, are set out in Managing Public Money published by the HM Treasury.

6.0 Governance Statement

6.1 Introduction

This Governance Statement sets out the framework utilised by the Health Research Authority (HRA) to regulate its activities and to ensure delivery of its functions and objectives. In addition to setting out the governance structure, it outlines the way in which performance is managed and reviewed; the risk management processes; and the process for setting Directors Remuneration. The Authority complies with the requirements of the Corporate Governance in Central Government Departments: Code of Good Practice (2011) insofar as they relate to public bodies. The Board assessed its compliance with the code at its May 2014 Board meeting and agreed it had met the requirements of good governance for 2013-14. The Board was confident it had met the relevant criteria for leadership, effectiveness, accountability and sustainability as set out in the code.

This governance statement has been developed in adherence with the good practice fact sheet from the National Audit Office.

An annual assurance report for 2013-14 has been provided by the Department of Health Internal Audit to provide support and assurance to management and the Board on the on-going governance arrangements and more permanent structures for the HRA, as well as capacity and capability. The report identified the significant work undertaken by both executive and non-executive management to ensure the organisations governance structures are fit for purpose and concluded that the HRA's control environment is adequate for its business needs and operates in an effective manner.

6.2 Governance Structure

i. Responsibilities of Accounting Officer

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the HRA's policies, aims and objectives, whilst safeguarding public funds and its assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

I have been the Accounting Officer for the period reported in this Annual Report and Accounts, 01 April 2013 to 31 March 2014. I am accountable for the discharge of my functions to the Authority's Board and appropriate arrangements are in place for the appropriate discharge of all statutory functions attached to the HRA. The HRA is aware of the findings from the Harris Report and will ensure it has the capacity and capability to comply with the statutory functions.

I am also accountable to the Minister of State at the Department of Health. This line of accountability is managed through a Framework Agreement between the Department of Health and the Health Research Authority, an Annual Accountability Review with the Minister through monthly reviews with officials at the Department of Health and close working on a day-to-day basis between my staff and those in the Sponsor Branch at the Department.

ii. The Board

The HRA is governed by a Board that functions as a corporate decision-making body. The Board is composed of the Chair and three Non-Executive Directors (NEDs) and two executive directors (including the Chief Executive). The Board therefore conforms to the recommendations set out in the Corporate Governance in Central Government Departments: Code of Good Practice (2011). Other Non-voting directors (listed below) are required to attend the board meetings.

Eight public HRA Board meetings have been held between 01 April 2013 and 31 March 2014. Information regarding Board membership, meeting dates and attendance is shown below:

Name	Position	Voting or Non-Voting member	Meeting date							
			20/05/13	24/06/13	23/07/13	29/10/13	05/12/13	22/01/14	26/02/14*	26/03/14
Professor Jonathan Montgomery	Chair	Voting	Present	Present	Present	Present	Present	Present	Present	Present
Sally Cheshire	NED	Voting	Present	Present	Present	Present	Present	Apologies	Apologies	Present
Dr Allison Jeynes-Ellis	NED	Voting	Present	Present	Present	Present	Present	Present	Apologies	Present
Julie Stone	NED	Voting	Present	Present	Present	Present	Present	Present	Apologies	Present
Dr Janet Wisely	Chief Executive	Voting	Present	Present	Present	Present	Present	Present	Present	Present
Debbie Corrigan	Executive Director / Director	Voting / Non-Voting	Present	Present	Present	Present	Present	Present	Present	Present
			(Voting member - Executive Director until June 13)		*(Non-Voting member from 23/07/2013 meeting onwards)*					
Dr Shaun Griffin	Executive Director / Director	Voting / Non-Voting	Present	Present	Present	Present	Present	Present	Present	Present
			Non-Voting member		*(Voting member - Executive Director from 23/07/2013 meeting onwards)*					
Ian Cook	Director	Non-Voting	In attendance	In attendance	Present	Present	Present	Present	Present	Present
					(Non-Voting member from 23/07/2013 meeting onwards)					
Joan Kirkbride	Director	Non-Voting	Present	Present	Present	Present	Apologies	Present	Present	Present
Tom Smith	Director	Non-Voting	Present	Present	Present	Present	Apologies	Present	Present	Present
Rebecca Stanbrook	Director	Non-Voting	Present	Present	Present	Present	Present	Not in post	Not in post	Not in post

** The business covered at this meeting was subsequently discussed in full and formally ratified by the HRA Non-Executive Directors at a follow up meeting on Friday 7th March 2014.*

The Board has operated within the framework agreement as agreed with the Department of Health, and a statutory instrument governs its functions.

The Board has committed to regularly review its effectiveness and performance. Consideration of the performance of the Board during 2013-14 was conducted at the May 2014 Board meeting where the Board agreed it had met the relevant criteria for leadership, effectiveness, accountability and sustainability as set out in the Code of Good Practice. A number of Board seminars have been held this year, in addition to the formal public Board meetings detailed above, to look at ways to improve Board working. Board seminars were held in April, May, September and March. A Board development workshop was held in April 2013 to consider the role of the Board and identify priorities for Board development. A follow up seminar to develop the function of the Board and discuss future strategic aims was held in September.

Key areas of business conducted by the Board over the past year include the review and approval of:

- HRA Strategic Plan 2013-16;
- HRA Communications Strategy;
- HRA Public Involvement Strategy and Action Plan;
- HRA Assessment and Approval Business Case;
- Values of the HRA;
- Business Continuity Planning;
- Risk Appetite;
- Transparency; and
- HRA Business Plan 2014-15.

The Board also received updates from the Confidentiality Advisory Group and the National Research Ethics Advisory Panel.

The HRA has developed a key performance indicator report which is reviewed on a quarterly basis. The report provides the Board with an overview of the RAG status of the HRA Business Plan 2013-14 objectives plus detailed management information relating to these objectives.

Corporate level risks and their mitigation and management are considered via the HRA Corporate risk register on a quarterly basis.

Declaration of interests are declared and formally recorded (can be made available upon request) and all Board members' expenses are published.

iii. Sub Committees

The Board has two sub committees: the Audit and Risk Committee and the Pay and Remuneration Committee.

Audit and Risk Committee

The Audit and Risk Committee has the role of overseeing the governance process. It has reviewed the Corporate Assurance Framework and any key risks resulting from the transition at its meetings, together with movements in those risks and the management of them.

The role of the HRA Audit & Risk Committee is to advise the HRA's Accounting Officer and the HRA Board on risk management, corporate governance and assurance arrangements in the HRA. The HRA Audit & Risk Committee has met four times during

the period 01 April 2013 to 31 March 2014. Information regarding Audit and Risk Committee membership, meeting dates and attendance is shown below:

Name	Position	Meeting			
		19/04/13	17/06/13	08/10/13	15/01/14
Sally Cheshire (Chair)	HRA, NED	Present	Present	Present	Present
Shelley Dolan	Chief Nurse, The Royal Marsden NHS Foundation Trust	Present	Apologies	Apologies	Present
Allison Jeynes-Ellis	HRA, NED	Present	Present	Present	Apologies
David May	Assistant Director of Finance NHS South of England (West)	Present	No longer a member	No longer a member	No longer a member
Julie Stone	HRA, NED	Present	Present	Present	Present

The following individuals, from the HRA, DH internal audit, the National Audit Office have been invited and regularly attended the Audit Committee meetings in 2013/14.

Name	Position	Meeting			
		19/04/13	17/06/14	08/10/13	15/01/14
Solomon Ako-Otchere	Manager, DH Internal Audit	Present	Apologies	Present	Present
Debbie Corrigan	HRA, Director of Finance	Present	Present	Present	Present
Paul Holland	National Audit Office	Present	Present	Present	Present
Eric Read	HRA, Senior Finance Manager	Present	Present	Present	Present
Janet Wisely	HRA, Chief Executive	Present	Present	Apologies	Present

Once a year, the Committee will review the annual report and accounts, including the consideration of related reports from auditors and an annual report on the activities and effectiveness of the committee. The terms of reference, audit manual and audit timetable have all been reviewed and approved this year. The HRA Audit and Risk Committee regularly reviews the HRA Corporate Risk Register, Financial reports, Corporate Gift and Hospitality reports, Single tender actions and loss and compensation reports.

The Audit Committee reviewed the National Audit Office Compliance Checklist in October and agreed the Committee was broadly compliant and had met most of the requirements. One area the Committee noted it could improve on related to training and induction to ensure the Committee's expertise is fit for purpose. As part of the Audit Committee annual report a review of committee effectiveness was considered with the Committee agreeing it had broadly meet its role. The Audit Committee has agreed to conduct a yearly review of its members' skills to consider if any further training is required to ensure the Committee remains effective and fit for purpose in providing the HRA with the assurance it requires.

Pay and Remuneration Committee

The duties of the Remuneration Committee include:

- to advise the Board about appropriate remuneration and terms of service for the Chief Executive, other Executive Directors and those on Very Senior Manager Terms and Conditions of Service including:
  i. all aspects of salary (including any performance-related elements/bonuses);
  ii. provisions for other benefits, including pensions and cars; and
  iii. arrangements for termination of employment and other contractual terms;

- Standing Orders and Standing Financial Instructions;

- make recommendations to the Board on the remuneration and terms of service of the Chief Executive, other Executive Directors and those on Very Senior Managers Terms and Conditions of Service to ensure they are fairly rewarded for their individual contribution to the Authority – having proper regard to the Authority's circumstances and performance and to the provisions of any national arrangements for such staff;

- proper calculation and scrutiny of termination payments taking account of such national guidance as is appropriate, advise on and oversee appropriate contractual arrangements for such staff; and

- the Committee shall report in writing to the Board the basis for its recommendations.

The Committee met on 05 April 2013, 19 April 2013, 24 June 2013, 04 October 2013, 10 January 2014 and 21 February 2014.

iv. HRA Executive Management Team

The HRA is committed to ensuring there are robust and transparent reporting frameworks in place, which are also proportionate and appropriate to the nature of the HRA business. The Executive Management Team (EMT) is the senior executive decision making body of the HRA responsible for managing HRA business within agreed objectives, resources and according to the HRA / DH framework agreement and standing orders. The EMT is accountable to the Chief Executive. The Executive Management structure is detailed in Appendix A2.

6.3 Effectiveness

The system of performance monitoring in place throughout the period is designed to ensure appropriate delegation and segregation of duties. The following sections describe the operation.

i. The Risk and Control Framework

The Board has overall responsibility for risk management and for clear lines of individual accountability for managing risk throughout the organisation, leading up to the Board. There is a Risk Management and Corporate Assurance policy and guidance in place. A Department of Health Risk Management Advisory review took place at the end of March and the HRA Risk Management policy will be reviewed and updated following consideration of the recommendations from the DH advisory review. The Board reviews the HRA Corporate risk register on a quarterly basis. Additionally, this year the Board held a seminar on Risk Appetite.

The Audit and Risk Committee is the Board's sub-committee that reviews risk and ensures that the systems are in place to ensure effective risk management. The Audit

and Risk Committee reviewed the Risk Management and Corporate Assurance policy and guidance and agreed it should be updated following the DH Advisory Review report due in Quarter 1 of 2014-15. The Board retains overall responsibility for risk management and governance. There are clear lines of responsibility of individual accountability for managing risk throughout the Authority, leading up to the Board. I have delegated the day-to-day responsibility for maintaining the system of risk management and risk reporting to the Board Secretary and Chief Executive Business Manager.

As agreed in the Business Plan, senior managers lead on the objectives of the Authority and, as such, they are responsible for managing risk at the project delivery and day-to-day operational level, as well as relating to transition planning. Each Directorate holds its own risk register and reviews it on a regular basis. A risk register is also held by the EMT for additional risks which do not sit with any one Director. The risk registers report the escalated risks and risk scores, risk owners, mitigating actions and due dates, as well as residual risk and assurances.

Any risks rated 12 and over by the Director are raised to the Executive Management Team and reviewed on a quarterly basis. The EMT will review each risk and determine whether the risk is significant enough to be added to the HRA Corporate Risk Register which is reviewed in a public session of the Board. The HRA also has a confidential corporate risk register for any risks which are confidential in nature and need to be reviewed by the Board in its confidential, part 2 session. The Corporate risk register is shared with the Audit and Risk Committee and DH sponsor team on a quarterly basis.

A new procedure was introduced in Quarter 4 of 2013-14 to escalate certain risks to the DH sponsor team's attention. Any risk rated as 20 and over on a Directorate or the EMT risk register is raised to the sponsor team as well as any risk identified by EMT as requiring escalation.

The Audit and Risk Committee reviews and ensures that systems are in place to ensure effective risk management. The Internal Audit function forms part of the review process and provides assurance on the risk management process, and advises the Audit Committee accordingly.

The table below highlights a number of risks which were considered and managed by the Board over the past year.

Risk	Initial rating	End of year rating	Comments
Risk: Unacceptable level of IT service	**20**	**20**	A risk which the HRA is unable to resolve directly. Regular monitoring. Risk escalated and reviewed by DH sponsor team and higher. Although the service has improved, the risk score has been maintained as the Board has not been assured the service improvement will be sustained. (date raised 13/12/2012)
Cause: Sporadic level of performance provided resulting in issues which have a significant impact on operations			
Effect: Disruption to operations affecting performance standards and staff morale			

Risk	Initial rating	End of year rating	Comments
Risk: HRA led roles to improve research transparency in the UK perceived to make the UK a less attractive place to do research **Cause:** Transparency work appearing to restrict researchers, increase red tape and / or researcher burdens **Effect:** Reputation of HRA damaged with decrease in amount of research taking place in the UK	12	12	Extensive engagement maintained throughout the year. The risk score has been maintained throughout the year despite the work to manage the risk as it remains a key risk area due to reputational risk. (date raised 03/05/2013)
Risk: HRA unable to deliver to the level of expectation of stakeholders within its role to promote transparency in research **Cause:** Timescales of moving forward with stakeholders, interdependency of work streams, capacity and environment **Effect:** Reputation of HRA damaged	12	12	Extensive engagement maintained throughout the year. The risk score has been maintained throughout the year despite the work to manage the risk as it remains a key risk area due to reputational risk. (date raised 03/05/2013)
Risk: Significant critical issues affect HRA Business operations **Cause:** IT failure, staff sickness (e.g. pandemic) compromise of premises, transport disruption, act of terrorism, or any other major emergency **Effect:** Inability to continue with operational service	20	10	Business Continuity Plans developed and successfully tested with support from DH. (date raised 23/01/2013)
Risk: Implementation of HRA Assessment is high profile deliverable, with wide spread assumptions that the proposals are implementable **Cause:** AMS report and high profile researchers have been requesting a 'single R & D approval' for many years **Effect:** Significant reputational risk to the HRA, with risk of increase during delay to decision	15	15	Wide stakeholder involvement in the development of proposal. Publication of feasibility report and business case. Subsequent approval has been received for the business case and this risk will be downgraded / closed in the future. (date raised 02/04/2013)

ii. Quality Assurance

The HRA has given careful consideration to the requirements and coverage of the Macpherson recommendations, including direct discussions with the modelling oversight committee within DH. With the endorsement of that committee we have confirmed that the HRA does not operate any business critical models. We have sought separate views on our broader quality assurance processes and to the extent they are able to comment, the modelling oversight committee has observed that the processes appear thorough and well developed. We are therefore fully compliant with the Macpherson recommendations.

The Chair of the DH Analytical Modelling Oversight Committee made the following formal reply:

"As chair of the analytical modelling oversight committee in DH, I have given careful consideration to the environment and processes that HRA have in relation to analytical models. In a formal sense, HRA do not have analytical models in the sense envisaged in Macpherson, and analytical work would not in any case meet the formal criteria for business critical status. However, the committee takes the view that all analytical modelling should be subject to appropriate and proportionate QA. Whilst not directly relevant, HRA has provided us with details of the quality assurance processes it has in place for other aspects of its business. Many of the qualitative features of quality control mechanisms are similar to those employed for analytical work and it is apparent that HRA has thorough and well developed processes in place."

iii. Information Governance

The HRA has an established Information Governance structure:

- The Board has designated the Corporate Secretary as Senior Responsible Information Officer (SIRO) with responsibility for the system of safeguarding and protecting personal identifiable, confidential and sensitive data;
- the Information Governance Lead is also the Corporate Secretary;
- Dr Hugh Davies, HRA Ethics Advisor is the Caldicott Guardian; and
- Directors, REC Centre managers and Heads of Department are Information Asset Owners (IAOs) as appropriate.

The Information Governance Steering Group (IGSG) is a formal sub-committee reporting to the EMT. Its purpose is to coordinate, supervise and direct the work of others, as appropriate, to ensure the HRA maintains a coordinated approach to Information Governance. It implements organisational and managerial structures that support appropriate consideration of Information Governance issues to sustain continual improvement.

Data security risks are managed and monitored within the overall risk management framework overseen by the Information Governance Lead and IGSG to ensure security threats are followed up and appropriately managed.

The key risks the Steering Group has addressed include:

1. **Risk:** Serious breach. Loss of personally identifiable information.
   Cause: Lack of adherence to IG policy and procedure causes loss of information.
   Effect: Serious reputation loss.

   Opening Risk rating L2 I5 = 10
   The Internal Auditors, at the request of the HRA Audit and Risk Committee conducted an audit in November 2013 and rated the HRA's IG Framework as Satisfactory. The Committee has therefore revised the risk to 5

2. **Risk:** Through the Quality Assurance programme, risk that small issues identified in isolated areas when combined and may pose a larger risk are not identified.
   Cause: Lack of organisational oversight and analysis of data
   Effect: Serious risks may not be identified and mitigated

   Opening Risk rating L2 I3 = 6
   The QA programme has undergone significant revision and the HRA's Management Information has improved significantly. The IGSG however has not received a report on the outcome of these activities and has therefore retained the risk at level 6.

3. **Risk:** Risk that on-line training does not improve IG compliance.
   Cause: Increase in adverse IG incidents
   Effect: Loss of reputation

   Opening Risk rating L2 I4 = 8
   The IGSC has seen a reduction in reported incidents for the year and reporting on the level of compliance against mandatory training targets is improving. However the Committee is not convinced that this is enough to reduce the level of risk yet.

4. **Risk:** Printing of confidential documents picked from printers by inappropriate staff.
   Cause: Because of siting of printers within the office, often a delay before the member of staff is able to get to the printer.
   Effect: Potential for staff to read personal or financial information that should have restricted access to view.

   Opening Risk rating L3 I3 = 9

   Addressing this risk has proved problematic as a definitive solution requires implementation by ATOS and is not yet forthcoming. The HRA has nevertheless implemented contingency protocols and whilst these address the risk, the IGSG wishes to keep the risk high to maintain pressure.

5. **Risk:** Confidentiality of REC minutes compromised
   Cause: Completing REC minutes on home computers due to migration to IMS3 and networking problems
   Effect: Loss of reputation

   Opening Risk rating L2 I4 = 8
   This has been addressed and is now closed.

6. **Risk:** Information Asset security is compromised
   Cause: Failure of IAO to undertake relevant IG Training
   Effect: Loss of assets and information

   Opening Risk rating L3 I3 = 8
   Training of IAO's has received high priority and whilst all IAO's have received training, it varies from Civil Service to NHS course and requires standardisation. All IAO's are now required to complete the Connecting for Health IAO modules and will do so prior to the next Annual Asset review.

All information assets and associated systems are identified and included in an Information Asset Register and are subject to annual information asset assessments. These assessments inform the Corporate and Information Risk Registers and an associated Action Plan.

No significant information incidents have occurred throughout 2013-14 resulting in a submission to the Information Commissioner. There have been three minor breaches (letter sent to wrong address, a shared drive folder having the wrong permissions and inability to retrieve a full research record from archive) which have all been investigated and appropriate action taken.

The Internal Audit Information Governance Review, completed in December 2013, gave a satisfactory conclusion.

The Board regularly reviews the quality of the data it receives with recommendations made to improve the design and content at each meeting. For example the Key

Performance Indicator document has evolved to meet the needs of the Board and the organisation after recommendations made whenever the document is presented.

I, in my capacity as Chief Executive, confirm that the Corporate Secretary as SIRO for the Health Research Authority has completed and submitted the Information Assurance Annual Report to the Department of Health.

iv. 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 in the HRA for the period 01 April 2013 to 31 March 2014 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

The EMT, led by myself, reviews and monitors progress with action plans and the Corporate Management Group (CMG), Operational Management Group (OMG) and Systems Development Board (SDB) provide focal points for operating divisions and teams to raise local risk management issues.

Senior managers within the organisation 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 objective have been reviewed and this aspect of the Authority's activities has been subject to external review.

A Business Plan for 2014-15 has been agreed which sets out a clear purpose and business objectives for the HRA. Our controls assurance and risk management processes are closely aligned to the twin objectives of maintaining on-going activities and managing significant transition issues. Reports are provided to the Board on a quarterly basis on achievements and progress against the objectives and plans, and this report includes risks and controls in place to mitigate them.

I am not aware of any significant internal control issues.

The effectiveness of the system of internal control has been, and continues to be, subject to review by our internal auditors who, in liaison with HRA management, plan and carry out a programme of work that has been approved by the Audit and Risk Committee of which external audit are part of, to review the design and operation of the systems of internal control. Where weaknesses are identified, these will be reported to the Audit and Risk Committee and an action plan agreed with management to implement the recommendations agreed as part of this process.

The Head of Internal audit provides me with an opinion, in accordance with Government Internal Audit Standards, on the overall arrangements for gaining assurance through the Assurance Framework and on the controls reviewed as part of the internal audit work. In the Annual Assurance Report 2013-14, the Head of Internal Audit has given sufficient assurance that the HRA has had adequate and effective systems of control, governance and risk management in place for the reporting year 2013-14.

The following assurance and advisory work has been undertaken by Internal Audit this year:

	Audit Title	Status	Outcome
1.	Review of HRA communications strategy and stakeholder engagement arrangements	Completed	Satisfactory
2.	Review of the HRA's arrangements for managing complaints, queries, FOI's and PQ's	Ongoing	Expected to be Satisfactory
3.	Workforce planning review	Completed	Advisory
4.	Review of HRA arrangements to comply with the Health and Safety Act	Completed	Satisfactory
5.	HRA Business Continuity Planning/Arrangements.	Completed	Satisfactory
6.	Risk Management Review	Ongoing	Advisory
7.	Expenses review	Completed	Satisfactory
8.	Review of HRA Information Governance arrangements	Completed	Advisory
9.	PPM review of IRAS/RED replacements and development of the HRA website	Ongoing	Expected to be Satisfactory

Head of Internal Audit Opinion 2013- 14

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

Based on the work that internal audit has completed during the course of the year, we have concluded that the HRA's control environment is adequate for its business needs and operates in an effective manner.

There have been no material matters arising from any of the work we have completed that need to be brought to the attention of the Audit Committee.

There have been no undue limitations on the scope of audit work and the appropriate level of resource has been in place to enable the function to satisfactorily complete the work planned.

For the three areas on which I must report, I have concluded the following:

- In the case of **risk management – satisfactory**
- In the case of **governance – satisfactory**
- In the case of **internal control – Satisfactory**

Therefore, in summary, my overall opinion is that I can give **sufficient assurance** to the Accounting Officer that the Health Research Authority has had adequate and effective systems of control, governance and risk management in place for the reporting year 2013-14.

Solomon Ako-Otchere
Head of Internal Audit

v. Capacity to Handle Risk

The Board of the HRA has overall responsibility for risk management throughout the HRA. Its responsibilities include:

- agreeing the Risk Management Policy;
- assigning a Responsible Senior Manager with oversight of Risk Management and who is responsible for championing risk management at HRA;
- ensuring risk management is embedded into all processes;
- reviewing the strategic risks identified in the Corporate Assurance Framework (CAF) bi-annually;
- reviewing significant programme and operational / project risks;
- reviewing critical risk management activities / controls and their verification; and
- ensuring that the appropriate structure exists within the HRA to ensure risk management processes are effective at dealing with risks, controls, contingencies and action plans, including defined audit committee and people responsibilities.

Currently responsibilities are as follows:

- ensuring all required risk management systems, policy and strategy and support are in place: (Chief Executive, Director of Finance, Board secretary);
- scheduling and facilitating Internal Audit activities: (Director of Finance);
- regularly reviewing and following-up risk management activities with all parties. This will include ensuring the verification / assurance of risk management activities and key controls/contingencies: (Board secretary);
- writing the Governance Statement: (Chief Executive, Director of Finance);
- ensuring the appropriate risk structure is in place including the Audit Committee: (Board Secretary); and
- monitoring risk performance. As part of the routine progress reports the Audit Committee receives information on the risk performance in terms of the current risk profile, risk management activity performance, and implementation and verification of risk management controls and contingencies: (Board secretary).

6.4 Director's Remuneration

The detail of the remuneration during the year is shown in the remuneration report at Section 4.0 above.

6.5 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.

6.6 Summary

The HRA has delivered a substantive programme of work this year. Core services have been maintained within key performance indicators whilst work has progressed, with the collaboration of others, to achieve our aim of making the UK a great place to do research, to build confidence and participation in health research and so improve the nation's health. The HRA is able to demonstrate delivery and effective governance, with all key corporate governance functions being executed effectively, robustly and efficiently.

Janet Wisely,
Chief Executive
Health Research Authority
16 June 2014

7.0 The Certificate and Report of the Comptroller and Audit General to the Houses of Parliament

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of The Health Research Authority for the year ended 31 March 2014 under the National Health Service Act 2006 . The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Accountable Officer and auditor

As explained more fully in the Statement of the Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service Act 2006. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to The Health Research Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by The Health Research Authority; and the overall presentation of the financial statements.

In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient 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.

Opinion on regularity

In my opinion, in all material respects 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.

Opinion on financial statements

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 2014 and of the net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the National Health Service Act 2006 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the National Health Service Act 2006; and
- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse **23rd June 2014**

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

8.0 The Accounts of the Health Research Authority 2013-2014

Statement of Comprehensive Net Expenditure for the year ended 31 March 2014

	Notes	2013-14	2012-13
		£'000	£'000
Administration			
Expenditure			
Staff Costs	4	**5,581**	**5,471**
Amortisation and Depreciation	4	**141**	**84**
Other Expenditure	4	**3,058**	**3,752**
		8,780	**9,307**
Income			
Income from Activities	6	**258**	**270**
		258	**270**
Net Expenditure		**8,522**	**9,037**
Net Resource outturn		**8,522**	**9,037**

The notes on pages 56 to 72 form part of these accounts.

Statement of Financial Position as at 31 March 2014

	Notes	31 March 2014	31 March 2013
		£'000	£'000
Non Current Assets			
Property, Plant & Equipment	7.1	**86**	**69**
Intangible Assets	7.2	**625**	**128**
Total non-current assets		**711**	**197**
Current assets			
Trade and other receivables	8	**183**	**156**
Cash and cash equivalents	9	**3,819**	**2,279**
Total current assets		**4,002**	**2,435**
Total Assets		**4,713**	**2,632**
Current Liabilities			
Trade and other payables	10	**1,289**	**1,176**
Other liabilities	10	**8**	**28**
Total current liabilities		**1,297**	**1,204**
Non-current assets less net current liabilities		**3,416**	**1,428**
Assets less liabilities		**3,416**	**1,428**
Taxpayers' Equity			
General Fund		**3,416**	**1,428**
Total Taxpayers' Equity		**3,416**	**1,428**

The notes on pages 56 to 72 form part of these accounts.

The financial statements on pages 52 to 55 were signed on behalf of the Health Research Authority by:

Chief Executive
16 June 2014

Statement of Cash Flows for the year ended 31 March 2014

	Notes	**2013-14**	2012-13
		£'000	£'000
Cash flows from operating activities			
Net expenditure for the year after interest		**(8,522)**	(9,037)
Adjustments amortisation and depreciation	4	**141**	84
(Increase)/Decrease in trade and other receivables	8	**(27)**	(60)
Increase/(Decrease) in trade payables	10	**93**	(1,673)
Less: liabilities assumed not passing through Statement of Comprehensive Net Expenditure	11	**0**	0
Net cash (outflow) from operating activities		**(8,315)**	(10,686)
Cash flows from investing activities			
Purchase of plant, property and equipment	7.1	**(34)**	(69)
Purchase of intangible assets	7.2	**(621)**	0
Proceeds of disposal of property, plant & equipment		**0**	0
Proceeds of disposal of intangibles		**0**	0
Net cash inflow/(outflow) from investing activities		**(655)**	(69)
Cash flows from financing activities			
Net Parliamentary funding		**10,510**	9,460
Net financing		**10,510**	9,460
Net increase/(decrease) in cash and cash equivalents		**1,540**	(1,295)
Cash and cash equivalents at the beginning of the period		**2,279**	3,574
Cash and cash equivalents at the end of the period	9	**3,819**	2,279

The notes on pages 56 to 72 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2014

	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2012	**1,005**	**0**	**1,005**
Net expenditure 2012-13	(9,037)	0	(9,037)
Total recognised income and expenditure for the period	**(9,037)**	**0**	**(9,037)**
Parliamentary funding for resources 2012-13	**9,460**	**0**	**9,460**
Total Parliamentary Funding from Department of Health	**9,460**	**0**	**9,460**
Balance as at 31 March 2013	**1,428**	**0**	**1,428**
Net expenditure 2013-14	(8,522)	0	(8,522)
Total recognised income and expenditure for the period	**(8,522)**	**0**	**(8,522)**
Parliamentary funding for resources 2013-14	**10,510**	**0**	**10,510**
Total Parliamentary Funding from Department of Health	**10,510**	**0**	**10,510**
Balance as at 31 March 2014	**3,416**	**0**	**3,416**

The notes on pages 56 to 72 form part of these accounts.

Notes to the Accounts

1. Accounting Policies

These financial statements have been prepared 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, the accounting policy which is judged to be most appropriate to the particular circumstances of the Health Research Authority has been selected for the purpose of giving a true and fair view.

The particular policies adopted by the Health Research Authority are described below. They have been applied consistently in dealing with items considered material in relation to the accounts. There have been no revisions of estimation techniques. Accruals are estimated with reference to available documentation, advice from management and from information gained from similar previous events and are the best estimate at the date of these financial statements. Staff holiday is recorded and therefore the holiday pay accrual calculation is an accurate assessment. Useful economic lives are reviewed at least annually. The basis for estimating useful economic life include experience of previous similar assets, the condition and performance of the asset and the knowledge of technological advances and obsolescence.

1.1 Accounting Conventions

This account is prepared under the historical cost convention, modified to account for the revaluation of fixed assets at their value to the business by reference to current costs. This is in accordance with directions issued by the Secretary of State for Health and approved by HM Treasury.

Acquisitions and Discontinued Operations

Activities are considered to be 'acquired' only if they are acquired from outside the public sector. Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one NHS body to another.

1.2 Income

Income is accounted for applying the accruals convention. The main source of funding for the Special Health Authority is Parliamentary grant from the Department of Health, which is credited to the general fund. Parliamentary funding is recognised in the financial period in which it is received.

Operating income is income which relates directly to the operating activities of the authority. It principally comprises fees and charges for services provided on a full-cost basis to external customers, as well as public repayment work, but it also includes other income such as that from Devolved Administrations and from other NHS and non NHS organisations. It includes both income appropriated-in-aid and income to the Consolidated Fund which HM Treasury has agreed should be treated as operating income. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

1.3 Taxation

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

1.4 Property, plant and equipment

(a) Capitalisation

Property, plant and equipment which is capable of being used for more than one year and they:

- 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 the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- form part of the initial setting-up cost of a new building, irrespective of their individual or collective cost.

(b) Valuation

Property, plant and equipment 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) Depreciation

Equipment and IT Assets are depreciated evenly over the expected useful life:

	Years
Plant & Machinery	5
Tangible Information Technology	5
Furniture and Fittings	5 to 10

1.5 Intangible Assets

(a) Capitalisation

Intangible assets with a useful economic life of more than a year and a cost of at least £5,000 are capitalised initially at cost.

(b) Valuation

Intangible assets are capitalised initially at cost. They are carried on the Statement of Financial Position at cost net of amortisation and impairment, or at amortised replacement cost where materially different.

(c) Amortisation

Amortisation is charged on each individual component of non-current assets.

Assets under construction are not amortised.

Intangible Assets are currently grouped under Information Technology and the lives of these assets are assessed as set out below. They are amortised on a straight line basis over the estimated lives of the assets.

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

	Years
Software Licences	3
Bespoke Software licence	7
Intangible Information Technology	5 to 7

1.6 Inventories

Inventories are valued at the lower of cost and net realisable value.

1.7 Cash and cash equivalents

Cash is the balance held with the Government Banking Service. Cash in hand are petty cash imprests held within the Health Research Authority.

1.8 Losses and special payments

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

Losses and special payments are charged to the relevant functional headings in the operating cost statement on an accruals basis, including losses which would have been made good through insurance cover had the Authority not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, note 15 is compiled directly from the losses and special payments register which is prepared on a cash basis.

1.9 Employee benefits

Short term employee benefits

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

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities.

Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

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 expenditure at the time the Authority commits itself to the retirement, regardless of the method of payment.

1.10 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line

basis over the lease term.

Where arrangements are in place that imply a lease arrangement the costs have been charged as an expense on a straight-line basis and disclosed as part of note 13.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated where possible. Leased land is treated as an operating lease. Leased buildings are assessed as to whether they are operating or finance leases.

1.11 Foreign exchange

Transactions which are denominated in a foreign currency are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for a period is used. Resulting exchange gains and losses are taken to the Operating Cost Statement.

1.12 Provisions

The Authority provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the Treasury's discount rate of 2.2% in real terms.

1.13 Financial Instruments

Financial assets

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets. The Authority's loans and receivables comprise: cash at bank and in hand, NHS Receivables, prepayments and accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Net Comprehensive Expenditure.

Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Authority becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been discharged, that is, the liability has been paid or has expired. The Authority's financial liabilities comprise: NHS Payables, other payables and accruals.

Financial liabilities are initially recognised at fair value

Financial liabilities at fair value through profit and loss

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the Statement of Comprehensive Net Expenditure. The net gain or loss incorporates any interest earned on the financial asset.

1.14 IFRS disclosure

Early adoption of IFRS's, amendments or interpretations

The Health Research Authority has not adopted any IFRS's, amendments or interpretations early.

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 period. They are not considered to have a material effect on the financial statements of the Health Research Authority

IAS 19 Post-Employment Benefits (Pensions)

IFRS 9 Financial Instruments

IFRS 13 Fair Value Measurement

2. Analysis of Net Expenditure by segment

The Health Research Authority currently reports the financial information to the Board as one segment and therefore no segmental analysis is disclosed.

3. Staff numbers and related costs

	Total 2013-14	**Permanently employed**	**Other**	Total 2012-13	Permanently employed	Other
	£000	**£000**	**£000**	£000	£000	£000
Salaries and wages	**4,672**	3,824	848	4,760	3,020	1,740
Social security costs	**321**	321	0	248	248	0
Employer contributions to NHSPA	**470**	470	0	321	321	0
Redundancies/notice	**34**	34	**0**	142	142	0
Total	**5,497**	**4,649**	**848**	5,471	3,731	1,740

The average number of persons employed during the was:

	2013-14 Permanently			2012-13 Permanently		
	Total Number	**Employed Number**	**Other Number**	Total Number	Employed Number	Other Number
Total	**130**	**113**	**17**	131	91	40

The costs and average numbers of staff include the costs of staff employed by other NHS bodies that are recharged to the Health Resource Authority. These are included within the 'Other' column. These figures include social security costs and employer contributions to the NHSPA.

The Health Research Authority managed a phased transfer of staff from NHS hosts to the HRA starting on 1 July 2012 and completing by 30 September 2012, which would explain the movement in staff numbers to permanently employed between years.

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 2014 (Period to 31 March 2013 - £0). This information has been supplied by NHS Pensions.

Exit packages agreed during 2013-14

£32k (2012-13: £151k) has been charged to the revenue account in respect of redundancies, exit packages and the cost of notice worked.

£2k additional charge has been charged to the revenue account relating to one early retirement case which was agreed and reported in 2012/13 (2012-13: £42k).

3. Staff numbers and related costs (continued)

Early Retirements and Redundancies

Exit package cost band	2013-14			2012-13		
	Number of compulsory redundancies	Number of other departures agreed	Total cost of exit packages by cost band (£000)	Number of compulsory redundancies	Number of other departures agreed	Total cost of exit packages by cost band (£000)
<£20,001	5		32	5		47
£20,001 - £40,000				2		62
£40,001 - £100,000					1	42
£100,001 - £150,000						
£150,001 - £200,000						
£200,001 - £250,000						
£250,001 - £300,000						
£300,001 - £350,000						
Total number and cost of exit packages where notice issued in ()	**5**	**0**	**32**	7	1	151

Redundancy costs have been calculated in accordance with the provisions of NHS Agenda for Change Terms and Conditions. Where there is an entitlement to Early Retirement under those conditions the actuarial cost payable to the NHS Pensions Agency is shown. Exit costs have been accounted for in the year in which the triggering event occurs that will result in that redundancy. The figures above include only those staff who received notice of their redundancy as a result of a triggering event in the year. For those staff who did not receive notice they will be disclosed in the year notice is issued. The triggering event that led to the redundancies was the management decision to reconfigure the London REC Centre by 31 March 2014.

There are no redundancy payments that are Special Payments.

3.2 Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions.

The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the 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 the scheme liability is carried out annually by the scheme actuary 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2014 is based on valuation data as 31 March 2013, updated to 31 March 2014 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. 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 scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes were suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision due in 2015.

The Scheme Regulations were changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next formal valuation to be used for funding purposes will be carried out at as at March 2012 and will be used to inform the contribution rates to be used from 1 April 2015.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that

must be met before these benefits can be obtained:

The Scheme is a “final salary” scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as “pension commutation”.

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year’s pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

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 employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC’s run by the Scheme’s approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

4. Other Operating Costs

The Health Research Authority costs all relate to Administration costs

	Note		**2013-14 £'000**		2012-13 £'000
Non-executive members' remuneration			84		71
Other salaries and wages	3		5,463		5,258
Redundancies and notice not worked	3		34		142
Total Staff Costs			5,581		5,471
Supplies and Services - general			340		517
Establishment expenses			940		1,067
Transport and moveable plant			6		6
Premises and fixed plant			1,656		1,958
Capital: Depreciation	7.1	17			
Amortisation	7.2	124		84	
			141		84
Auditors' remuneration: (*) Audit fees			40		35
Miscellaneous			76		169
Total programme costs			**8,780**		**9,307**

(*) The Audit Fee for 2013-14 includes £3k relating to a late adjustment to the 2012-13 fee, which was notified to the Authority after the accounts had been laid. The audit fee for 2013-14 is £37k (2012-13 £38k). The Authority did not make any payments to Auditors for non audit work.

4.1 Better Payment Practice Code - measure of compliance

	2013-14 Number	2012-13 Number
Total Non-NHS trade invoices paid in the year	**4,519**	2,750
Total Non-NHS trade invoices paid within target	**4,381**	2,729
Percentage of Non-NHS trade invoices paid within target	**96.9**	99.2
Total NHS trade invoices in the year	**235**	188
Total NHS trade invoices paid within target	**227**	183
Percentage of NHS trade invoices paid within target	**96.6**	97.3

5.1 Reconciliation of net operating cost to revenue resource limit

	2013-14 £'000	2012-13 £'000
Net operating costs for the financial year	**8,522**	9,037
Charge Against Revenue Resource Limit	8,522	9,037
Revenue Resource Limit (full year)	**(9,460)**	(9,460)
Underspend against Revenue Resource Limit	**(938)**	**(423)**

5.2 Reconciliation of gross capital expenditure to capital resource limit

	2013-14 £'000	2012-13 £'000
Gross Capital Expenditure	**655**	69
Less: Net Book Value of assets disposed of	**0**	0
Charge against the Capital Resource Limit	**655**	69
Capital Resource Limit (full year)	**(1,050)**	(125)
Underspend Against Capital Resource Limit	**(395)**	(56)

6. Operating revenue

	Appropriated in Aid	**Not Appropriated in Aid**	**2013-14**	Appropriated in Aid	Not Appropriated in Aid	2012-13
	£'000	**£'000**	**£'000**	£'000	£'000	£'000
Administration						
Fees & charges to external customers	**2**	**0**	**2**	8	0	8
Income received from Scottish Parliament	**0**	**114**	**114**	0	110	110
Income received from National Assembly for Wales	**0**	**72**	**72**	0	64	64
Income received from Northern Ireland Assembly	**0**	**39**	**39**	0	38	38
Income received from other Departments	**0**	**31**	**31**	0	50	50
Total Administration revenue	**2**	**256**	**258**	8	262	270

7. Non-current assets

7.1 Property, Plant and Equipment

	Information technology £'000	31 March 2014 £'000
Cost or Valuation at 1 April 2013	69	69
Additions - purchased	34	34
Gross cost at 31 March 2014	103	103
Depreciation		
Accumulated depreciation at 1 April 2013	0	0
Charged during the year	17	17
Disposals	0	0
Accumulated depreciation at 31 March 2014	17	17
Net book value at 31 March 2013	69	69
Net book value at 31 March 2014	86	86

	Information technology £'000	31 March 2013 £'000
Cost or Valuation at 1 April 2012	0	0
Additions - purchased	69	69
Gross cost at 31 March 2013	69	69
Depreciation		
Accumulated depreciation at 1 April 2012	0	0
Charged during the year	0	0
Disposals	0	0
Accumulated depreciation at 31 March 2013	0	0
Net book value at 31 March 2012	0	0
Net book value at 31 March 2013	**69**	**69**

The Health Research Authority did not own any Property, Plant and Equipment assets other than Information Technology at the 31 March 2014 or 31 March 2013.

7.2 Intangible assets

	Assets under Construction	Software licences	Information technology	31 March 2014
	£'000	£'000	£'000	£'000
Gross cost at 1 April 2013	0	0	982	982
Additions - purchased	81	540	0	621
Disposals	0	0	0	0
Gross cost at 31 March 2014	81	540	982	1,603
Amortisation				
Accumulated depreciation at 1 April 2013	0	0	854	854
Charged during the year	0	0	124	124
Disposals	0	0	0	0
Accumulated depreciation at 31 March 2014	0	0	978	978
Net book value at 31 March 2013	0	0	128	128
Net book value at 31 March 2014	81	540	4	625

	Assets under Construction	Software licences	Information technology	31 March 2013
	£'000	£'000	£'000	£'000
Gross cost at 1 April 2012	0	0	982	982
Additions - purchased	0	0	0	0
Transfers	0	0	0	0
Disposals	0	0	0	0
Gross cost at 31 March 2013	0	0	982	982
Amortisation				
Accumulated depreciation at 1 April 2012	0	0	770	770
Charged during the year	0	0	84	84
Disposals	0	0	0	0
Accumulated depreciation at 31 March 2013	0	0	854	854
Net book value at 31 March 2012	0	0	212	212
Net book value at 31 March 2013	**0**	**0**	**128**	**128**

7.3 Profit / (loss) on disposal of fixed assets

The Health Research Authority did not make any disposals of non-current assets during the period up to the 31 March 2014.

8. Trade Receivables

Amounts falling due within one year

	31 March 2014 £'000	31 March 2013 £'000
Trade Receivables	**20**	69
Other receivables	**50**	80
Accrued income and prepayments	**113**	7
Trade and other receivables	**183**	156

9. Cash and Cash equivalents

	2013-14 £'000	2012-13 £'000
Opening balance	**2,279**	3,574
Net change in year	**1,540**	(1,295)
Total	**3,819**	2,279
Comprising:		
Held with office of Government Banking Service	3,819	2,279
Commercial banks and cash in hand	0	0
Balance at 31 March 2014	**3,819**	2,279

10. Trade Payables and other current liabilities

Amounts falling due within one year

	31 March 2014 £'000	31 March 2013 £'000
Trade payables	**91**	75
Accruals and deferred income	**1,198**	1,101
Trade and other payables	**1,289**	1,176
Other taxation and social security	**0**	11
Other Current Liabilities	**8**	17
Other Current Liabilities	**8**	**28**
Total Trade Payables and other current liabilities	**1,297**	1,204

11. Contingent Liabilities

At 31 March 2014 there were no known contingent liabilities (2012-13: £nil).

12. Capital Commitments

At 31 March 2014 the value of contracted capital commitments was £nil (2012-13: £nil).

13. Commitments under leases

Operating leases

There is an implied lease between the HRA and the DH for the Authority's occupation of Skipton House. There is no formal agreement relating to the lease but there is a Civil Estate Occupancy Agreement with the authority/ memorandum of term of occupation for use between crown bodies. The Health Research Authority also has agreed leases for offices in Nottingham, Bristol and Manchester.

Total future minimum lease payments under this implied operating lease are given in the table below for each of the following periods.

	2013-14 £'000	2012-13 £'000
Obligations under operating leases comprise:		
Buildings		
Not later than one year	358	189
Later than one year and not later than five years	413	520
Later than five years	0	0
	771	709
Other Leases		
Not later than one year	0	0
Later than one year and not later than five years	0	0
	0	0

14. Other financial commitments

The Health Research Authority entered on 1 April 2012 into a contract relating to the provision of financial and accounting and payroll services. The contract was for a year with the option to extend for a further year to 31 March 2014, followed by a further four years if required with a notice period of 12 months. The annual cost of the contract is £170,000.

	2013-14 £'000	2012-13 £'000
Not later than one year	170	170
Later than one year and not later than five years	510	0
	680	170

15. Losses and special payments

The authority made one special payment of £20,000 relating to a compromise agreement. (Fruitless Payment 2012-13: £10.137)

16. Related Party Transactions

The Health Research Authority is a body corporate established by order of the Secretary of State for Health.

The Department of Health is regarded as a controlling related party. During the year the Health Research Authority has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

The Health Research Authority has considered materiality in line with the manual for accounts guidelines for agreeing creditor and debtor balances (£50k) and income and expenditure balances (£100k).

	Receivables @ 31 March 2014 £'000	Payables @ 31 March 2014 £'000	Income in 2013-14 £'000	Expenditure in 2013-14 £'000
Department of Health	7	109	0	698
Oxford University Hospitals NHS Trust	0	0	0	150
University Hospitals of Bristol NHS Foundation Trust	0	26	0	101

No Board Member or key manager has undertaken any material transactions with the Health Research Authority during the year.

17. Events after the reporting period

There are no events after the reporting period to report. The annual report and accounts have been authorised for issue on the date the accounts were certified by the Comptroller and Auditor General.

18. Financial Instruments

Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of the Authority are met through Parliamentary Funding, financial instruments play a more limited role in creating risk that would apply to a non-public sector body of a similar size. The Health Research Authority has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Agency is undertaking its activities.

The Authority's treasury management operations are carried out by the finance department, within parameters defined formally within the Authority's Standing Financial Instructions and policies agreed by the Board. The Authority's treasury management activity is subject to review by the Authority's internal auditors

Foreign Currency risk

The Health Research Authority takes measures to minimise all foreign currency risk, the Health Research Authority has no foreign currency risk

Interest rate risk

100% of the Health Research Authority's financial assets and 100% of its financial liabilities carry nil or fixed rates of interest. The Health Research Authority is not, therefore, exposed to significant interest-rate risk.

Liquidity risk

The Health Research Authority's net operating costs are financed from resources voted annually by Parliament. The Health Research Authority largely finances its capital expenditure from funds made available from Government under an agreed capital resource limit. The Health Research Authority is not, therefore exposed to significant liquidity risks.

Credit risk

The Health Research Authority operates primarily within the NHS market and receives the majority of its income from the Department of Health and Devolved Administrations. Provisions against receivables are calculated based on the type of receivable, ageing or the outstanding debt and knowledge of specific queries on the balances.

Trade receivables are disclosed in Note 8. The Health Research Authority had no trade receivables requiring provision at the 31st March 2014.

Supplier risk

The Health Research Authority operates within both the NHS and non-NHS market for the supplies of goods and services.

The ageing of NHS and non-NHS payables at the reporting date was:

	£000
Not past due	77
Past due 0-30 days	6
Past due 31-120 days	3
More than 121 days	5

Fair values

The Health Research Authority has no significant long term receivables and payables and therefore the book values are not different from the fair value

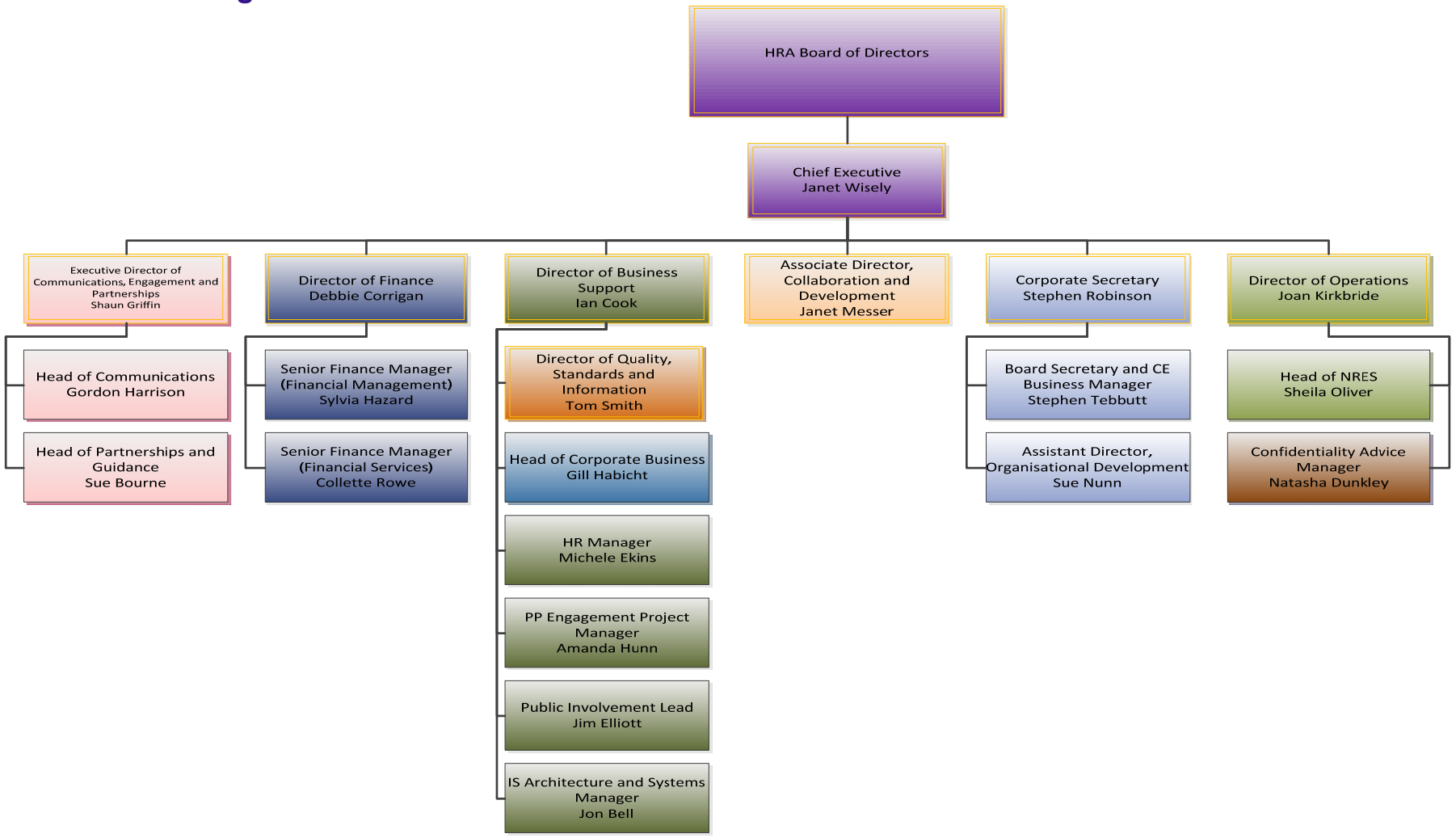
19. Intra-government balances

	2013-14 Current receivables £'000	2012-13 Current receivables £'000	**2013-14 Current payables £'000**	2012-13 Current payables £'000
Balances with Department of Health	**7**	0	**109**	19
Balances with other central government bodies	**8**	69	**15**	0
Balances with local authorities	**0**	0	**0**	0
Balances with Strategic Health Authorities	**0**	0	**0**	80
Balances with NHS England	**4**	0	**7**	0
Balances with Special Health Authorities	**0**	0	**13**	96
Balances with Primary Care Trusts	**0**	0	**0**	56
Balances with NHS Trusts	**0**	0	**9**	50
Balances with Foundation Trusts	**0**	0	**59**	170
Balances with public corporations and trading funds	**0**	0	**0**	0
Balances with HMRC	**43**	18	**0**	11
	62	87	**212**	482
Balances with bodies external to government	**121**	69	**1,085**	722
As at 31 March 2014	**183**	156	**1,297**	1,204

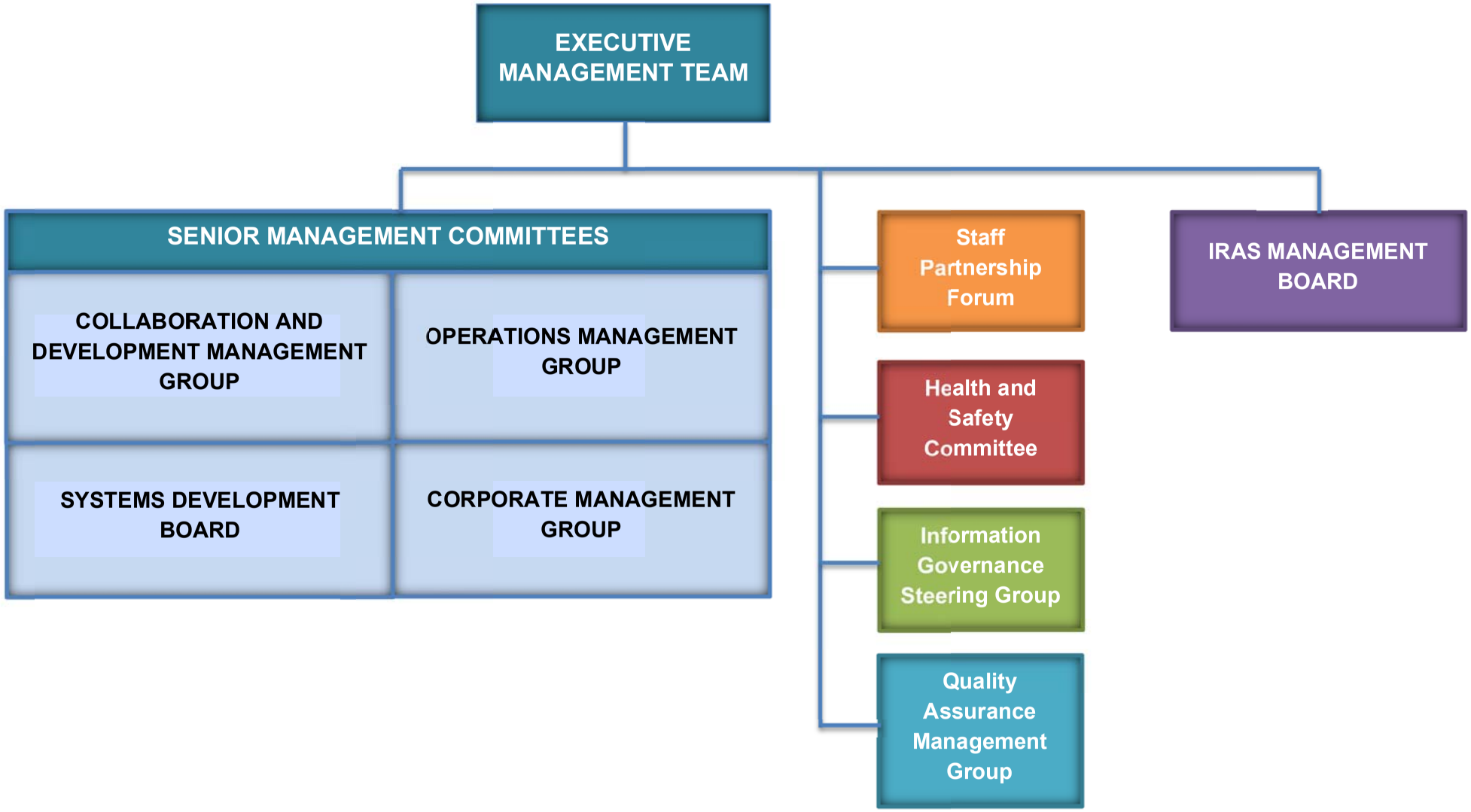
The Health Research Authority did not have any non-current receivables or non-current payables in 2013/14. (2012/13: nil)

Appendix

A1. Senior Management Structure



A2. Senior Management Committee Structure

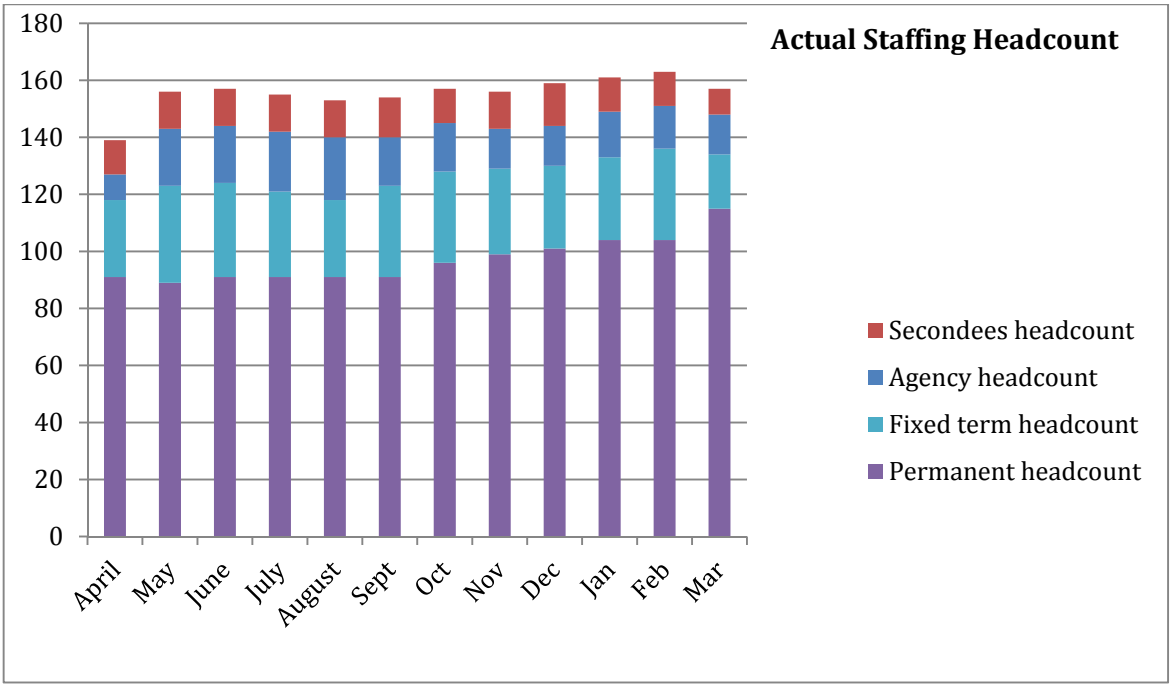


A3. Performance against Key Performance Indicators: Detail

Section 1: Organisation metrics

HR / STAFF METRICS

Profile of staff headcount 2013-14



- Staff headcount for 2013-14 shows a fairly static position throughout the year to date (pay represents 64% of the costs incurred year to date)
- The HRA is continuing to work to reduce the number of agency staff employed and is implementing a staff bank which will assist with this work

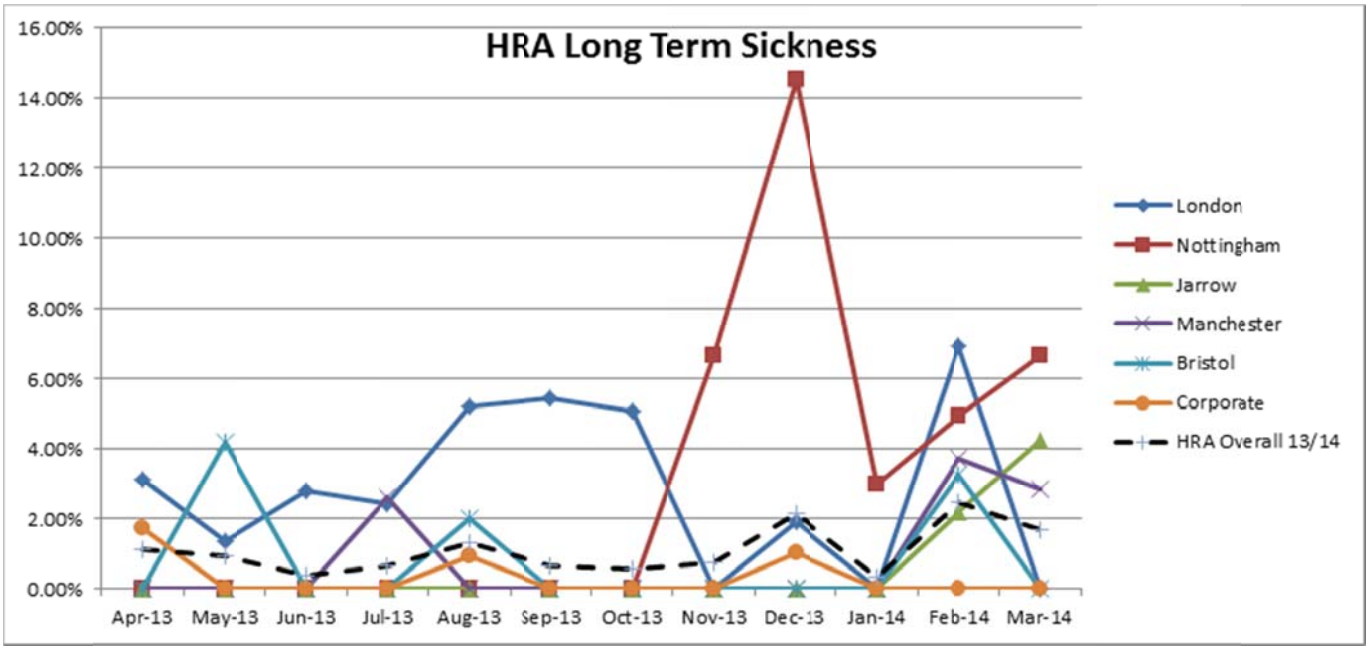
Demographic breakdown – HRA staff

(updated quarterly)

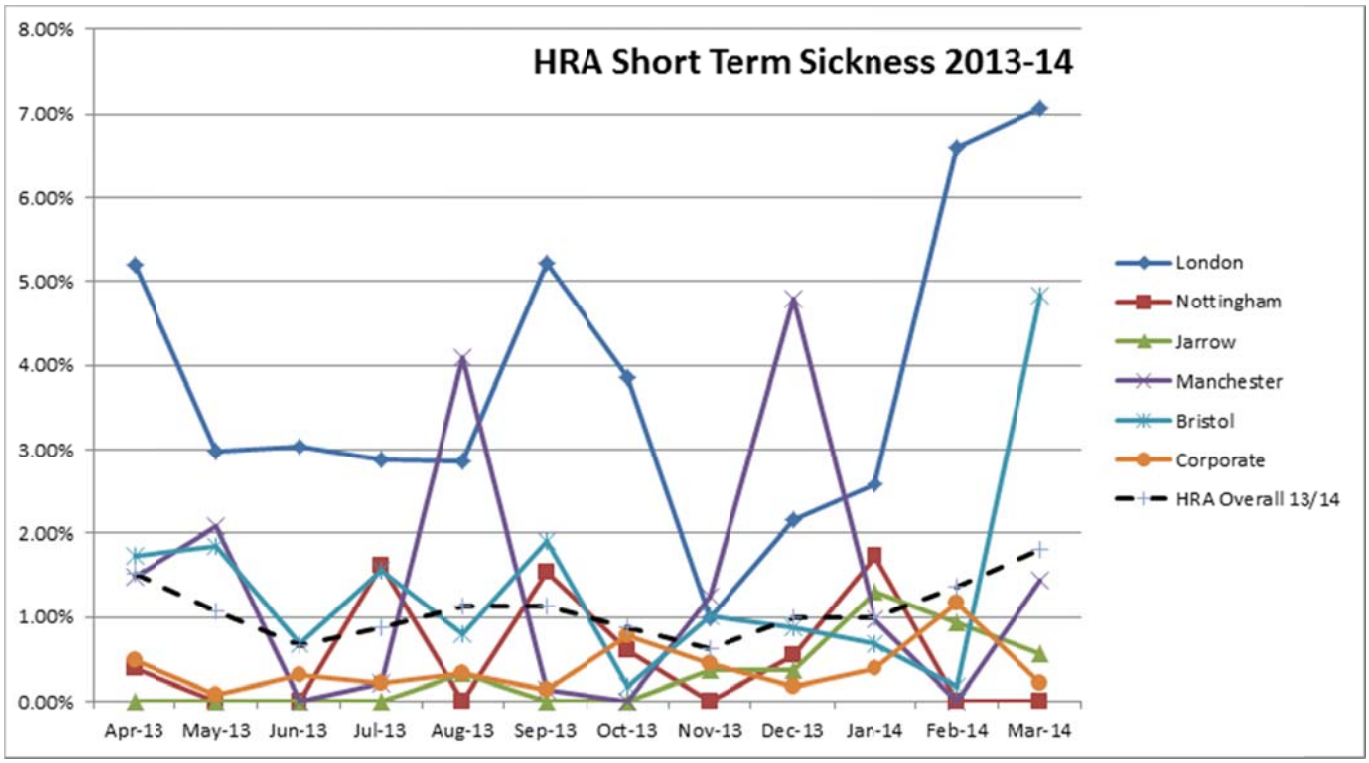
Quarter 4	
Ethnicity	%
White – British / Irish	75%
White - Any other White background	4.5%
Mixed - Any other mixed background	2%
Asian or Asian British	4.5%
Black or Black British	7%
Other / Undefined	2%
Not Stated	5%
Age	%
<20	0%
20-29	25%
30-39	27%
40-49	24%
50-59	19%
60+	5%
Full-Time/Part Time	%
Full-Time	81%
Part-time	19%
Gender	%
Female	76%
Male	24%

Staff sickness absence 2013-14 (year to date)

Long-term sickness:

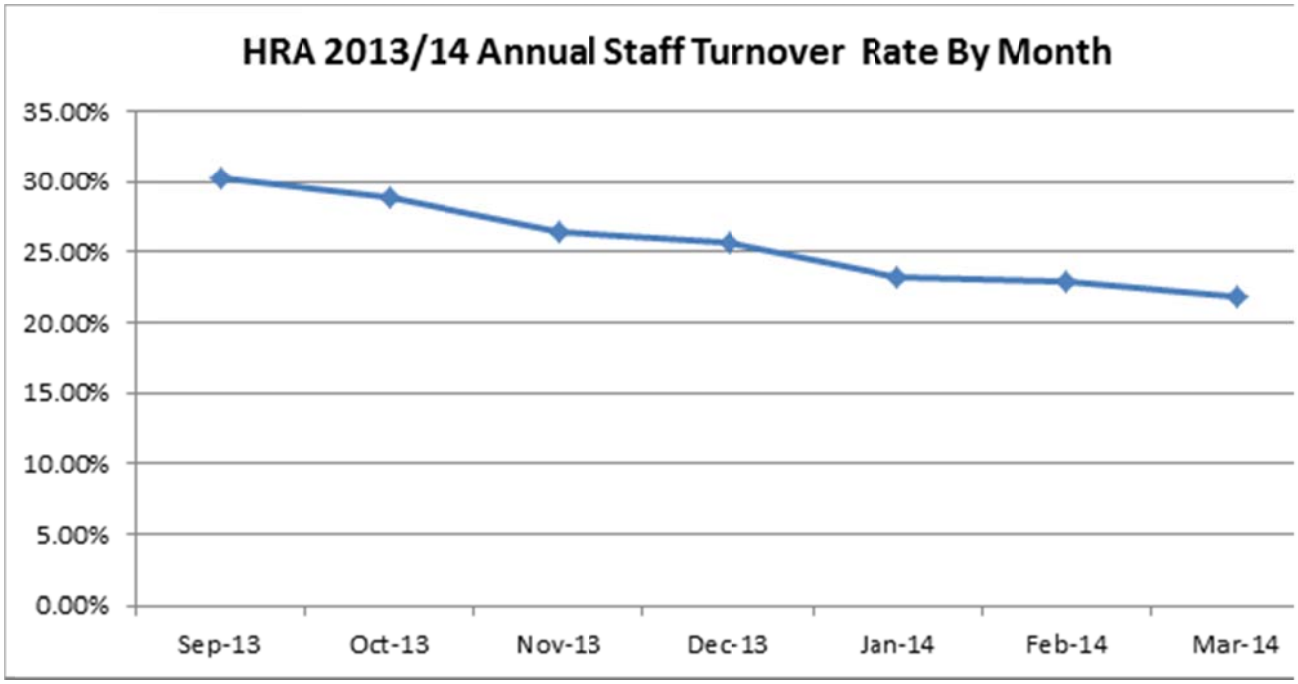


Short-term sickness:



- The combined average figure for NHS sickness absence for 2012/13 was 4.24%

Staff turnover 2013/14 (year to date)



- Includes staff on payroll only (i.e. excludes secondments and temporary staff)
- Annual rate is projected for months Sep 13 through to Feb 14. March 14 is actual turnover rate for period April 2013 to March 2014

Response metrics

- Target for responding to complaints, 25 working days
- Statutory target for responding to Freedom of Information (FOI) requests, 20 working days

Summary of Complaints received (April - September 2013)

(half yearly reporting)

The HRA considers a complaint relates to the standard or quality of services provided by the HRA; divergence from procedures by staff; the behaviour of HRA staff; and the behaviour of volunteer committee members, including Research Ethics Committees (RECs), the National Research Ethics Advisors' Panel (NREAP) and the Confidentiality Advisory Group (CAG).
(A complaint does not apply where: matters have already been thoroughly and fully investigated; legal proceedings are already underway; appeals against the decision of a REC are covered by the NRES Appeals process; behaviour of committee members are addressed under the member management policy and procedures; alleged failure by a responsible body to comply with a request under the Data Protection Act 1998 and the Freedom of Information Act 2000.)

	Apr - Sep 2013	Oct 2013 - Mar 2014
No. of complaints received	7	9
No. of complaints upheld	4 (1 partially)	1 (partially)
Average response time	11 days	14.8 days
No. of complaints responded to within 25 days	7	4
Categories: - Corporate - NRES - TOPS - NREAP - CAG - Other	5 2	8 1

- A total of 9 complaints were received for the 1 October 2013 to 31 March 2014 period
- One complaint was responded to and dealt with within 35 days. The complainant was kept updated regarding the status of the complaint throughout the investigation. The outcome of the investigation concluded that the complaint in fact related to a third party

Summary of FOI requests (April - September 2013)

(half yearly reporting)

	Apr - Sep 2013	Oct 2013 - March 2014
No. of FOI requests received	22	20
Average acknowledgement time	3.1 days	2.4 days
No. of FOIs acknowledged within 10 days	100%	100%
Average response time	11.2 days	8.6 days
No. of FOIs responded to within 20 days	100%	100%
No. of requests where information not held by HRA	4	1
No. of requests where Section 21 exemption applied (information available by other means)	4	0
No. of request where Section 41 exemption applied (breach of confidence)	1	0
No. of request where Section 43 exemption applied (commercial interests)	4	0
Categories: - Corporate - NRES - TOPS - NREAP - CAG - Other	 5 11 2 1 1 2	 7 10 0 0 2 0

Response to Parliamentary Question (PQ) requests

- All PQs have been responded to within stipulated time period

No. Parliamentary Questions received per month												
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1	1	2	2	0	1	0	1	0	0	3	1

Section 2: Queries line metrics

QUERIES LINE METRICS

- Metrics are produced on a quarterly basis – Quarter 4 position is shown below.
- For Quarters 1-3, measurement was based on a sample (first 10 queries in a day; days selected so that every month, week in the month and day in the week are covered) – the sampling procedure was established by the Quality Assurance Audit of the NRES Queries line in 2008. However, for Quarter 4, the KPI reflects 100% of the enquiries received where, even with an increasing number of enquiries, the average response time was 0.38 days, or less
- The majority of enquiries submitted to the Queries line seek advice on whether the study is research and/or research requiring ethical review. Two linked decision tools were launched by the HRA in May 2013 to assist with these types of queries
- The Queries line traffic for quarter 4, however, has continued to increase (previously a downward trend from October 2011) and has risen by 49% in comparison with the same period in 2012-13. The increased traffic may be accounted for by the decision tools, with clients seeking confirmation of the outcome of the decision tools (although it is now made clear to researchers that the decision is an authoritative source that can be relied on), or may be as a result of the launch of the new HRA website (early October) and an inability for clients to find the relevant information and thus resorting to an email enquiry

Queries per month in 2013-14									
Quarter 1		Quarter 2		Quarter 3		Quarter 4			Year Total
Apr-13	144	Jul-13	199	Oct-13	284	Jan-14	195		
May-13	160	Aug-13	174	Nov-13	268	Feb-14	234		
Jun-13	131	Sep-13	126	Dec-13	161	Mar-14	242		
	435		**499**		**713**		**671**		**2,318**
Comparison with 2012-13	-108		86		275		221		1,844
	-20%		+21%		+63%		+49%		+26%

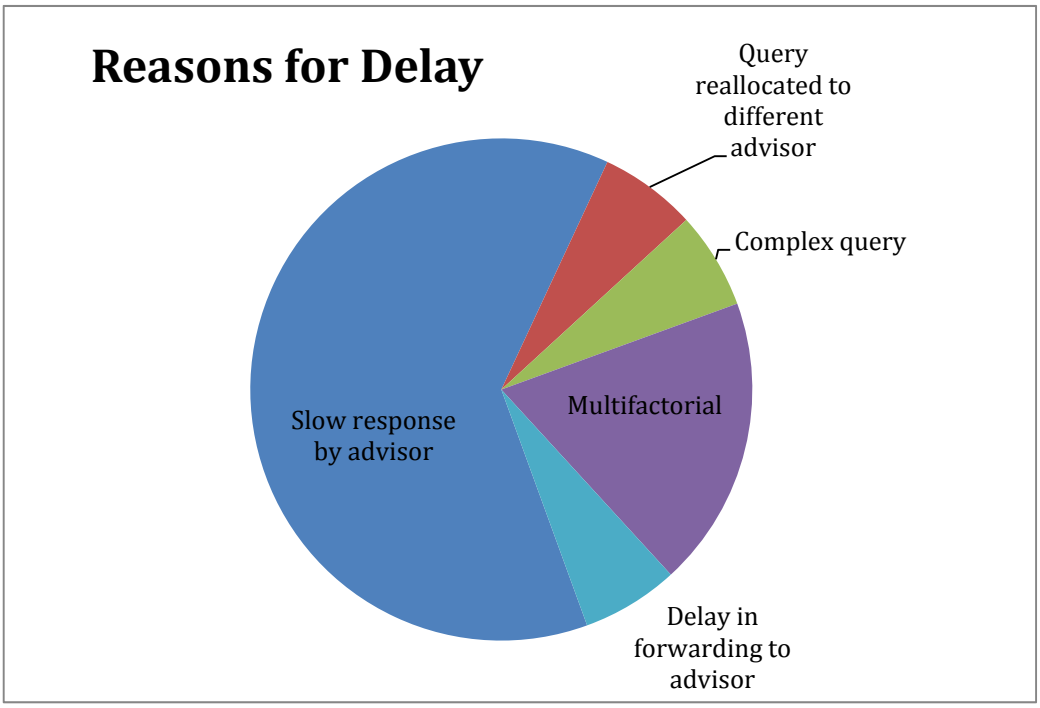
Time taken to respond to sampled queries per month 2013-14		
	% of queries responded to within 4 working days	Mean average response time
Apr-13	100%	0.9
May-13	90%	0.6
Jun-13	100%	0.5
Jul-13	100%	0.7
Aug-13	100%	1.1
Sep-13	100%	0.7
Oct -13	90%	1.0
Nov-13	70%	1.9
Dec-13	100%	0.2
Jan-14	96%	0.38
Feb-14	98%	0.32
Mar-14	99%	0.18

- The missed target, and apparent poor performance, in November 2013 was investigated. The data for the entire month was analysed and is summarised in the table below:

Summary	
Total queries	262
In target	246
Out of target	16
Percent complete within 4 days	94%
Mean average response time	1.02
Modal response time	0
Longest response time	28
Shortest response time	0

Please note: the apparent difference in the no. of queries received for November is due to the above figure indicating the total no. of enquiries received, while the figure included in the Queries per month table includes all traffic (where there may have been subsequent follow up emails from the enquirer)

- It would appear that a number of complex queries were received and a breakdown of the reasons for delay is shown below:


Reasons for Delay
Query reallocated to different advisor
Complex query
Multifactorial
Slow response by advisor
Delay in forwarding to advisor

Section 3: Systems metrics

SYSTEMS METRICS

- The HRA receives a separate IRAS helpdesk report and no major issues to note this year to date
- The HRA now receives monthly performance metrics on Open Service (DH-managed IT system)

Provision of the Integrated Research Application System (IRAS)

- 100% achievement, with IRAS available 24 hours/day, 7 days per week

Provision of website

- 100% achievement, with the current website available 24 hours/day, 7 days per week

Open Service dashboard

- Please see detailed report on page 78 for the Open Service performance metrics for the period January - March 2014

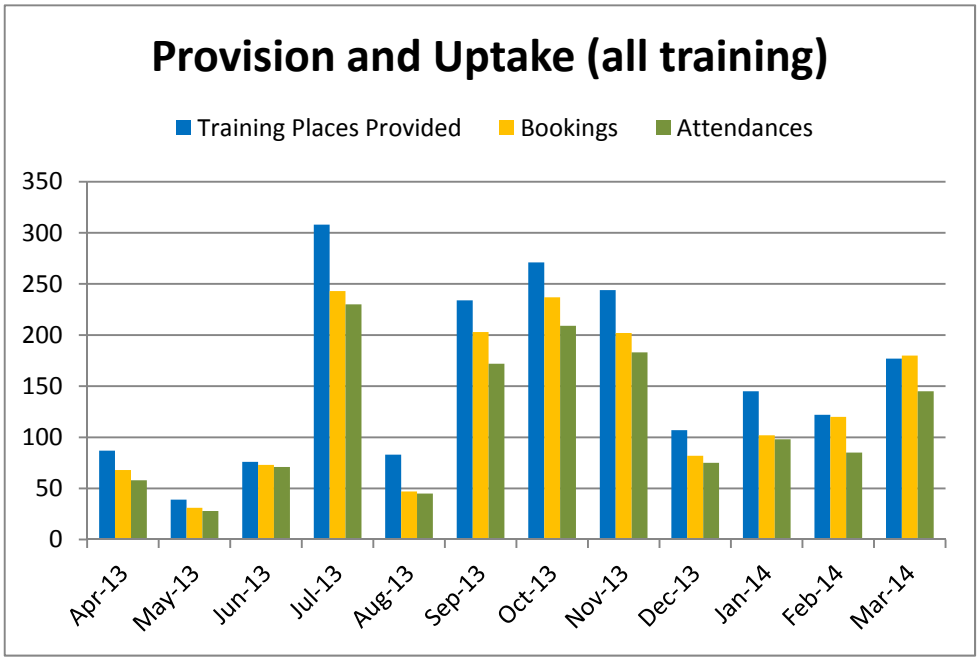
Section 4: Training

TRAINING METRICS

- 43 unique courses delivered
- 85 events provided between April - March 2014

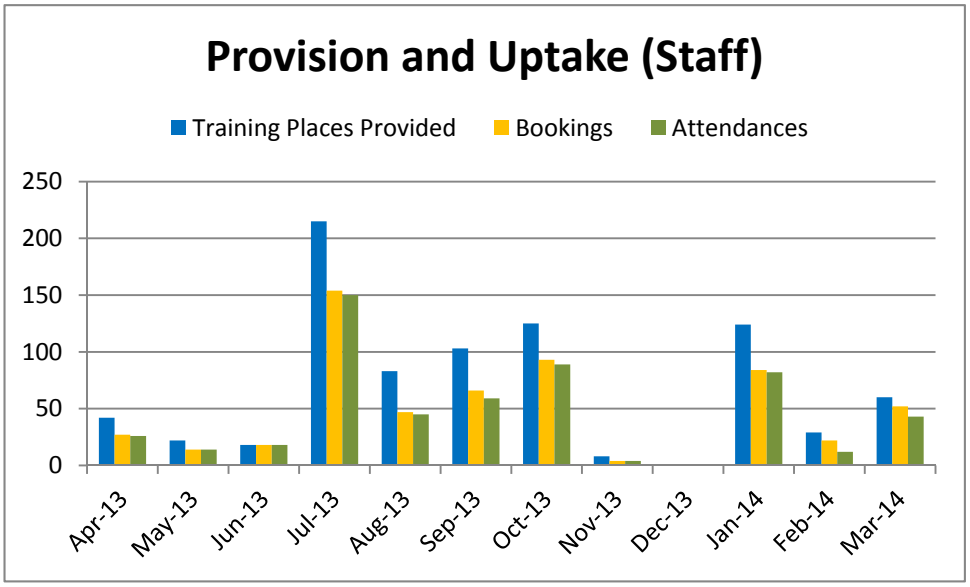
All Training:

Total Seats provided	1,893		
Total Registrations	1,588	84%	of seats provided were booked
Total Attendances	1,399	88%	of bookings were attended
		74%	of seats provided were filled

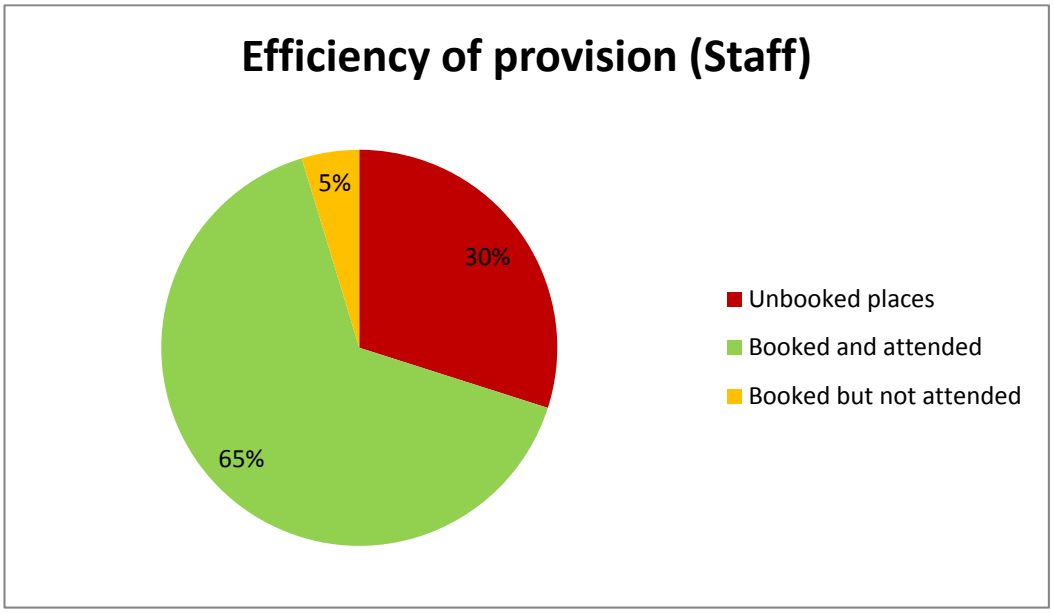


Staff Training

% of available places booked	% of bookings attended	% of available places attended
69%	96%	66%



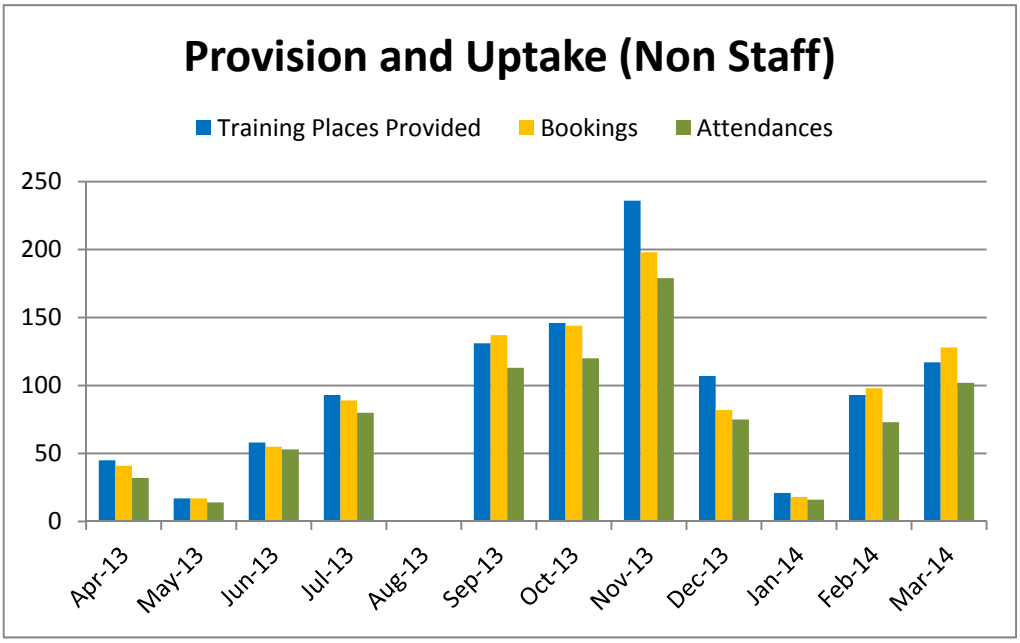
- The peak in events in July was due to a country-wide programme of appraisal training for all staff.
- There were no staff training events in December.



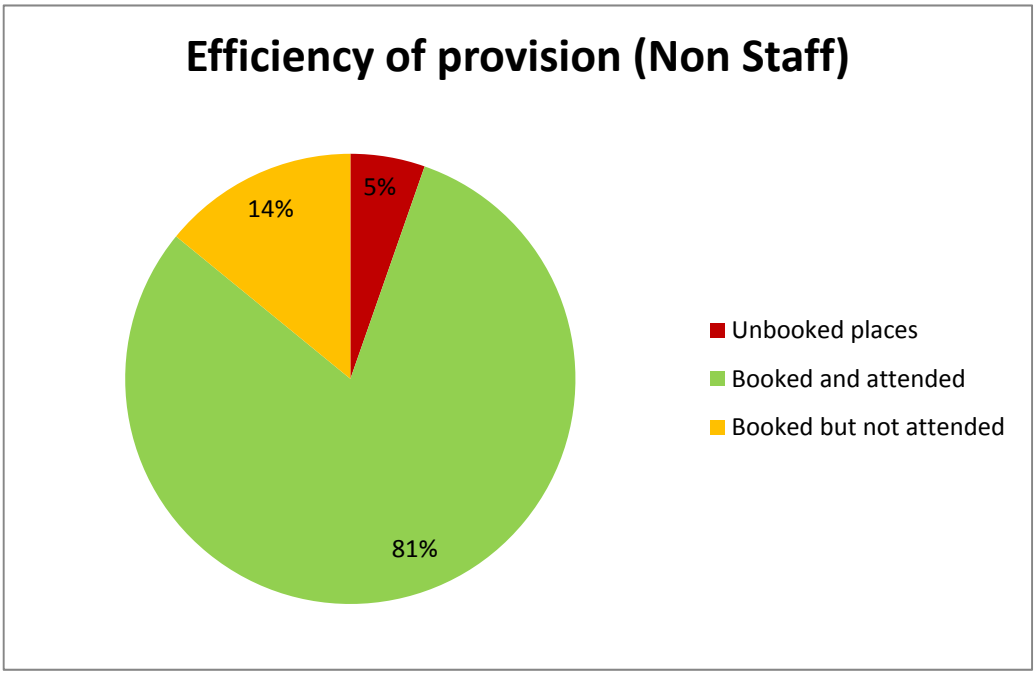
- The apparent over-provision will be explored in more detail on an event by event basis.

Non-Staff (REC Members and Research Community)

% of available places booked	% of bookings attended	% of available places attended
95%	85%	81%

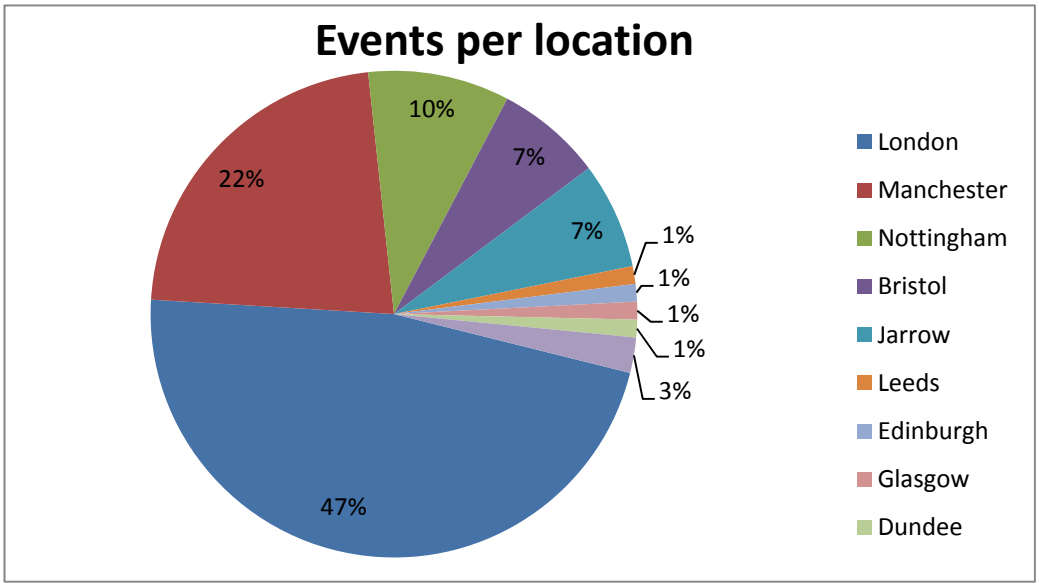


- There was no non-staff training in August



Geographical distribution of all training provided

Location	Events	Seats	Registrations	Attendances	Uptake %	Bookings Attended %	Bookings not attended %
London	40	931	842	711	90%	76%	16%
Manchester	19	451	380	355	84%	79%	7%
Bristol	8	134	94	91	70%	68%	3%
Jarrow	6	125	88	87	70%	70%	1%
Nottingham	6	119	57	54	48%	45%	5%
Leeds	1	58	55	53	95%	91%	4%
Edinburgh	1	26	26	20	100%	77%	23%
Glasgow	1	21	20	19	95%	90%	5%
Dundee	1	12	10	9	83%	75%	10%
Reading	2	16	16	0	100%	0%	100%



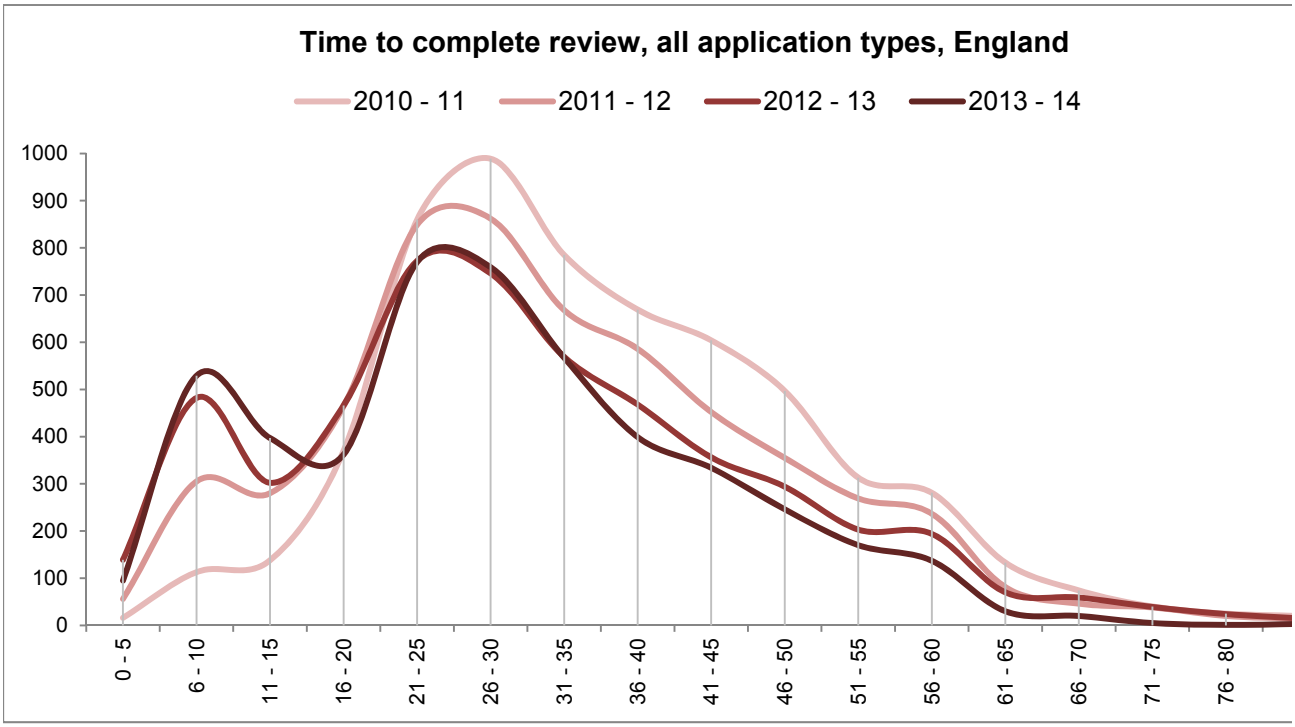
- The majority of events are held in London and Manchester because those HRA offices have the largest in-house meeting rooms and are easily accessible via main rail routes

Section 5: Research Ethics Committee metrics

REC METRICS

- SOP (Standard Operating Procedure) requirement is 60 calendar days; the HRA has set stretched targets of 95% within 40 calendar days for applications going through full committee. 2013-14 has seen a continuing improvement in the number of applications reviewed within statutory timelines, despite ongoing IT issues which have seriously comprised work output on many occasions. 98% of applications reviewed in 60 days (England cumulative figure)
- Proportionate sub-committee review for low-risk studies has a target of 14 days. The cumulative figure at March 2014 is 90% compliance (England)
- GTAC (Gene Therapy Advisory Committee) has transferred to the HRA and timelines have reduced significantly. Legal requirement is 90 calendar days; the HRA has stretched targets of 100% in 60 days. Previous data was over 100 days
- Reduction of applications year-on-year has been due to service improvements, including database and tissue bank approvals which removed the need for individual applications, and policy changes to REC remit
- SOP requirement for amendments is 35 calendar days and the HRA has set a stretched target of 28 days. Individual committees have met the stretched target. 98% of amendments reviewed in 35 days (England cumulative figure)

Time to complete ethical review: all application types, England (year to date)

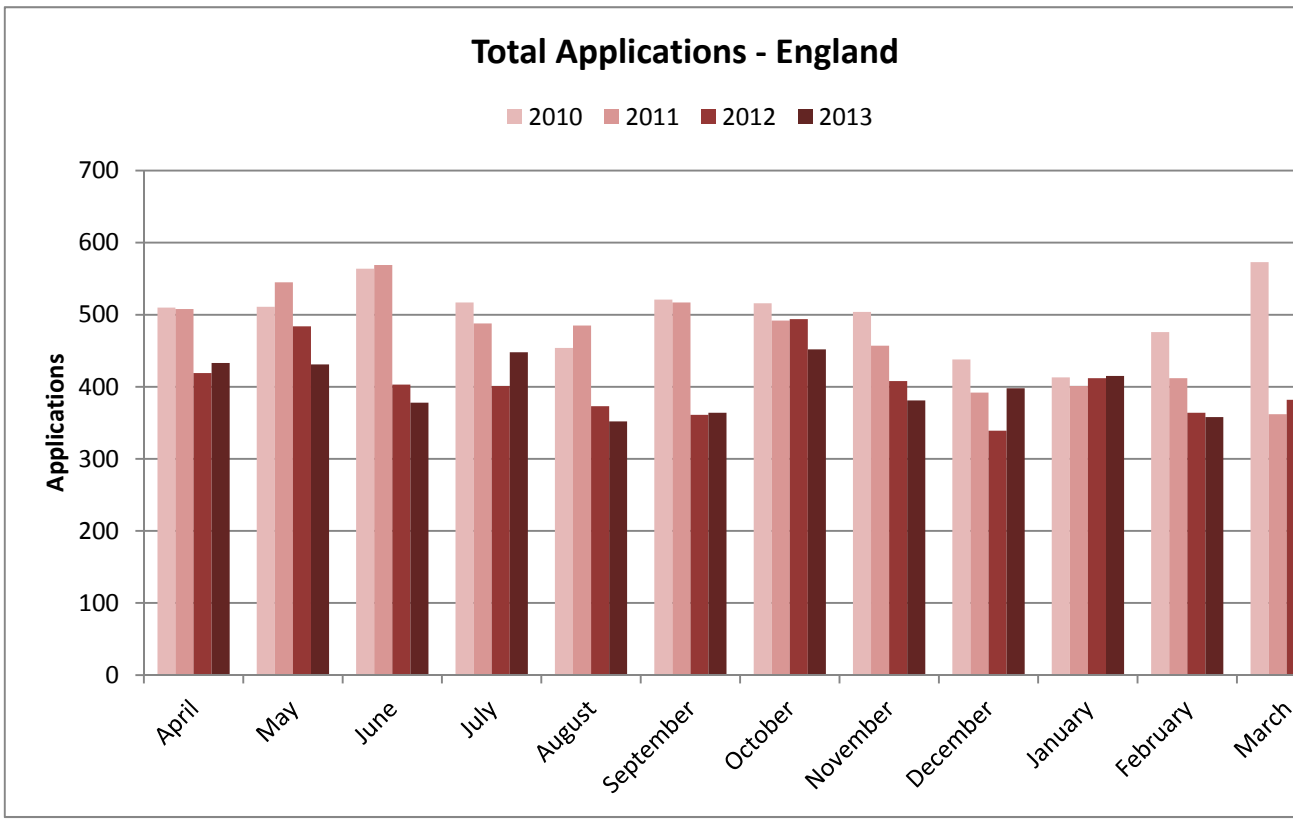


Applications to RECs in England (year to date)

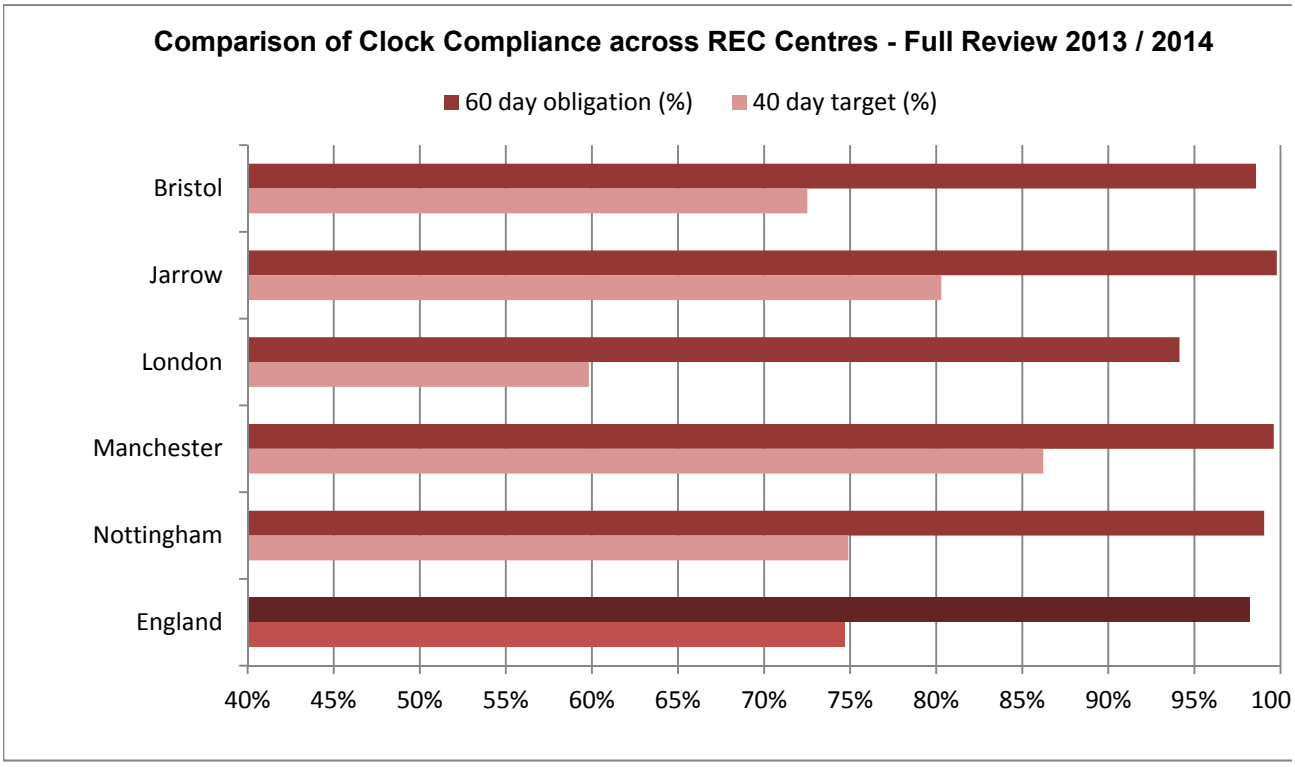
	All applications	CTIMPs	Other (full review)	Research Tissue Bank	Research Databases	Proportionate review	Full review (Inc. CTIMPs)
Apr-13	433	58	283	3	1	88	345
May-13	431	62	252	3	4	110	321
Jun-13	378	56	251	5	2	64	314
Jul-13	449	83	261	5	5	95	354
Aug-13	352	55	207	3	0	87	265
Sep-13	364	66	206	4	4	84	280
Oct-13	452	99	257	3	1	92	360
Nov-13	380	80	221	5	3	71	309
Dec-13	398	75	240	4	4	75	323
Jan-14	415	69	240	2	2	102	313
Feb-14	358	55	210	3	2	88	270
Mar-14	422	62	244	4	5	107	315

CTIMP: Clinical Trial of Investigational Medicinal Product

Total applications reviewed in England (year on year)



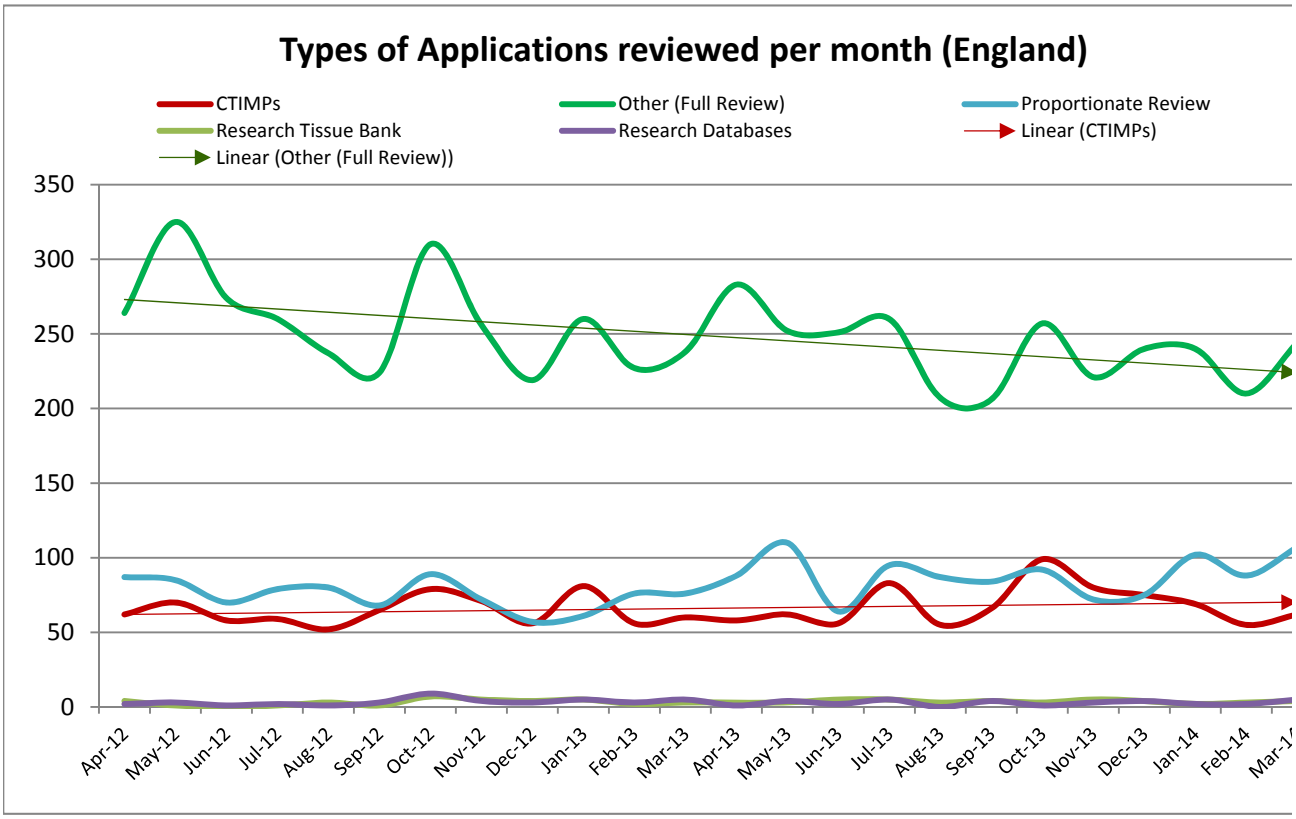
Review of full applications – comparison of Centres, England (year to date)



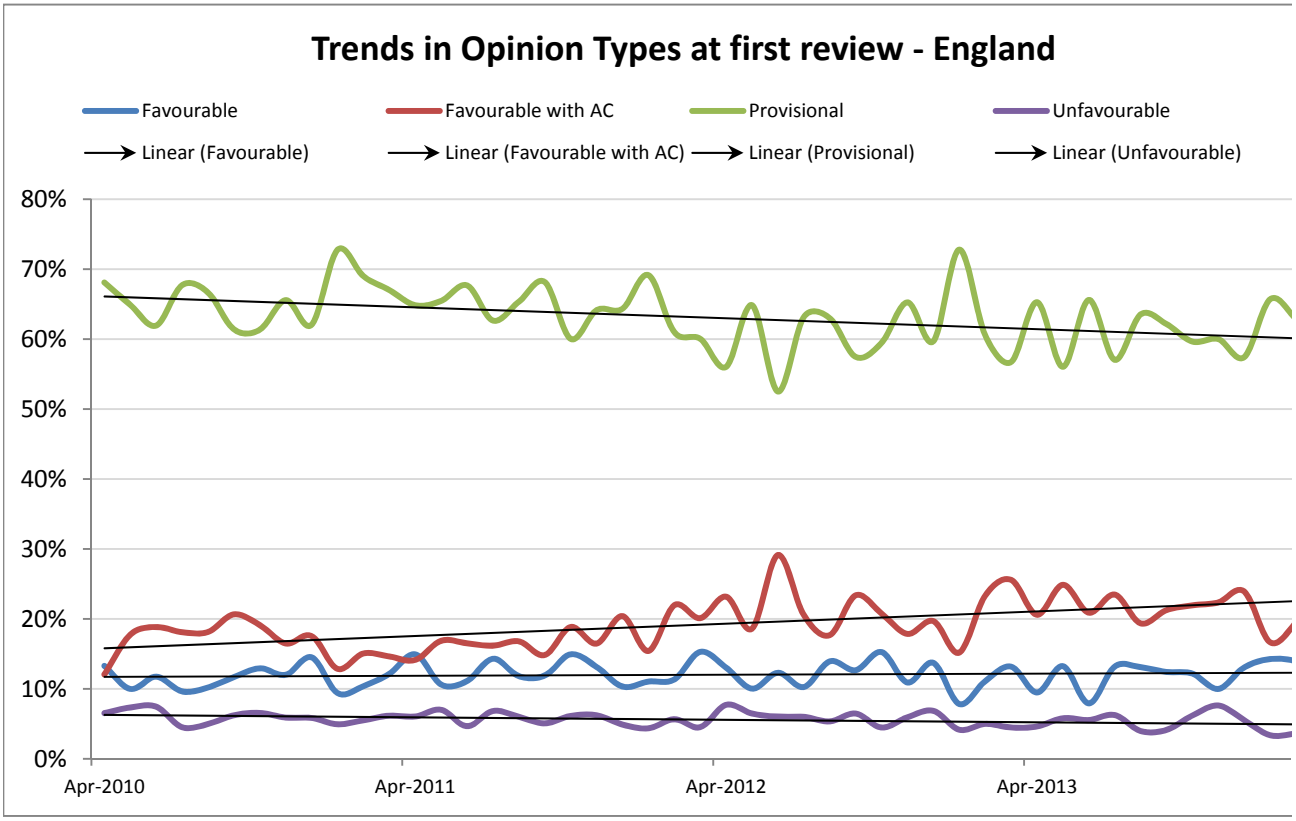
Statutory timeline is 60 calendar days – Business Plan KPI objective is 40 calendar days

REC Centre	Total no. applications (year to date)	Mean average time to process	Complete within 40 days (%)	Complete within 60 days (%)
Bristol	1,055	34.51	73%	99%
Jarrow	477	31.18	80%	100%
London	682	37.96	60%	94%
Manchester	769	29.11	86%	100%
Nottingham	741	33.64	75%	99%

Types of applications reviewed per month, England (rolling 2 years showing trend)



Trends in REC opinion types at first review, England (rolling 3 years)

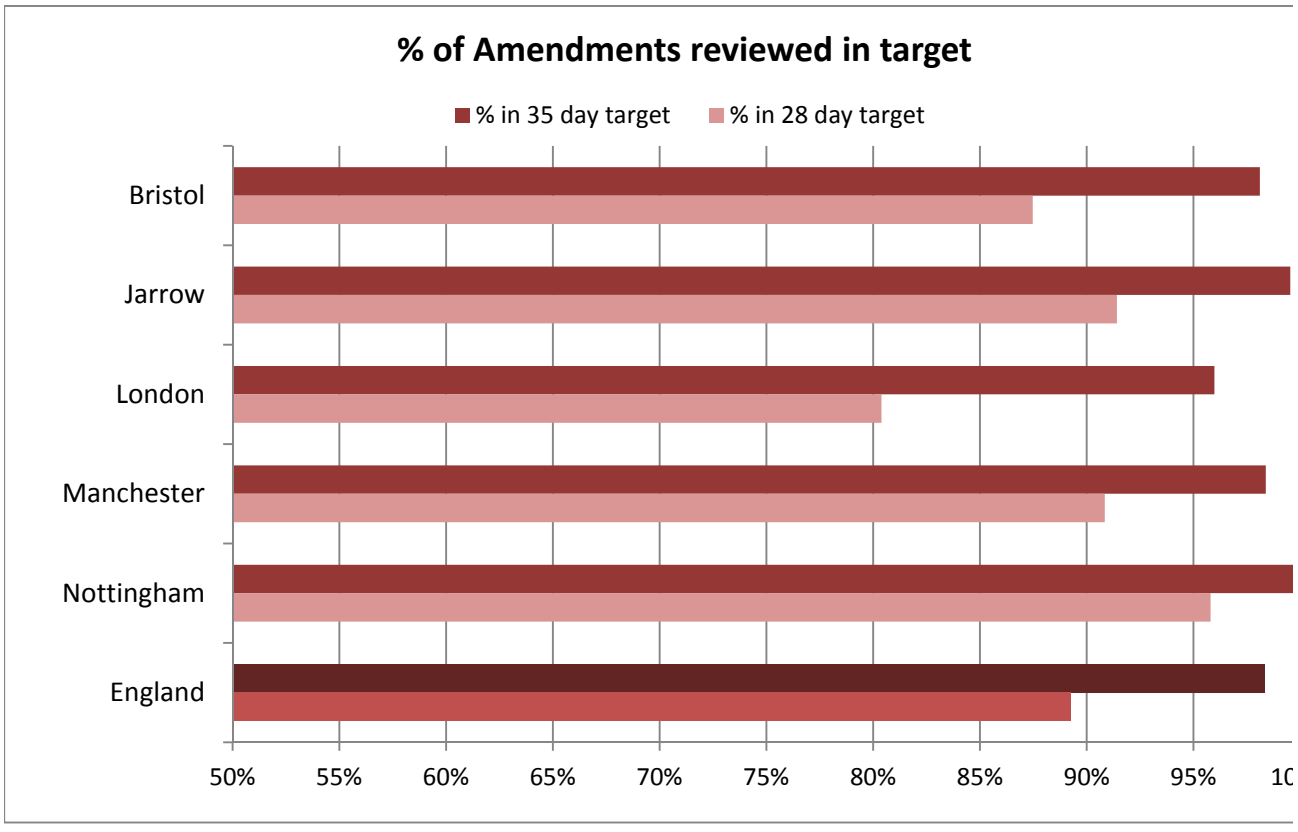


The 2012 HRA Business Plan determined that the use of Provisional opinions at first review should be reduced in favour of Favourable with Additional Conditions (AC). The downward trend in Provisional opinions and the upward trend in Favourable AC reflect progress in this. Other opinion types remain stable

Review of amendments per REC Centre, England (year to date)

REC Centre	Number of amendments	Mean average time to process	Complete within 28 days (%)	Complete within 35 days (%)
Bristol	2,060	16.76	87%	98%
Jarrow	850	18.24	91%	100%
London	1,244	18.91	80%	96%
Manchester	1,365	16.40	91%	98%
Nottingham	1,620	15.62	96%	100%
England	**7,141**	**16.98**	**89%**	**98%**

Review of amendments in target per REC Centre, England (year to date)



Statutory timeline is 35 calendar days – Business Plan KPI objective is 28 calendar days

Action Plans from accreditation of RECs, England

Month	No of action plans received	% in target
April 2013	2	100%
May 2013	2	100%
June 2013	1	100%
July 2013	0	N/A
August 2013	0	N/A
September 2013	1	100%
October 2013	1	100%
November 2013	1	100%
December 2013	0	N/A
January 2014	1	100%
February 2014	1	100%
March 2014	1	100%

Section 6: Confidentiality Advisory Group (CAG) metrics

CAG METRICS

- CAG was established in April 2013 when the function transferred to the HRA. During this reporting period CAG meetings were bi-monthly. From April 2014 CAG will meet monthly, which will improve timelines.
- Additional resource secured in December 2013 has assisted in reducing timelines. Since January 2014 there has been a reduction in processing times as follows:
  - new applications: 10% decrease
  - precedent set review: 40% decrease (please see comment below)
  - amendments: 23% decrease
- Unlike applications submitted to NHS Research Ethics Committees, whether an application submitted to CAG is suitable for Precedent Set review is determined by whether precedent advice has been set in relation to the key issues engaged by the application, rather than by the application itself raising no material issues. As with review of new applications submitted to the full Confidentiality Advisory Group, applications for consideration through Precedent Set review are subject to an office assessment stage, as well as review by a sub-group of members, and precedent advice will be reviewed and applied where relevant

Summary of applications reviewed by CAG (year to date)

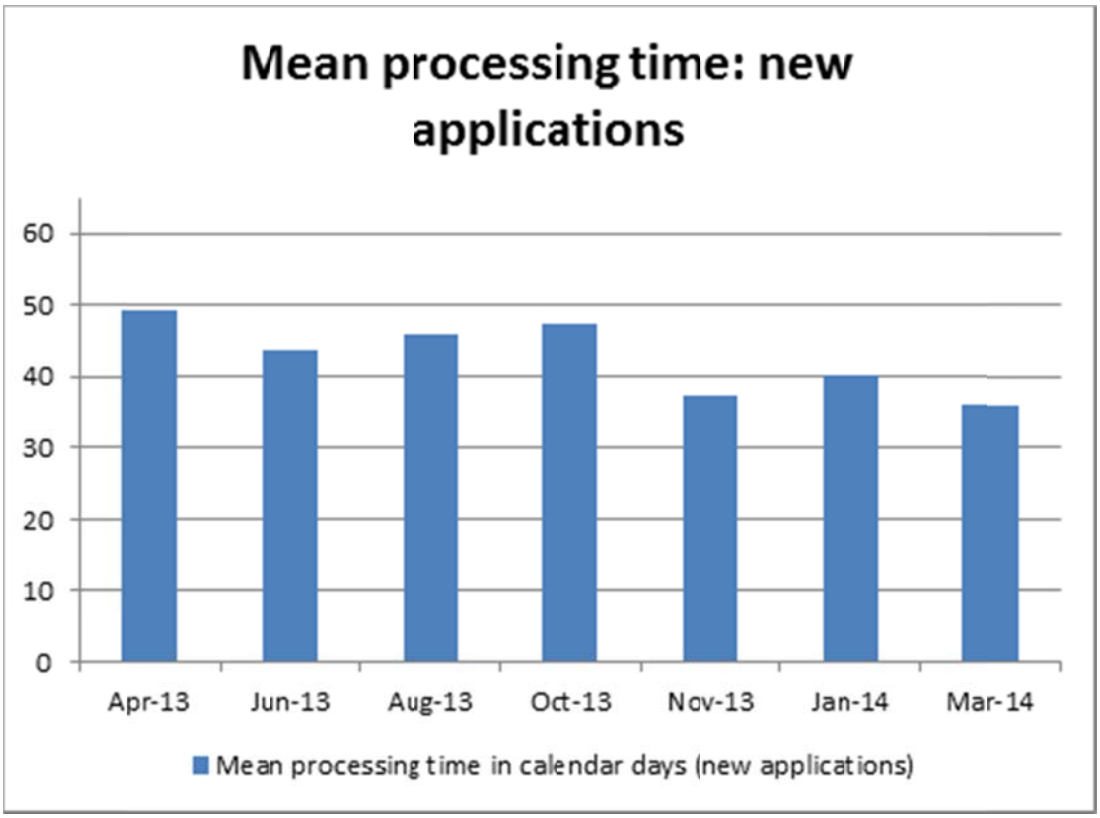
Application type	Apr-13	Jun-13	Aug-13	Oct-13	Nov-13	Jan-14	Mar-14	Total
New full CAG applications reported	8	6	10	14	4	7	5	**54**
Precedent Set reviews reported	7	5	6	5	11	7	4	**45**
Amendments reported	7	2	3	4	9	4	13	**42**

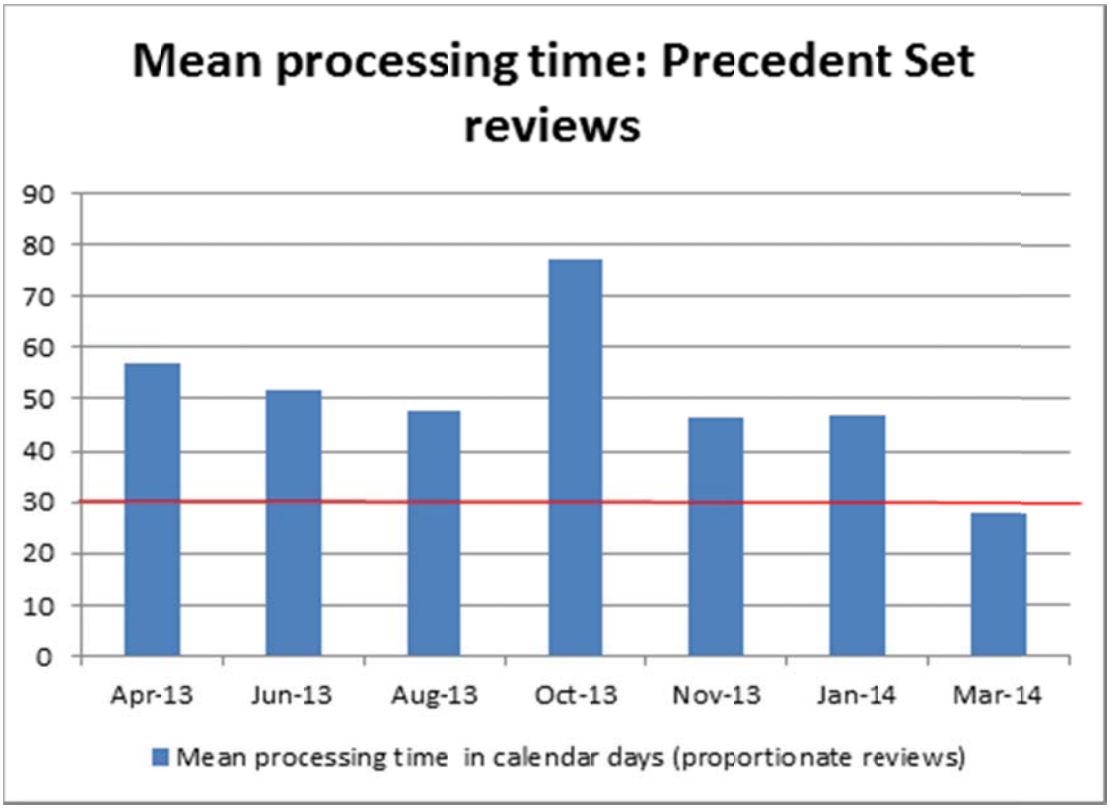
Mean processing time in calendar days	Apr-13	Jun-13	Aug-13	Oct-13	Nov-13	Jan-14	Mar-14	Target
New applications	49	44	46	45	31	40	36	**60**
Precedent Set reviews	57	52	48	49	58	47	28	**30**
Amendments	72	52	34	88	52	35	27	**30**

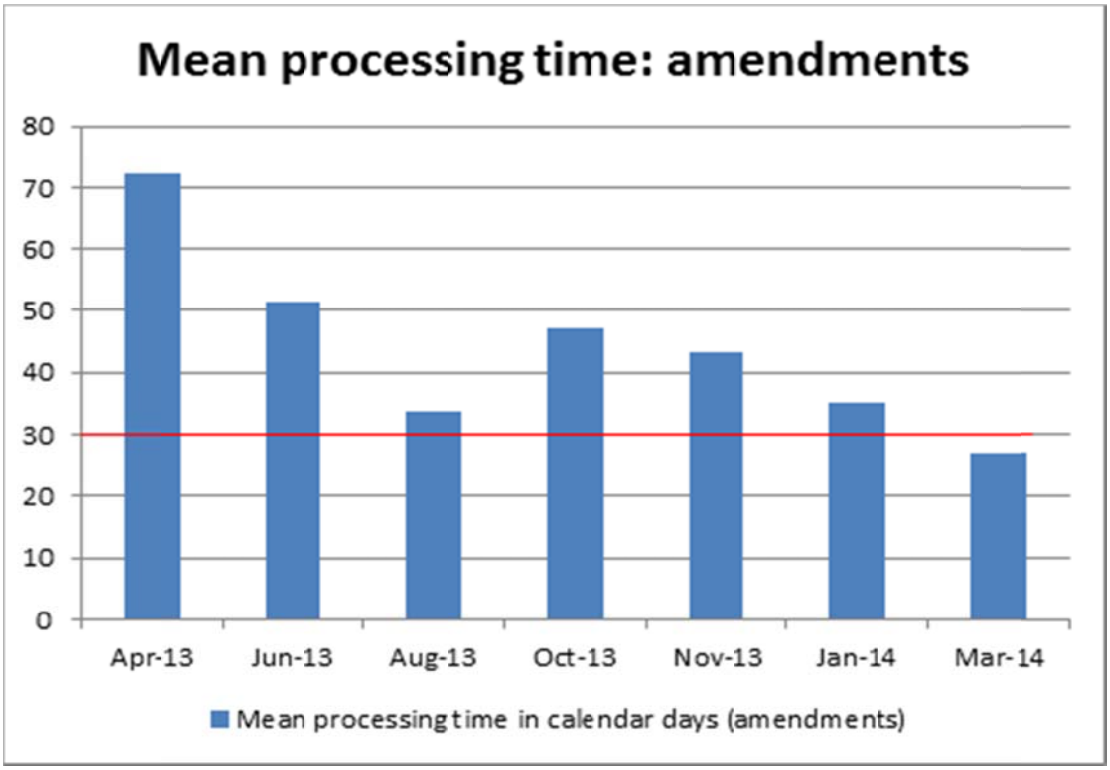
No. of applications meeting target processing time	Apr-13	Jun-13	Aug-13	Oct-13	Nov-13	Jan-14	Mar-14	Target
New applications	7	6	8	13	4	7	5	**60**
Precedent Set reviews	0	0	0	1	0	0	2	**30**
Amendments	2	0	2	0	2	1	11	**30**

Proportion of applications meeting target processing time	Apr-13	Jun-13	Aug-13	Oct-13	Nov-13	Jan-14	Mar-14	Target
New applications	88%	100%	80%	93%	100%	100%	100%	**100%**
Precedent Set reviews	0%	0%	0%	20%	0%	0%	50%	**100%**
Amendments	29%	0%	67%	0%	22%	85%	85%	**100%**

Review of applications by CAG (year to date)




Mean processing time: Precedent Set reviews
90
80
70
60
50
40
30
20
10
0
Apr-13
Jun-13
Aug-13
Oct-13
Nov-13
Jan-14
Mar-14
Mean processing time in calendar days (proportionate reviews)

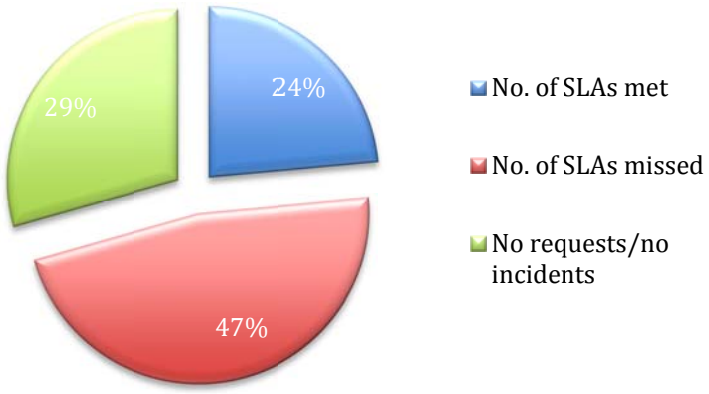

Mean processing time: amendments
80
70
60
50
40
30
20
10
0
Apr-13
Jun-13
Aug-13
Oct-13
Nov-13
Jan-14
Mar-14
Mean processing time in calendar days (amendments)

Open Service dashboard

SLA/KPIs*	*Jan-14*	*Feb-14*	*Mar-14*
No. of SLAs met	4	5	**5**
No. of SLAs missed	8	7	**7**
No requests/no incidents	5	6	**6**
Total	17	18	**18**

**more SLA/KPIs will be added to future Service Review reports*

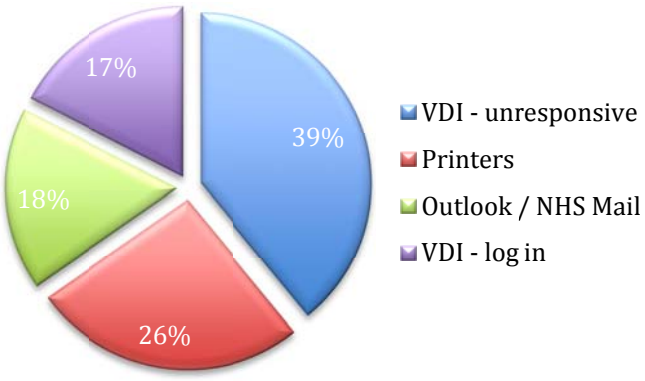
No. of SLAs met/missed



INCIDENTS	*Jan-14*	*Feb-14*	*Mar-14*
No. of Major Incidents	3	3	**2**
No. of new calls	76	82	**62**
No. of open calls as 31/03	7	9	**6**
No. of days of oldest call*	66	47	**75**

**the oldest call refers to the wider NHS mail / Outlook issues which has now been closed. These issues have been recognised as a high priority and there is an ongoing project in place to improve performance.*

Top Issues



Top Issues	Details	Result	No.
VDI - unresponsive	VDI sessions become unresponsive	Sessions reset by 1st Line support enabling users to log back in	9
Printers	Users unable to print or print quality issue	Printers fixed by Ricoh engineers	6
Outlook / NHSmail	Users unable to access Outlook or Outlook becomes unresponsive	Resolved by Atos and NHSmail support	4
VDI - log in	Users unable to log in to Thin Client	Access restored within SLA	4

Top Requests	Details	Result	No.
Shared Drive	Request for shared drive access	Access given within agreed SLAs	8
Passwords	Requests to have any of the passwords reset	Passwords reset by 1st or 2nd line support	4
New Accounts	Requests for new user IT accounts	Accounts created within SLA	3
Software	Request for additional software	Software installed within agreed SLA	3

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