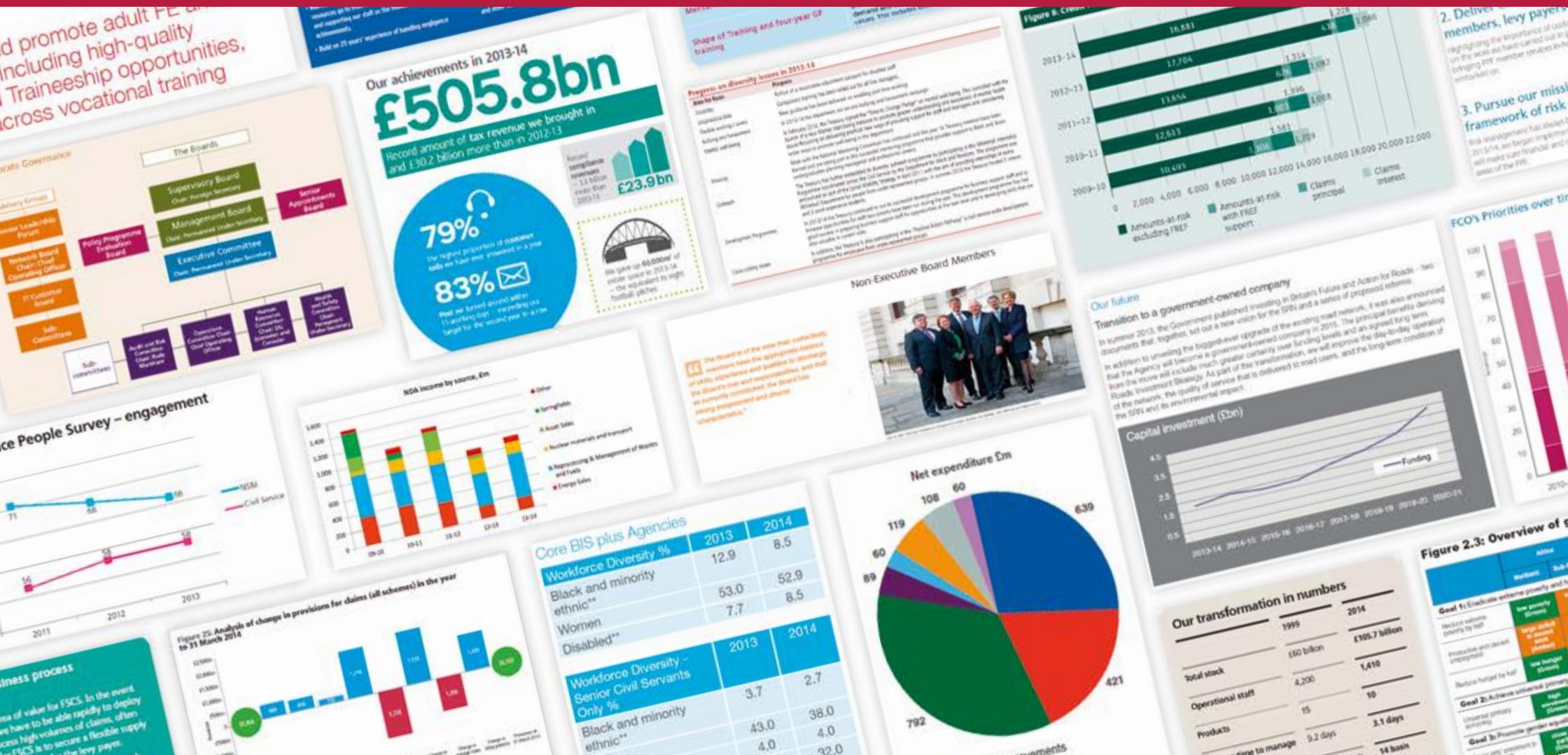


# Building Public Trust Awards

# Examples of good practice in annual reports



# The NAO and the Building Public Trust Awards

The Building Public Trust Awards recognise trust and transparency in corporate reporting. The NAO co-sponsors the public sector award for excellence in public sector reporting. In 2014 this award was won by HM Revenue & Customs.

Maggie McGhee, Director General Quality Assurance, sits on the judging panel for the awards.

During the judging process we identified a number of examples of good practice. The following slides summarise the judging criteria and highlight examples of good practice from the 52 public sector annual reports and accounts reviewed.

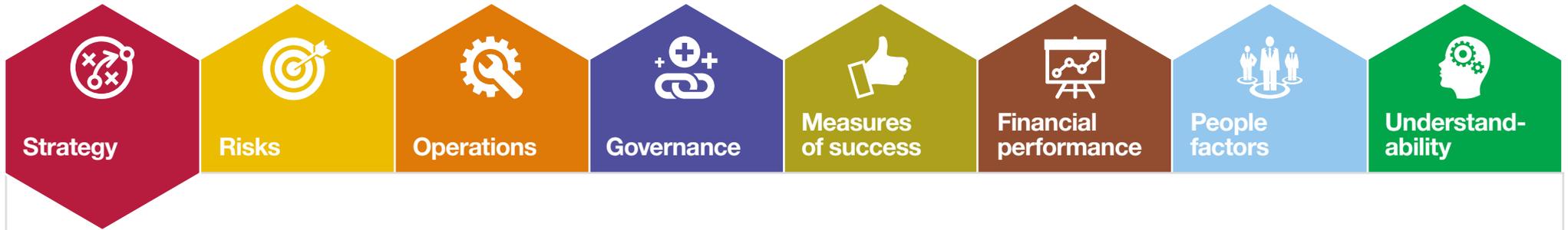
However it is important that entities consider what disclosures are relevant and material to their organisation when considering the disclosures to adopt in their annual report and accounts.

The NAO also supports the BPTA public sector award for sustainability reporting. Good sustainability reporting addresses all material sustainability issues for the organisation, not just impacts from its estate and staff travel. We publish our advice on good practice on our [website](#).

This is the 12th year in which PwC has presented these annual awards. The PwC brochure for the 2014 awards '[Navigating the trust journey](#)' contains further details about the awards.

## Judging areas





## What did we look for?

- Clarity around purpose, strategic objectives and key programmes/projects
- Balanced view of progress against objectives
- Details of future plans to implement priorities



Achievement of priorities



Clear statement of overall purpose



Explained objectives/strategic priorities



Progress against strategic objectives in year



Consideration of past priorities



Plans for the future to achieve objectives



Progress of projects and programmes

# Strategy

## Achievement of priorities

HMT 2013-14



**Objective 1 – reduce the structural deficit in a fair and responsible way – the Treasury will take action to tackle the deficit in a fair and responsible way, ensure that taxpayers’ money is spent responsibly, and get the public finances back on track whilst protecting growth.**

No of actions due to complete	Met on time	Missed by < 1 month	Missed by < 2 months	Missed by >3 months
1	1	0	0	0

### 2013-14 key achievements

- The government remains on course to meet its fiscal mandate one year early in 2017-18 and public sector net borrowing as a percentage of GDP is forecast to have fallen by half from its 2009-10 peak by 2014-15
- The department successfully delivered Spending Round 2013<sup>1</sup> (SR 2013), setting out details of the government’s plans to reduce current spending by £11.5 billion in 2015-16, within the total spending envelope set at Budget 2013. SR 2013 also set out plans for Private Finance 2 and a cap on Annually Managed Expenditure
- In conjunction with the Cabinet Office, Treasury initiated a rolling programme of efficiency reviews with all major government departments to help departments live within their future settlements
- SR 2013 announced a central government asset sales target of at least £15 billion between 2015 and 2020 and proposed a series of policy changes to support the delivery of this target, including: improved levers to drive implementation of agreed asset sales, clearer accountability for asset sales targets and improved incentives for departments
- At the June 2013 European Council meeting, Treasury negotiated a satisfactory agreement on the EU Budget Multiannual Financial Framework (MFF) 2014-20. This agreed a reduction to the seven year payments ceiling by 3% compared to the current MFF
- The Finance Act 2013 received Royal Assent on 17 July 2013, which included a number of new measures tackling tax avoidance, including the General Anti-Abuse Rule

### Deadlines missed

No deadlines have been missed against this priority.

# Strategy

Clear statement of overall purpose

Skills Funding Agency 2013-14



## What We Do

Our job is to fund and promote adult FE and skills training in England, including high-quality Apprenticeship and Traineeship opportunities, raising standards across vocational training

2/7

# Strategy

## Explained objectives/strategic priorities

Pension Protection Fund 2013-14



### 1. Meet our funding target through prudent and effective management of our balance sheet

It is essential that we have the funds to pay members the compensation to which they are entitled. We have set ourselves a target of being financially self-sufficient by 2030 and we measure our probability of success in meeting this target and assess the impact of our decision making by reference to that probability.

### 2. Deliver excellent customer service to our members, levy payers and other stakeholders

Highlighting the importance of customer service through a strategic objective builds on the work we have carried out in previous years. It also helps prepare ourselves for bringing PPF member services in-house, the biggest strategic change we have ever embarked on.

### 3. Pursue our mission within a high calibre framework of risk management

Risk management has always been one of our key strategic objectives. At the start of 2013/14, we began implementing an enhanced risk management framework which will make sure financial and non-financial risk management is embedded across all areas of the PPF.

# Strategy

## Progress against strategic objectives in year

NS&I 2013-14



## Strategy and performance

### Our strategy

For the last four years, we have been working to deliver the NS&I direct+ strategy. This was announced following the Spending Review 2010 and set out NS&I's role in delivering the Coalition's programme for government. It seeks to balance the needs of our customers and taxpayers and the stability of the broader financial services sector. The strategy was completed on schedule during 2013-14, and the table below summarises the key final steps against its core objectives.

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Objective	Progress during 2013-14
Delivering the agreed Net Financing target each year	We met our Net Financing target in 2013-14, delivering £3.4 billion of Net Financing. This target was revised in the Autumn Statement 2013 from £0 (+/-£2 billion) to +£2 billion (+/-£2 billion). During the course of NS&I direct+ we delivered £6.8 billion of Net Financing. For more detailed commentary on this, please see the Chief Executive's review (pages 4 to 7).
Delivering positive value as measured by the Value Indicator	We delivered £346 million of value this year. With gilt yields increasing from the historic low of last year, it was once again more cost-effective for the Government to raise and service debt finance through NS&I than the gilt market – which has been the case every year since we actively started measuring value, with the exception of 2012-13. During the course of NS&I direct+, we delivered £517 million of value. For more detailed commentary on this, please see the Chief Executive's review (pages 4 to 7).
Accelerating the move to direct channels for our retail customers	All NS&I products are available directly from NS&I either by phone, online or by post. Premium Bonds are also available at the Post Office. Over 1.6 million customers have now registered to manage their accounts online and/or by phone and 85% of retail customer sales took place via direct channels. For more detailed commentary on this, please see the 'Our customers' section (pages 13 to 17).

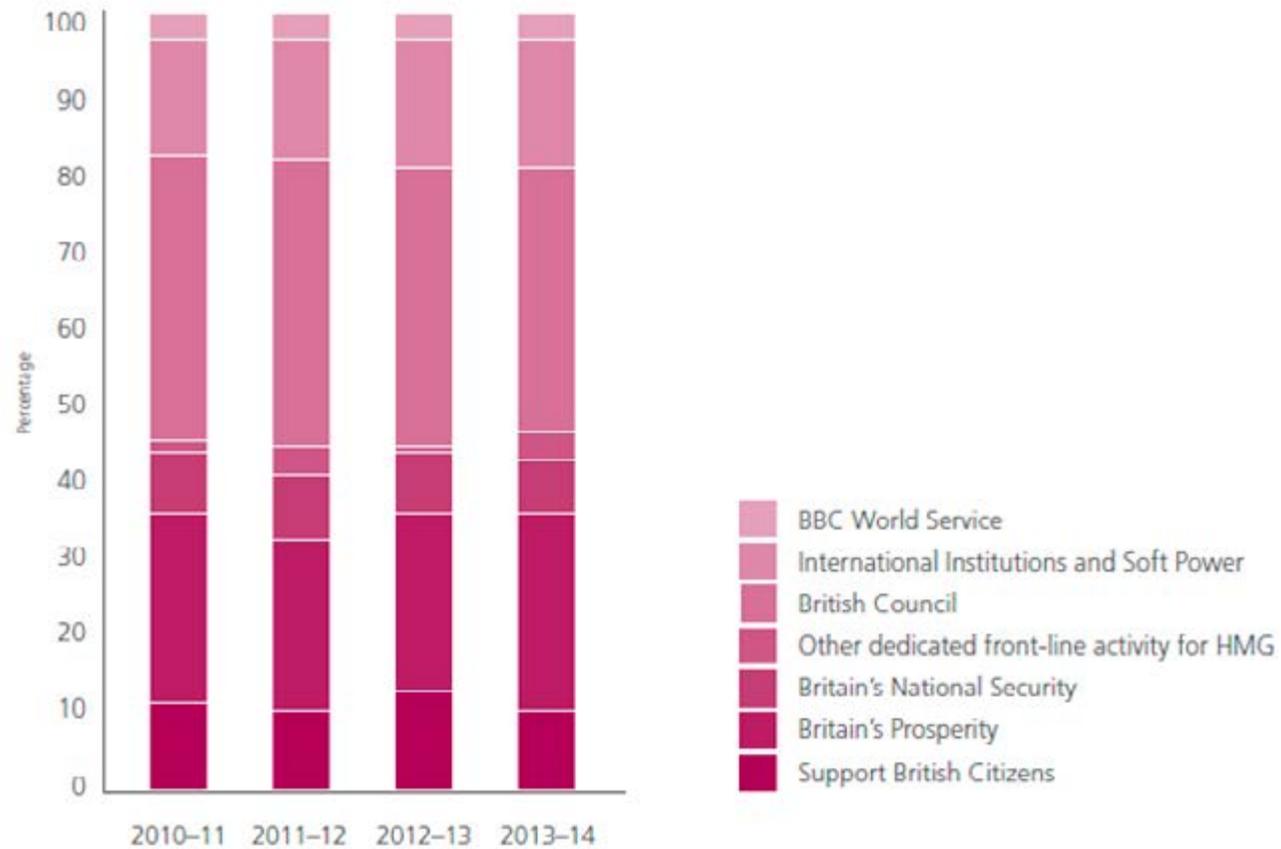
# Strategy

## Consideration of past priorities

FCO 2013-14



FCO's Priorities over time



# Strategy

## Plans for the future to achieve objectives

NHS Litigation Authority 2013-14 (top) and HMT 2013-14 (bottom)



# The year ahead

We provide a range of services to the NHS to benefit patients, professionals and service providers. Our plans over the year ahead aim to make sure we continue to provide these services to the highest standards and to provide excellent value for money.

### We will:

- Maintain our record of efficiency and control costs so NHS resources go to front line services whilst also investing in and supporting our staff as the foundation of all our achievements.
- Build on 20 years' experience of handling negligence claims to support the NHS to reduce harm and improve patient safety by reducing claims.
- Develop and improve our work to maintain the professional standards of doctors, dentists, pharmacists and other healthcare professionals.

6/7

## Objective 1 actions for 2014-15

2.8 The Treasury's SRP sets out the individual actions to reduce the deficit in the year ahead. In summary the Treasury will continue to focus on:

- implementing a cross-government **deficit reduction** plan and monitoring the implementation of spending plans
- implementing a government **fiscal strategy** that supports fiscal sustainability
- supporting sustainable long-term **public service reform** to address medium and long term fiscal pressures
- reforming **public service pay and pensions**
- improving the UK's ability to **tackle tax avoidance and tax evasion**

# Strategy

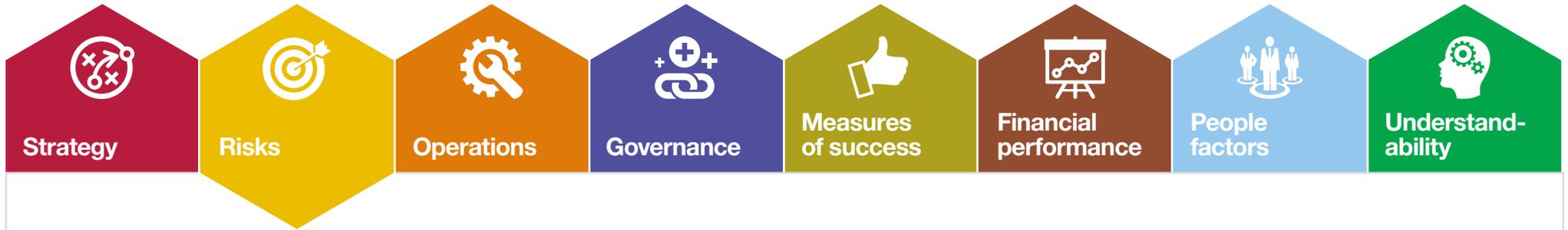
## Progress of projects and programmes

HEE 2013-14



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<b>Emergency and acute medicine</b>	Attracting doctors to work in emergency medicine through a range of initiatives, to ensure shortages are filled and patient care is improved. More details can be found at <a href="http://www.hee.nhs.uk/2013/12/17/emergency-medicine-background-to-hee-cem-proposals-to-address-workforce-shortages/">www.hee.nhs.uk/2013/12/17/emergency-medicine-background-to-hee-cem-proposals-to-address-workforce-shortages/</a>
<b>Paramedics</b>	Supporting improved training by looking at and implementing recommendations from the Paramedic Evidence based Education Project report that have the greatest impact on patient care. For more on this topic visit <a href="http://hee.nhs.uk/2013/09/20/hee-supports-improved-training-for-paramedics/">http://hee.nhs.uk/2013/09/20/hee-supports-improved-training-for-paramedics/</a>
<b>Health Visiting</b>	Ensuring there are sufficient numbers of training places commissioned to support delivery of the Government's commitment to increase the health visiting workforce by 4,200 by April 2015.
<b>Dementia</b>	A Government Mandate priority – we've achieved our goal this year of training 100,000 staff in dementia awareness training.
<b>Mental health</b>	We're working on commissioning the required number of IAPT (Increasing Access to Psychological Therapies) training places.
<b>Shape of Training and four-year GP training</b>	We're working with the Shape of Training team to ensure medical training is designed to meet future demand and equip doctors with the right skills and values. This includes looking into four-year GP training.



## What did we look for?

- Linkage between risks, strategic objectives and annual report narrative
- Quantified risks
- Discussion about how the dynamic of the risk profile has changed over time



Discussion of risks linked to strategy (including mitigating actions)



Consideration of how risks have changed over time



Quantification of risk

# Risks

Discussion of risks linked to strategy  
(including mitigating actions)

NS&I 2013-14



## Principal risks facing NS&I

The principal risks and uncertainties facing NS&I which could cause our financial results or operational delivery to materially differ from expected results are set out below, along with a summary of how we managed or mitigated these risks in 2013-14.

Principal risk factor	Key factors	Key specific risks and mitigation
<p><b>Net Financing risk</b> Net Financing risk is the failure to meet the annual Net Financing target agreed annually with HM Treasury.</p>	<p>Our ability to remain within the agreed Net Financing remit depends on a number of factors, including:</p> <ul style="list-style-type: none"> <li>any potential impact of a changing deposit market or competition for retail deposits which may distort usual pricing patterns</li> <li>market shocks that may impact on consumer confidence</li> <li>material changes to (and awareness of) depositor insurance arrangements.</li> </ul>	<p><b>Inability to meet Net Financing target</b> Mitigating actions include pricing, taking products on or off sale and managing retention rates and marketing activity.</p>
<p><b>Change programme risk</b> Change programme risk is the failure to deliver NS&amp;I's change programme within agreed cost, time and quality parameters.</p>	<p>As part of the NS&amp;I direct+ strategy, we continued to upgrade and modernise our infrastructure and product range.</p>	<p><b>Failure to meet the change programme objectives</b> To manage the risks associated with this, we have put the requisite programme and project management disciplines in place, including enhanced joint working with Atos, project and programme tracking processes, and associated joint governance of the end-to-end project lifecycle.</p>

# Risks

## Consideration of how risks have changed over time

DSTL 2013-14

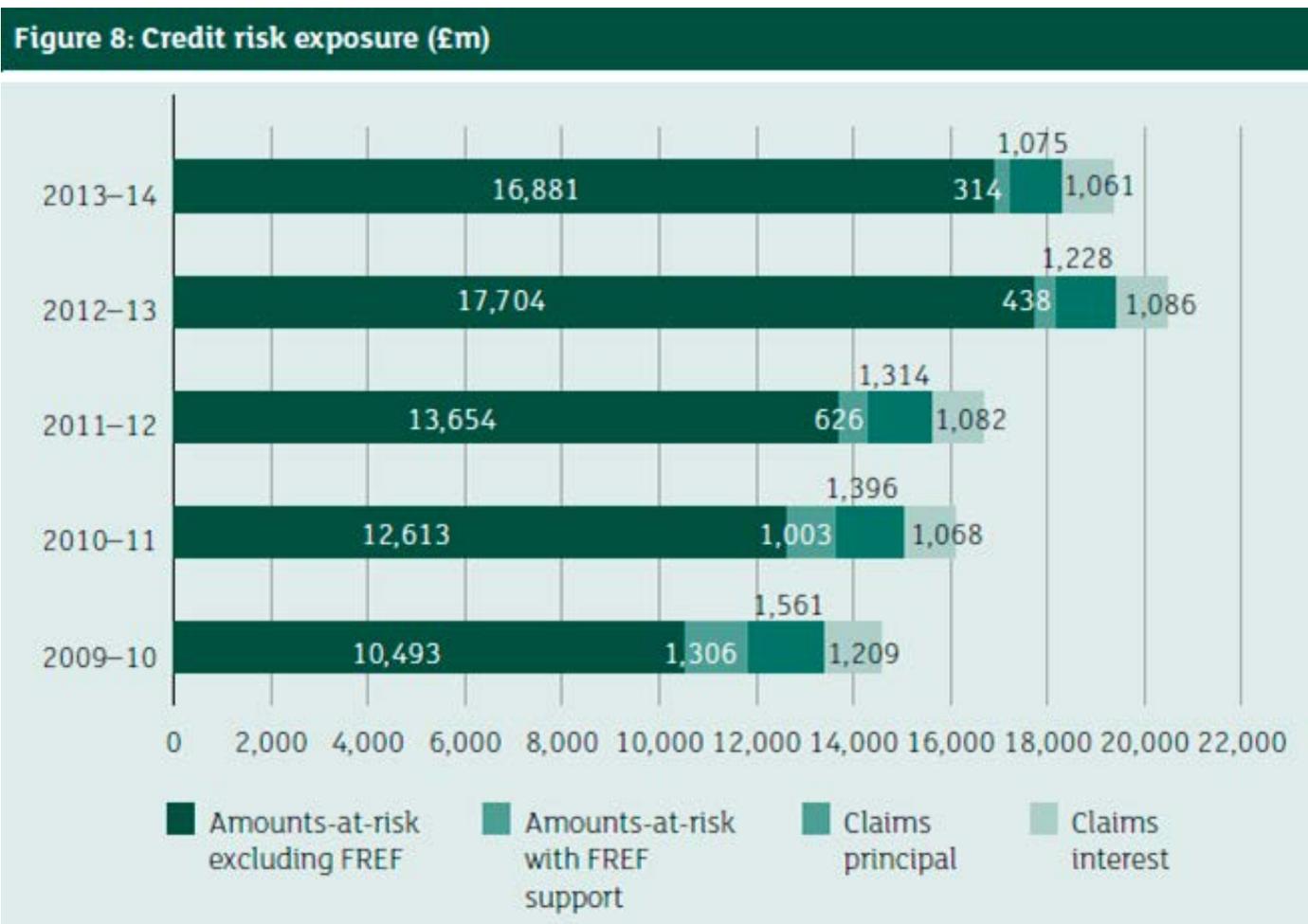


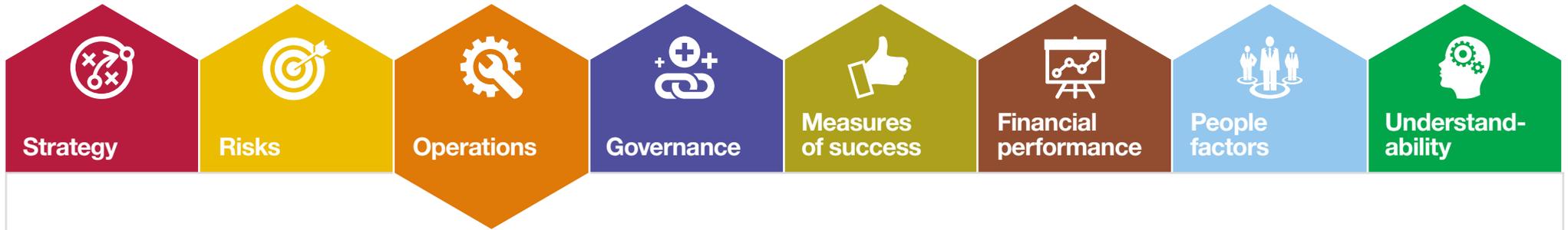
Risk	Relevance to Strategy	Mitigation	Progress in 2013/14
<p><b>Helios Delivery</b></p> <p>Failure to deliver the Helios Project to time, cost and quality</p>	<p><b>CRITICAL ENABLERS</b></p> <p>Failure to complete and deliver our Helios Project prevents the effective, efficient and integrated operation from our reduced core sites. The Helios Project is expected to deliver its full annual cost reduction of circa £12m from FY2020 onwards, with some partial savings realised in earlier years as vacation of our Fort Halstead site progresses. The consolidation from three to two core sites is a major contributor to our future operational efficiency and running cost reduction.</p>	<p>The business case for site rationalisation remains very strong. Following a review of the technical complexity of the Helios Project, we have decided that the best route to successful delivery is to take direct control of the project, with our strategic facilities management partner, Serco, providing key specialist support services. Once the cost savings from site rationalisation are fully realised, cash recovers and gives us the opportunity to undertake further investment or share the benefits of a reduced cost base with customers and our Owner.</p>	<p><b>INCREASED RISK</b></p> <p>Total planned capital expenditure to the Helios Project over the next five years is £95 million. Estimated costs have increased as complex requirements have been clarified. Final costed designs for new facilities will not be obtained until late in 2014. Construction is expected to be complete in 2017. Early office-based staff relocations to our Portsmouth site successfully completed in February 2014, using flexible desk-sharing arrangements to ensure they are accommodated within existing working environments.</p>
<p><b>Risk Owner</b></p> <ul style="list-style-type: none"> <li>▶ Executive Committee</li> <li>▶ Infrastructure Director</li> </ul>			

# Risks

## Quantification of risk

UK Export Finance 2013-14





## What did we look for?

- Discussion of the different delivery models, the reasons for using these models and how they achieve value for money
- Narrative around how business operations support wider parliamentary objectives
- For significant contracted-out services discussion around how these contracts are awarded and how the entity manages the on-going contract
- Consideration of capital investment and how it achieves value for money



Cost saving/efficiencies



Delivery through others (including assessment of their performance)



Outsourcing – details of contracts



Outsourcing – details of contracts

# Operations

## Cost saving/efficiencies

FSCS 2013-14 (left) and NS&I 2013-14 (right)



### Delivering VFM In our business process outsourcing model

Supply chain flexibility is a key area of value for FSCS. In the event of a business failure or default, we have to be able rapidly to deploy claims-handling capacity to process high volumes of claims, often at short notice. The challenge for FSCS is to secure a flexible supply chain capability while keeping costs down for the levy payer.

FSCS has responded to this challenge by setting up a framework arrangement whereby a diverse panel of suppliers offering a range of specialist experience are pre-selected and compete for packages of claims as and when the demand arises. FSCS staff work closely with the panel to strike a balance between ensuring that the suppliers are always 'on standby' and 'ready for service' without the costs being too prohibitive. In the event of an emergency we can quickly commission the right services in the right place at the right time and cost to deliver on our commitments to our claimants.

### Our transformation in numbers

	1999	2014
Total stock	£60 billion	£105.7 billion
Operational staff	4,200	1,410
Products	15	10
Average time to manage a transaction <sup>(1)</sup>	9.2 days	3.1 days
Efficiency ratio	34 basis points	14 basis points
Number of calls handled per year	577,000	3.1 million
Number of online interactions handled per year	0	45.9 million

# Operations

Delivery through others (including assessment of their performance)

DFID 2013-14



## Asian Development Bank

### Multilateral summary

The Asian Development Bank (AsDB) is owned and funded by its member countries and provides loans and grants to governments and private companies investing in its regional member countries in Asia and the Pacific.

AsDB is committed to tackling poverty reduction and delivering the MDGs through the promotion of inclusive economic growth, environmentally sustainable growth, and regional integration.

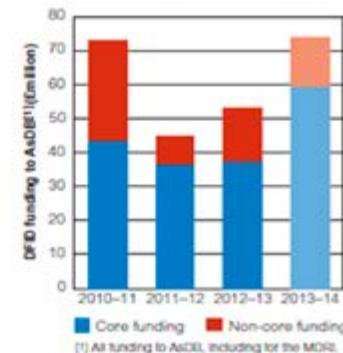
AsDB has a strong focus on infrastructure (transport, energy, water and sanitation) and works closely with partner countries, other multilaterals including the World Bank, and bilateral donors including the UK.

The Asian Development Fund (AsDF) is the concessional lending arm of the AsDB. In 2013, donor countries, including the UK, agreed to contribute approximately \$4.6 billion between 2013 and 2016. This money will provide loans and grants to the 30 least developed of its 48 regional members.

Eradicate extreme poverty and hunger	
Net enrolment in primary education	
Ratio of girls to boys in primary education	
Under 5 mortality ratio	
Maternal mortality ratio	
HIV prevalence, 15-49 years old	
Ensure environmental sustainability	

### Funding to the AsDB

Between 2010-11 and 2012-13, DFID provided £171 million to AsDB, 68% of which was core funding. DFID provided £74 million to AsDB in 2013-14, 80% of which was core funding.



Multilateral Aid Review 2011	DFID's engagement
<p>4 Very good value for money for UK aid</p>	<p>The UK has around a 2% shareholding in the AsDB (the 7th largest non-regional shareholder and 14th largest overall).</p> <p>The UK delegation to the Bank sits within a constituency office comprising Austria, Germany, Luxembourg and Turkey. The UK currently holds the Alternate Executive Director position in this constituency.</p>
<p>Multilateral Aid Review 2013</p> <p>3 Reasonable progress on average across reform areas</p>	

# Operations

## Outsourcing – details of contracts

FCO 2013-14



### Major Contractual Arrangements<sup>1</sup>

	Company	Contract
1	BAE SYSTEMS APPLIED INTELLIGENCE	Service Management and Integrator Contract. Transferring services from Hewlett Packard and Information & Technology Directorate including IT helpdesk, Portfolio Management, IT Architecture assurance and Service and Supplier Management
2	COMPUTACENTER	Managed Service for FCO's Desktop and infrastructure services
3	CAPGEMINI	Development and managed service supplier for replacement to the Prism contract, which is an Enterprise Resource Planning (ERP) contract.
4	MICROSOFT	Software Licenses – Enterprise agreement
5	VODAFONE	Government Convergence Framework Call Off
6	GARDA WORLD LTD	Mobile and static security guarding in Iraq (Baghdad)

# Operations

## Capital investment

Highways Agency 2013-14



### Our future

#### Transition to a government-owned company

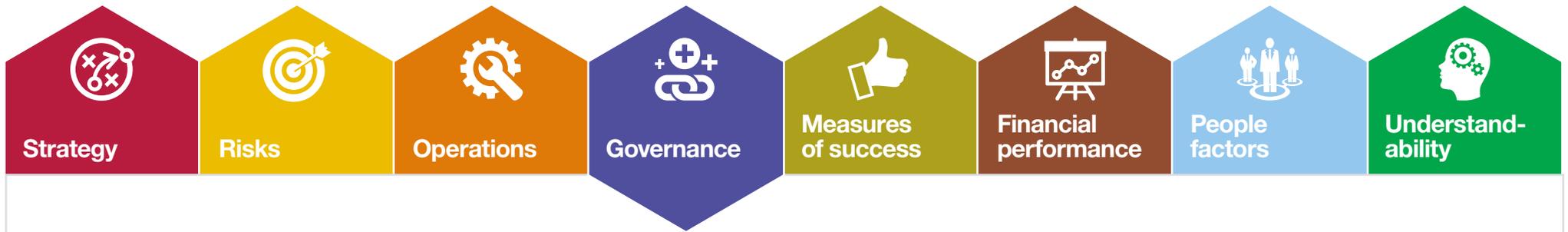
In summer 2013, the Government published Investing in Britain's Future and Action for Roads – two documents that, together, set out a new vision for the SRN and a series of proposed reforms.

In addition to unveiling the biggest-ever upgrade of the existing road network, it was also announced that the Agency will become a government-owned company in 2015. The principal benefits deriving from the move will include much greater certainty over funding levels and an agreed long term Roads Investment Strategy. As part of this transformation, we will improve the day-to-day operation of the network, the quality of service that is delivered to road users, and the long-term condition of the SRN and its environmental impact.

4/4

#### Capital investment (£bn)





## What did we look for?

- Narrative clearly demonstrating the governance structure and tone at the top
- Transparent information about how the Board works effectively to govern the organisation



Governance structure



Board as a team



Activities of the Board in year

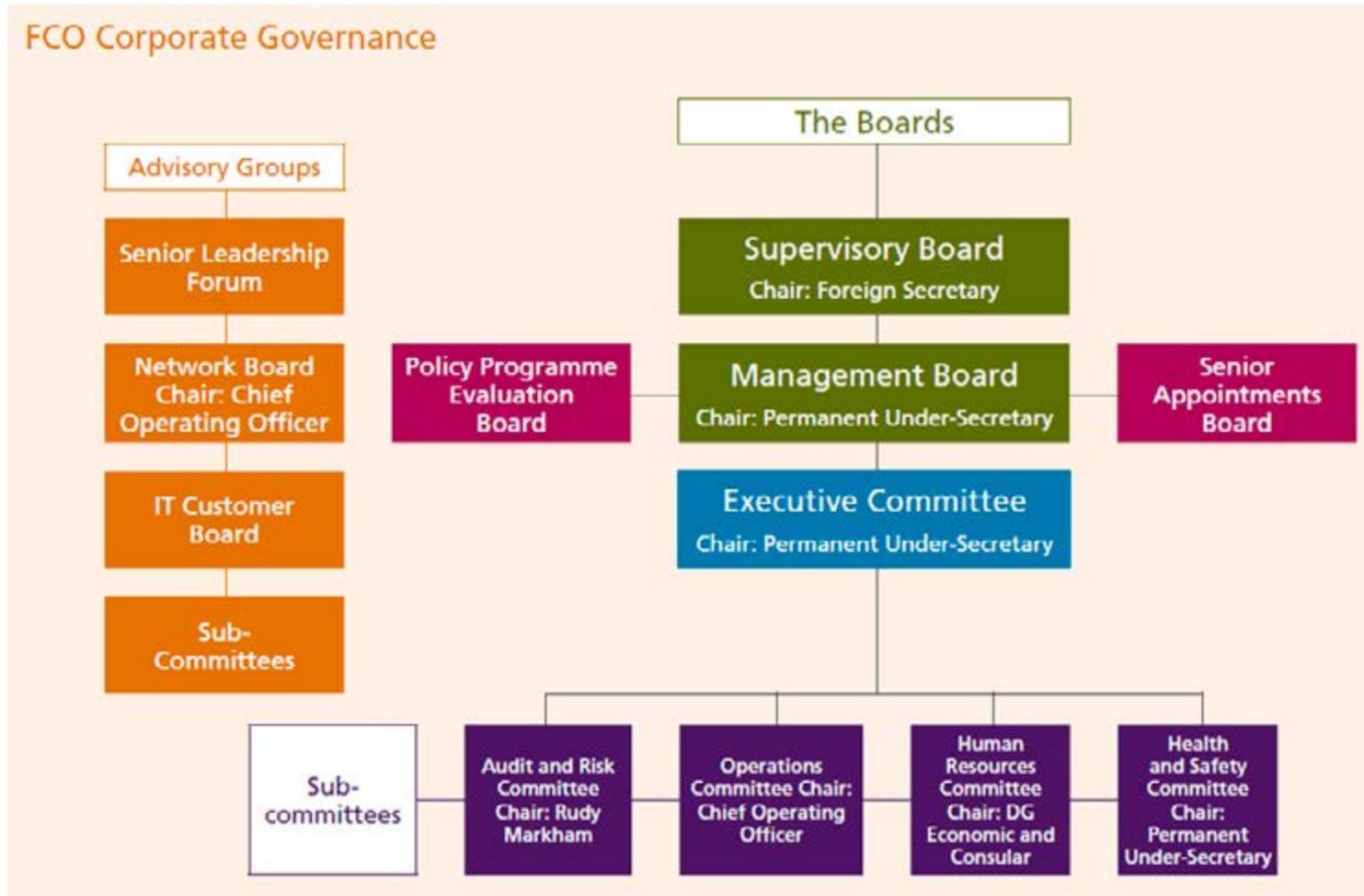


Board effectiveness review: findings and actions

# Governance

## Governance structure

FCO 2013-14



# Governance

## Board as a team

HMRC 2013-14



### Non-Executive Board Members

**“** The Board is of the view that, collectively, members have the appropriate balance of skills, experience and qualities to discharge the Board's role and responsibilities, and that, as currently constituted, the Board has strong independent and diverse characteristics. **”**



Left to right: Norman Pickavance, Philippa Hird, Volker Beckers, Ian Barlow, John Whiting and Edwina Dunn

# Governance

## Activities of the Board in year

FCO 2013-14



### B. FCO Management Board

Responsibilities	<p>The FCO Management Board forms the FCO's top, official level leadership. It brings together senior FCO officials and Non-executives to take the decisions required to ensure the FCO has the capability to achieve the Government's Foreign Policy Priorities; to motivate and manage staff; and to ensure that the organisation has the right skills, estate and IT. The Board's main vehicle to achieve this is the Diplomatic Excellence initiative, which has three themes: Policy, People and Network.</p> <p>The Executive members of the Board also meet weekly (except in the week of a Board meeting) as the Executive Committee.</p>
Summary of Discussions during 2013-14	<p>The Board met 11 times during 2013-14. Over the year the Board discussed, approved and reviewed: FCO major projects – IT and Estates; our Global Asset Management Plan; delivery of the Board's IT Vision; and measures to improve diversity in the FCO.</p> <p>Regular items on its agenda included: a monthly assessment of FCO impact against priority outcomes; monthly reviews of the FCO's Top Risk Register, with more detailed quarterly discussions of the organisation's top policy and operational risks; and a monthly analysis of Finance Management Information (MI). Each quarter the Board reviewed key performance indicators on the security of our staff, information and global estate; and procurement activities. No formal performance evaluation was carried out in FY 2013-14.</p>
Frequency of meetings	Monthly (except August)

# Governance

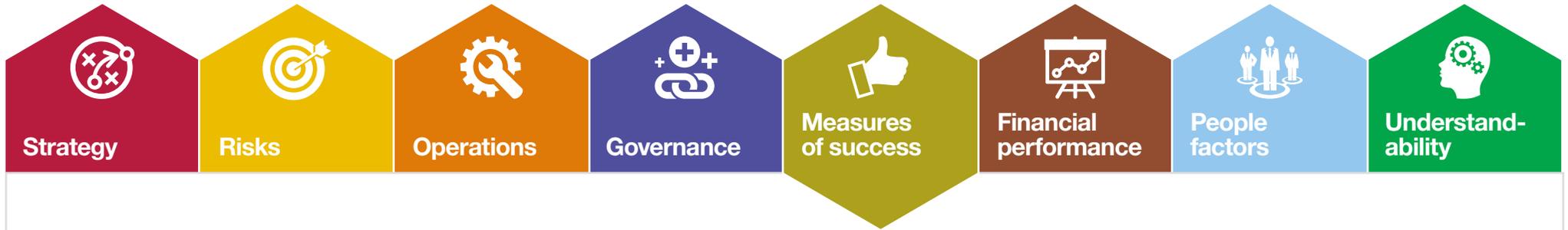
## Board effectiveness review: findings and actions

DSTL 2013-14



4/4

Area	Main findings	Action
Strategy and plan formulation	<ul style="list-style-type: none"> <li>▶ The Board is very effective in developing Dstl's future strategies and plans.</li> <li>▶ Members noted that there was still more they could do, particularly as the organisation shifts its focus from Urgent Operational Requirements to longer-term strategic requirements.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Board to increase its focus on forward-looking activities and to schedule more time to review and discuss the capital investment aspects of its forward-planning (<b>Programme and Delivery Director, Finance Director and Corporate Secretary</b>)</li> </ul>
Performance	<ul style="list-style-type: none"> <li>▶ Members' satisfaction in monitoring Dstl's performance dipped slightly.</li> <li>▶ The Business Performance Report (BPR) continues to be well received but discussion around the BPR has been squeezed at recent meetings.</li> </ul>	<ul style="list-style-type: none"> <li>▶ Improved time-management of agenda items (<b>Chairman and Corporate Secretary</b>)</li> </ul>



## What did we look for?

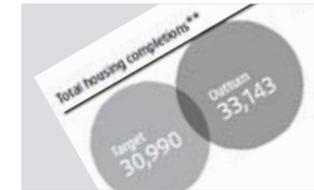
- Quantified KPIs aligned to strategic objectives
- Balanced assessment of goals achieved and performance against target



Quantified performance measures linked to objectives with clear targets (including future)



Achievement of objectives/goals



Performance against targets

# Measure of success

Quantified performance measures linked to objectives with clear targets (including future)

NS&I 2013-14



## Our performance in 2013–14

The table below shows our performance against our service delivery measures (SDMs). These were agreed by NS&I and HM Treasury as part of our reporting process and measure our performance in relation to our overall objectives.

Goals and objectives	Measure	Performance 2012–13	Target 2013–14	Performance 2013–14	Target 2014–15
<b>1. Net Financing</b> To raise an amount of Net Financing within an agreed range	Absolute amount of Net Financing from NS&I products	-£666 million	£2 billion (+/- £2 billion) <sup>(1)</sup>	£3.4 billion	£13 billion (+/- £2 billion)
<b>2. Value Indicator</b> Value for the Government as measured using the Value Indicator	Absolute amount of value from NS&I products	-£249 million	Deliver positive value (with lower limit of -£320 million)	£346 million	To deliver positive value for the taxpayer (excluding the special savings bonds for those aged 65 and over)
<b>3. Customer satisfaction</b> <sup>(2)</sup> To exceed a threshold level of customer satisfaction with NS&I	Average level of satisfaction against question, 'Taking everything into account, how would you rate NS&I's customer service?'	88%	At least 87%	Not met – 86%	At least 87%

# Measure of success

## Achievement of objectives/goals

DFID 2013-14



**Figure 2.3: Overview of global progress towards the MDGs<sup>5</sup>**

	Africa		Asia				Oceania	Latin America and Caribbean	Caucasus and Central Asia
	Northern	Sub-Saharan	Eastern	South-Eastern	Southern	Western			
<b>Goal 1: Eradicate extreme poverty and hunger</b>									
Reduce extreme poverty by half	low poverty (Green)	very high poverty (Amber)	moderate poverty* (Green)	moderate poverty (Green)	very high poverty (Green)	low poverty (Amber)	very high poverty (Amber)	low poverty (Green)	low poverty (Green)
Productive and decent employment	large deficit in decent work (Amber)	very large deficit in decent work (Amber)	large deficit in decent work (Green)	large deficit in decent work (Amber)	very large deficit in decent work (Green)	large deficit in decent work (Amber)	very large deficit in decent work (Amber)	moderate deficit in decent work (Amber)	moderate deficit in decent work (Green)
Reduce hunger by half	low hunger (Green)	very high hunger (Amber)	moderate hunger (Green)	moderate hunger (Green)	high hunger (Amber)	moderate hunger (Red)	moderate hunger (Red)	moderate hunger (Green)	moderate hunger (Green)
<b>Goal 2: Achieve universal primary education</b>									
Universal primary schooling	high enrolment (Green)	moderate enrolment (Amber)	high enrolment (Green)	high enrolment (Amber)	high enrolment (Amber)	high enrolment (Amber)	(Grey)	high enrolment (Amber)	high enrolment (Amber)
<b>Goal 3: Promote gender equality and empower women</b>									
Equal girls' enrolment in primary school	close to parity (Green)	close to parity (Green)	close to parity (Green)	parity (Green)	parity (Green)	close to parity (Green)	close to parity (Amber)	parity (Green)	parity (Green)
Women's share of paid employment	low share (Amber)	medium share (Amber)	high share (Green)	medium share (Amber)	low share (Amber)	low share (Amber)	medium share (Amber)	high share (Green)	high share (Green)
Women's equal representation in national parliaments	low representation (Amber)	moderate representation (Amber)	moderate representation (Red)	low representation (Amber)	low representation (Amber)	low representation (Amber)	very low representation (Amber)	moderate representation (Amber)	low representation (Amber)

# Measure of success

## Performance against targets

DSTL 2013-14 (left) and Homes and Communities Agency 2013-14 (right)

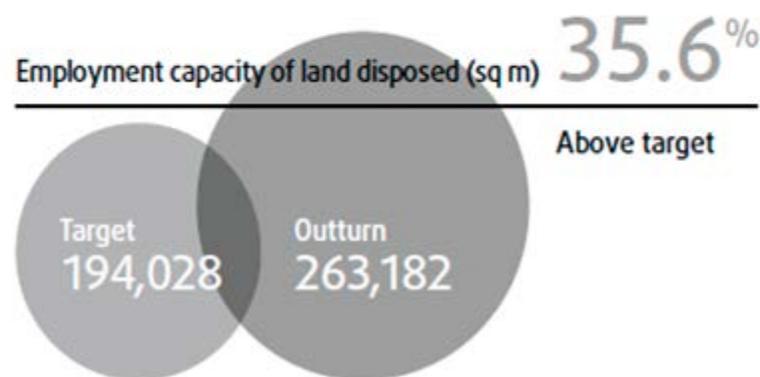
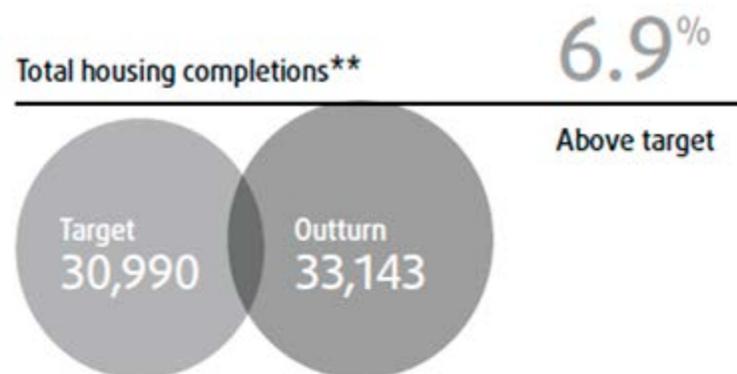


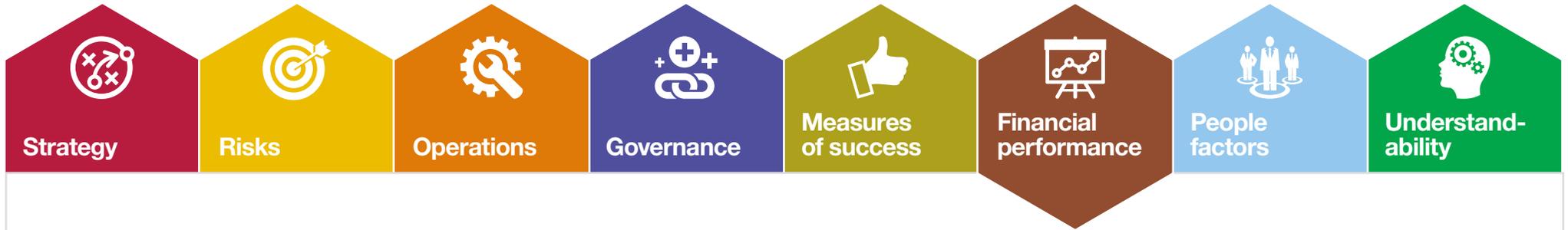
3/3

### Delivery

In delivering effective solutions to the most critical problems, we have seen our customer demand remain higher than expected. Despite a stretched workforce and organisational change, we have maintained high to-time and to-cost delivery performance. However, our high level of customer satisfaction has fallen slightly.

	Performance	Threshold
Overall customer satisfaction with product delivery	93%	> 93%
% products delivered to time	94	> 85
% projects completed to cost	87	> 85



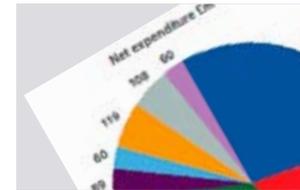


## What did we look for?

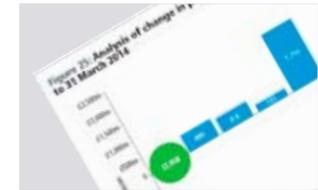
- An understandable and fair reflection of financial performance which is consistent with the underlying financial statements
- Discussion of actual performance against expected/budgeted performance



Explanation for variance against budget



Sources of income/ expenditure profile



Changes in financial position shown graphically

# Financial performance

## Explanation for variance against budget

HMRC 2013-14



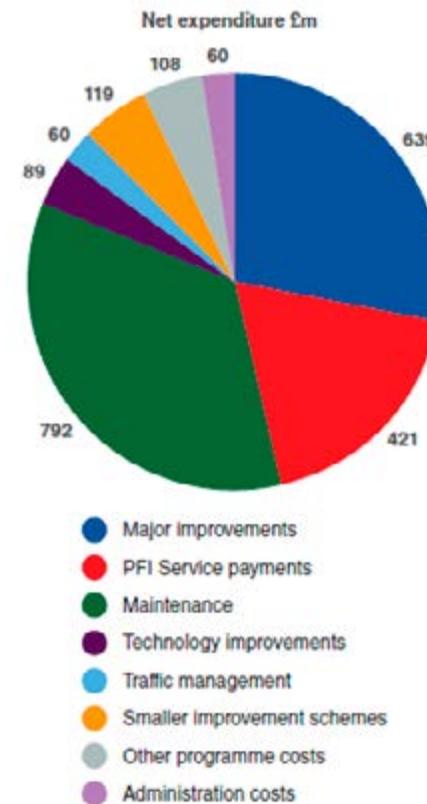
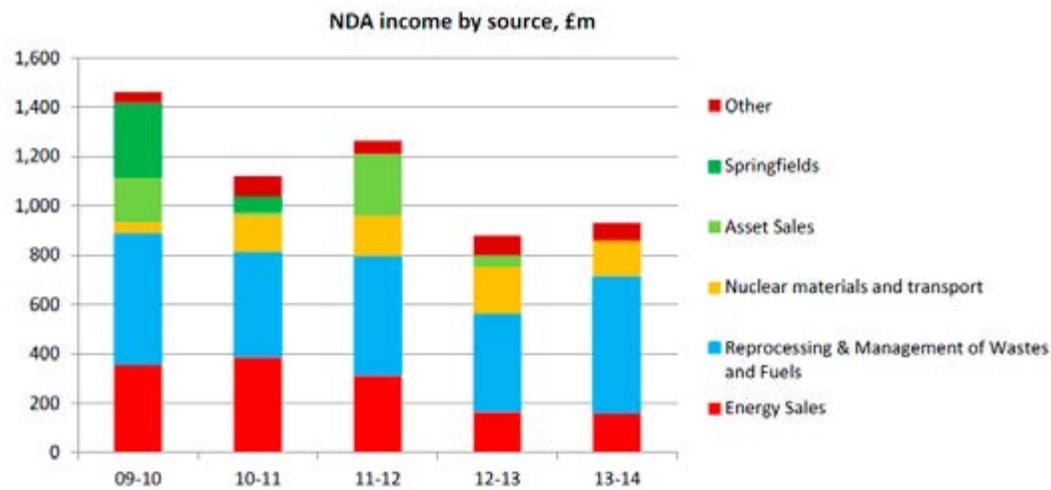
### Comparison of outturn against Estimate

	Outturn (£million)	Variance to Estimate (%)	Reason for variance
<b>Resource Departmental Expenditure Limit (DEL)</b>			
VOA administration	2.1	Net nil	Outturn was £2.1 million against a net nil budget. This represents a small surplus against operating income.
Utilised provisions	11.7	-26.1	Utilisation of provisions for costs pertaining to several legal cases brought against the Department that were forecast to conclude in 2013-14 becoming more protracted.
<b>Resource Annually Managed Expenditure (AME)</b>			
Providing payments in lieu of tax relief to certain bodies	53.1	-41.0	New relief - Gift Aid relief on Micro Donations. Actual claims in the first year of this relief were much lower than originally forecast.
HMRC administration	11.4	-31.7	Lower than expected need for new provisions.
Utilised provisions	13.5	-28.8	Utilisation of provisions for costs pertaining to several legal cases brought against the Department that were forecast to conclude in 2013-14 becoming more protracted.
<b>Capital Annually Managed Expenditure (AME)</b>			
Social benefits and grants	1.8	-90.0	Residual claims for Child Trust Fund endowments were lower than expected.

# Financial performance

## Sources of income/expenditure profile

NDA 2013-14 (left) and Highways Agency 2014 (right)



# Financial performance

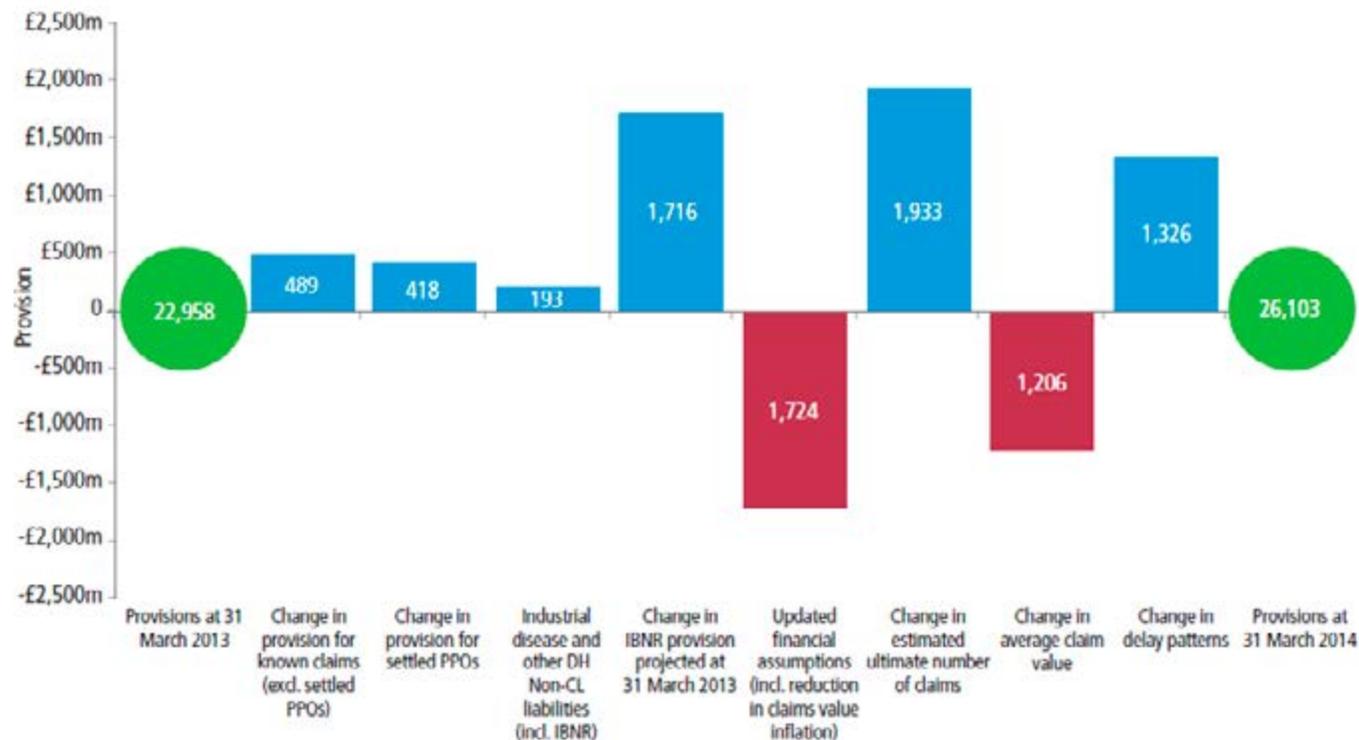
Changes in financial position shown graphically

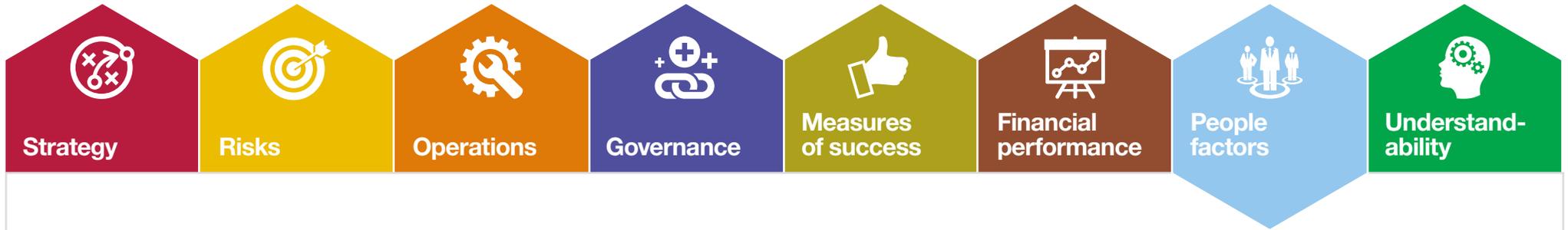
NHS Litigation Authority 2013-14



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**Figure 25: Analysis of change in provisions for claims (all schemes) in the year to 31 March 2014**





## What did we look for?

- Discussion and quantitative analysis of people factors in the organisation
- Details of equal opportunities and diversity in the organisation



Diversity (including senior management)



Quantitative analysis of performance

# People factors

## Diversity (including senior management)

BIS 2013-14 (right) and HMT 2013-14 (right)



### Core BIS plus Agencies

Workforce Diversity %	2013	2014
Black and minority ethnic**	12.9	8.5
Women	53.0	52.9
Disabled**	7.7	8.5

Workforce Diversity - Senior Civil Servants Only %	2013	2014
Black and minority ethnic**	3.7	2.7
Women	43.0	38.0
Disabled**	4.0	4.0
Women (top management posts*)	40.2	32.0

### Progress on diversity issues in 2013-14

Area for focus	Progress
Disability	Rollout of a reasonable adjustment passport for disabled staff
Unconscious bias	Compulsory training has been rolled out for all line managers.
Flexible working / carers	New guidance has been delivered on enabling part time working
Bullying and harassment	In 2013-14 the department ran an anti bullying and harassment campaign
Mental well-being	In February 2014, the Treasury signed the "Time to Change Pledge" on mental well-being. This coincided with the launch of a new Mental Well-being Network to promote greater understanding and awareness of mental health issues focussing on delivering practical new ways of providing support for staff and managers and considering wider ways to promote well-being in the department.
Ethnicity	Work with the National Mentoring Consortium has continued and this year 16 Treasury mentors have been trained and are taking part in this successful mentoring programme that provides support to Black and Asian undergraduates planning managerial and professional careers.
Outreach	The Treasury has further embedded its diversity outreach programme by participating in the Whitehall Internship Programme coordinated across the Civil Service by the Department for Work and Pensions. The programme was announced as part of the Social Mobility Strategy in April 2011 with the aim of providing internships in every Whitehall Department for people from under-represented groups. In summer 2013 the Treasury hosted 5 interns and 3 work experience students.
Development Programmes	In 2013/14 the Treasury continued to run its successful development programme for business support staff and to increase opportunities for staff two cohorts have been run during the year. This development programme has had good success in preparing business support staff for opportunities at the next level and in developing skills that are also valuable in current roles.
Cross-cutting issues	In addition, the Treasury is also participating in the "Positive Action Pathway" a civil service wide development programme for employees from under-represented groups.

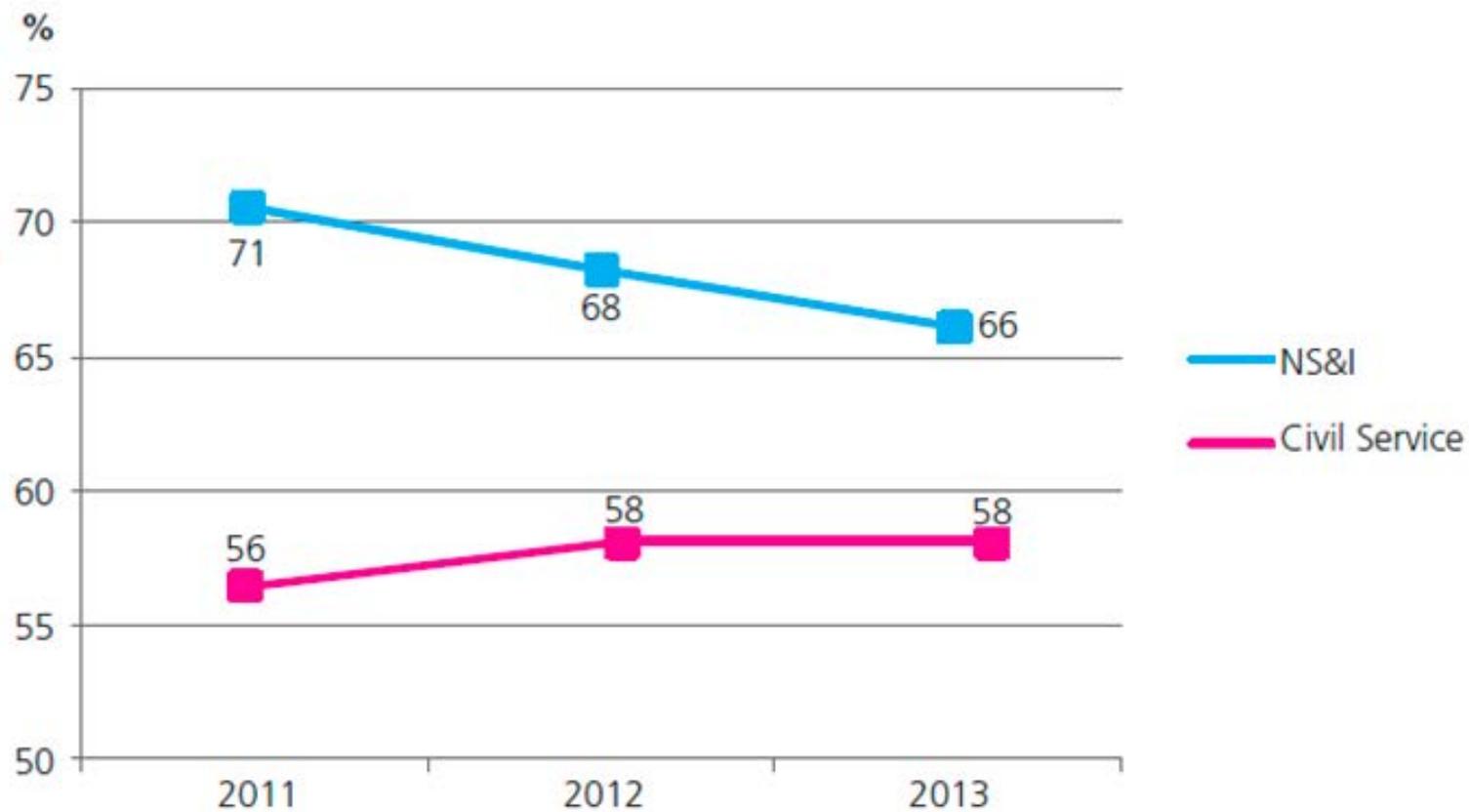
# People factors

## Quantitative analysis of performance

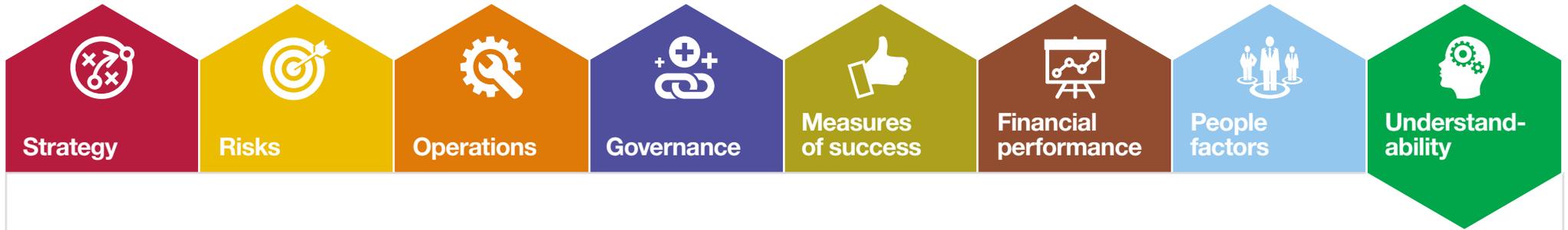
NS&I 2013-14



### Civil Service People Survey – engagement



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## What did we look for?

- Use of plain English, graphics and appropriate lay out to enable the user to understand and gauge the importance of the information presented
- Appropriate use of acronyms, with clear definitions



Use of graphics to highlight key achievements



Glossary to define acronyms used

# Understandability

Use of graphics to highlight key achievements

HMRC 2013-14



Our achievements in 2013-14

# £505.8bn

Record amount of tax revenue we brought in  
and £30.2 billion more than in 2012-13



# Understandability

## Glossary to define acronyms used

Pension Protection Fund 2013-14



## Commonly abbreviated terms

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**ALCO** – Asset and Liability Committee

**AVC** – additional voluntary contribution

**CETV** – cash equivalent transfer value

**CMI** – Continuous Mortality Investigation

**CPI** – Consumer Prices Index

**DWP** – Department for Work and Pensions

**FAS** – Financial Assistance Scheme

**IFRS** – International Financial Reporting Standard

**ISDA** – International Swaps and Derivatives Association

**ISO** – International Organization for Standardization

**IT** - information technology

**LDI** – liability driven investment

**Libor** - London Interbank Offered Rate

**MFR** – Minimum Funding Requirement

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