

Good practice from the 'Excellence in reporting' in the Public Sector award

Building Public Trust in Corporate Reporting Awards



National Audit Office

Interactive

- Growing the economy: contribute fully to a thriving, productive and growing economy. This includes tourism, the creative industries and the digital economy.
- Connecting the UK: continually drive the UK's connectivity, telecommunications and digital sectors.

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Introduction

The Building Public Trust in Corporate Reporting Awards, which are sponsored by PricewaterhouseCoopers (PwC), recognise trust and transparency in corporate reporting. The National Audit Office (NAO) continues to co-sponsor of the 'Excellence in reporting' award in the public sector. In 2016, this award was won by Network Rail. The former Department for Energy & Climate Change and Highways England and were also highly commended for their reports.

This guide summarises the judging criteria and highlights examples of good practice from the 50 public sector annual reports and accounts we reviewed as part of the judging process for the public sector award as well as other examples we have identified in our wider work.

Effective reporting is vital in supporting accountability and transparency. We are seeing heightened interest from Members of Parliament (MPs) in government accounts. There is a real appetite from MPs to better understand this information. It is right that Parliamentarians and the public should easily be able to understand and evaluate the performance of public bodies. Excellent reporting doesn't necessarily mean providing more information, but it does mean ensuring that the key insights and issues are communicated clearly, in a way that is accessible, balanced and transparent.

The delivery of public services is a complex business and it is therefore important that we recognise bodies for their excellent reporting of what has been achieved

with taxpayers' money, and equally, what has not. Our reviews of public sector annual reports and accounts have seen continued progress in the quality of reporting.

It is clear that more and more public bodies are prioritising and investing time and effort into the preparation of their annual reports and accounts and making use of best practice examples from their peers.

In particular, we are starting to see improvements as a result of HM Treasury's Streamlining Project, with some organisations thinking more carefully about ensuring their accounts clearly focus on the issues that matter. The streamlining projects has required government bodies to invest greater thought in reporting – identifying the key messages to their various stakeholders and communicating in a succinct, fair and balanced way.

We are seeing a more logical flow to the reports, a willingness to report things that have not gone so well, as well as successes, and a trend towards accessible



graphics to simplify complex reporting. Risk reporting is still an area where we see a high level of variability, where organisations could do more to develop their reporting.

We hope that you will find these examples a useful source of inspiration to engage your readers as you write this year's annual reports and accounts – we look forward to continuing to work with the bodies we audit, Parliament and our wider stakeholders, to promote continued progress in the years ahead.

If you would like further information about the guide – or any aspect of annual report and accounts production and audit, please contact your usual NAO team, or please get in touch via enquiries@nao.gsi.gov.uk

Kate Mathers

Executive Leader, Financial Audit
National Audit Office, April 2017

The NAO and the Building Public Trust in Corporate Reporting Awards

What are the Building Public Trust in Corporate Reporting Awards?



The Building Public Trust in Corporate Reporting Awards recognise trust and transparency in corporate reporting. Sponsored by PwC



The NAO co-sponsors the award for excellence in public sector reporting



Established in 2002



18 awards presented

Excellence in Public Sector Reporting



In 2016, the award for Excellence in Public Sector Reporting was won by Network Rail



50 public sector annual reports and accounts were reviewed by teams from the NAO and PwC



Judges assessed each annual report by nine areas. The following slides summarise the judging criteria and highlight areas of best practice



The NAO's involvement with the Building Public Trust Awards is part of our wider commitment to helping raise the standards of reporting by public bodies

Judging areas



Strategy



Risks



Operations



Governance



Measures of success



Financial performance



People factors



External drivers



Understandability



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



Clear statement of purpose



Clear objectives which are explained



Clear objectives with sub-objectives



Clarity around key programmes



Clear future plans



Monitoring actions not achieved



Case studies demonstrating achievement of priorities



Case studies demonstrating achievement of priorities



Performance against targets and future targets

Strategy

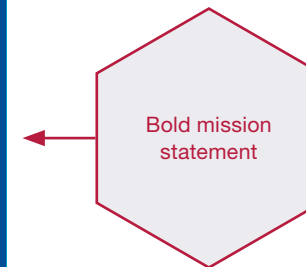
Clear Statement of Purpose

Skills Funding Agency 2015-16 – page 6



Our mission:

As an executive agency of the Department for Business, Innovation and Skills (BIS) we will contribute to the government's priorities of driving economic productivity through technical and professional skills and achieving 3 million apprenticeship starts.



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Strategy

Clear objectives which are explained

Department for Culture, Media & Sport 2015-16 – page 9



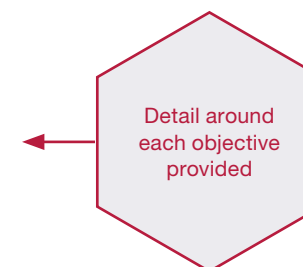
Single Departmental Plan (SDP)

The Single Departmental Plan sets out six strategic objectives:



- **Growing the economy:** contribute fully to a thriving, productive and growing economy. This includes tourism, the creative industries and the digital economy.
- **Connecting the UK:** continually drive the UK's connectivity, telecommunications and digital sectors.

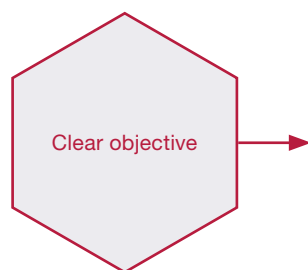
- **Encouraging participation:** increase wellbeing through access to and participation in arts, museums, heritage and sport.
- **Sustaining excellence and promoting Britain to the world:** sustain excellence in UK sport, tourism and culture, promoting Britain around the world.
- **Supporting our media:** back a dynamic, accessible media and a free press.
- **Ensuring social responsibility:** ensure our sectors are socially responsible and well regulated.







Strategy

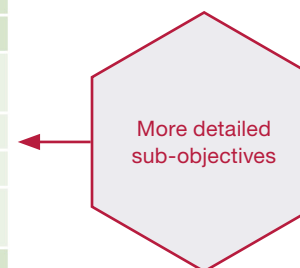
Clear objectives with sub-objectives

Ministry of Defence 2015-16 – page 10



Strategic Objectives

1. Protect our people		2% of GDP spent on Defence commitment maintained £540m worth of narcotics seized by the Royal Navy 2500 air combat missions in Iraq and Syria 7500 migrants rescued in the Mediterranean by the Navy 9500 local soldiers trained by UK forces to fight Daesh
2. Project our global influence		1000 UK personnel deployed in NATO's Very High Readiness Joint Task Force (VJTF) Over 4000 UK personnel deployed in reassurance activities in Ukraine and other areas First ever A400M Transport Aircraft flown by RAF within Asia Pacific region Strengthened bilateral relationships with EU nations
3. Promote our prosperity		22,000 homes can be built following an estimated £640m land release agreement Almost 60,000 Army apprentices trained since 2004-5 1.2% of Defence budget spent on Science and Technology 15% of Science and Technology Programme expenditure on Disruptive Technology
4. Maintain a strategic base and integrated global support network, and manage the Department of State		£1.3Bn contract awarded to build 5th Astute class submarine £364m deal agreed to extend in service RAF Hercules C130J fleet securing 1200 UK jobs 589 AJAX vehicles contracted to be built 6 months early delivery of Rivet Joint Signals intelligence aircraft



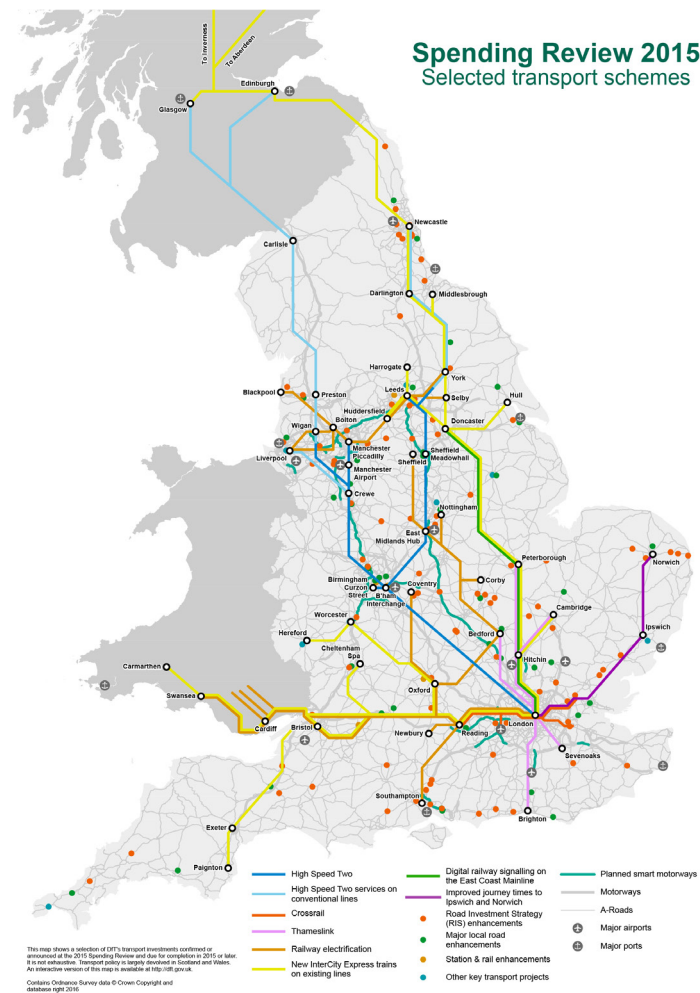
Strategy

Clarity around key programmes

Department for Transport 2015-16 – page 12



Clear visualisation
of key
programmes



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Strategy

Clear future plans

British Council 2015-16 – page 10



Clear future plans – list of priorities between 2015-16 and 2020 and then details of proposed outcomes

Priority activities to 2020

Voice and opportunity for young Muslims and Arabs	Alternative pathways for young people at risk
English for peacekeeping	Addressing the causes and effects of migration
Changing lives and life chances through sport	Relations with Russia and its neighbours
'Golden thread': civil society and access to justice	English, education, science and skills for growth
Art for prosperity	Culture and development
Skills, confidence, chances for women and girls	Social enterprise and investment
English as the world's preferred language	Promoting UK professional standards and qualifications
Global networks and digital spaces connecting to the UK	Supporting future global leaders
Connecting global cities: UK and overseas	Sharing what's GREAT about the UK

Direct outcomes

Understanding, relationships, co-operation
Change lives through education, skills, qualifications, culture and stronger societies
Attract people to engage with the UK's culture, arts, education and society
Develop a wider knowledge of the UK and the English language

Wider outcomes

Security and stability
Prosperity and development
Influence and attraction

Strategy

Monitoring actions not achieved

Network Rail 2015-16 – page 9 (Performance Report)



Train Performance

Public Performance Measure (PPM): Means the percentage of all passenger train journeys that arrive on time. For long distance journeys 'on time' means within ten minutes of scheduled arrival time, and for Regional and London & South East within five minutes of it. A higher figure represents a better performance.

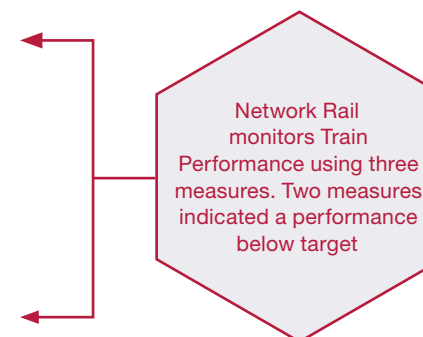
At the end of 2015/16 PPM stood at 89.1 percent, below our target of 90 percent.

Cancellation and Significant Lateness (CaSL): Means the measure of how many passenger trains are cancelled or are significantly late (more than 29 minutes late). Our scorecard target is 2.8 percent; a lower figure means better performance against target.

At the end of 2015/16 CaSL stood at 3.1 percent, 0.3 percentage points worse than our scorecard target.

Freight Delivery Metric (FDM): Is our indicator of how many freight services have arrived at their destination on time. A higher figure represents better performance.

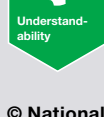
We outperformed our regulatory target for 2015/16 of 92.5 percent but did not meet our internal target for the year of 94.5 percent.



Strategy

Case studies demonstrating achievement of priorities

Highways England 2015-16 – page 16



Highways England
provided detailed
analysis of
achieving priorities

Case Study

Identifying non-compliant tyres

Aim

To improve the use of compliant tyres on vehicles through identifying the use of non-compliant tyres.

Actions

The North West Regional Safety Coordinator, working closely with the Safer Roads Group, identified an opportunity to use emerging technology to identify non-compliant tyres on vehicles which use our roads.

The Regional Control Centre demonstrated to our partners across the North West the use of hand-held laser tyre scanners.

Result

Following this demonstration, local safety partnerships across Cheshire, Lancashire, Merseyside, and Greater Manchester agreed to use the new technology to raise the profile of tyre safety to our customers.

The first of these events was held at an NHS hub in Warrington, where the demonstration was positively received. It was also a great opportunity for face-to-face discussions about the importance of tyre safety in general.



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Strategy

Case studies demonstrating achievement of priorities

Department for Energy & Climate Change 2015-16 – page 16



Keeping bills low

Keeping energy bills as low as possible for households and businesses

We are committed to keeping bills as low as possible for households and businesses. Government policies have had a direct positive impact on energy bills.

Impact of government policies on average annual household energy bills

£90

is the amount by which bills would have been higher in 2014 without government policies. The average household dual-fuel bill for 2014 was estimated to be £1,369, and this figure would have been £90 higher without work done by the Department.

Fuel poor households

87%

is the percentage of fuel poor⁴ households that were living in housing at energy efficiency Band E or above⁵ in 2013, an improvement from 79% in 2010.⁶ We have a fuel poverty target to ensure that as many fuel poor homes as is reasonably practicable achieve a minimum energy efficiency rating of Band E by 2020, and Band C, by 2030. The bespoke fuel poverty energy efficiency rating methodology is used for this purpose.

Impact of government policies on average annual energy bills of Energy Intensive Industries (EII) eligible for all available government support

11%

is the impact of government policies on this group's average energy bills in 2014. The average total gas and electricity bill for these users in 2014 was estimated to be £9.6 million, although there is large variation in this group. In 2020 the range of support measures available to eligible EIIs could reduce the cost of policies on their energy bills by up to 80% compared with what they would pay in the absence of support.

DECC demonstrated achievement of priorities, including keeping energy bills low

Strategy

Performance against targets and future targets

Highways England 2015-16 – page 12 (Overview)



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Demonstrates performance against future targets

Demonstrates progress against current targets

A snapshot of our performance against our KPIs

Target: We must achieve a score of 90% road user satisfaction by March 2017.

We achieved **89.32%** in year.



Target: We must report on the number of new and upgraded crossings.

We have completed design on **49 new** and **172 upgraded crossings**.



Target: We must ensure that 95% of pavement (the carriageway) requires no further investigation for possible maintenance.

We achieved **95.4%**



Target: We need to make capital expenditure savings of at least £1.212bn by 2019-20.

We identified **£54.5m of efficiency savings** against our 2015-16 target of £33m. (Subject to final validation by Highways Monitor.)



Target: We must make sure there is 97% lane availability in any one year to support the smooth flow of traffic.

We achieved **98.4%**

Target: We must publish a Biodiversity Action Plan by 30 June 2015 and report annually on how we have delivered against the plan.

We published our plan on the 29 June 2015 and established a Biodiversity Technical Working Group to help with the development of projects. Our first annual report was published in February 2016.

Target: We must clear at least 85% of incidents on the motorways within the hour.

We achieved **85.96%**

Target: We must mitigate at least 1,150 noise important areas by 2020.

We delivered **48 noise mitigation schemes** in the year.

Demonstrates performance against future target



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



Risk management process



Significant risks – specific and detailed



Key risk with specific risk and mitigation

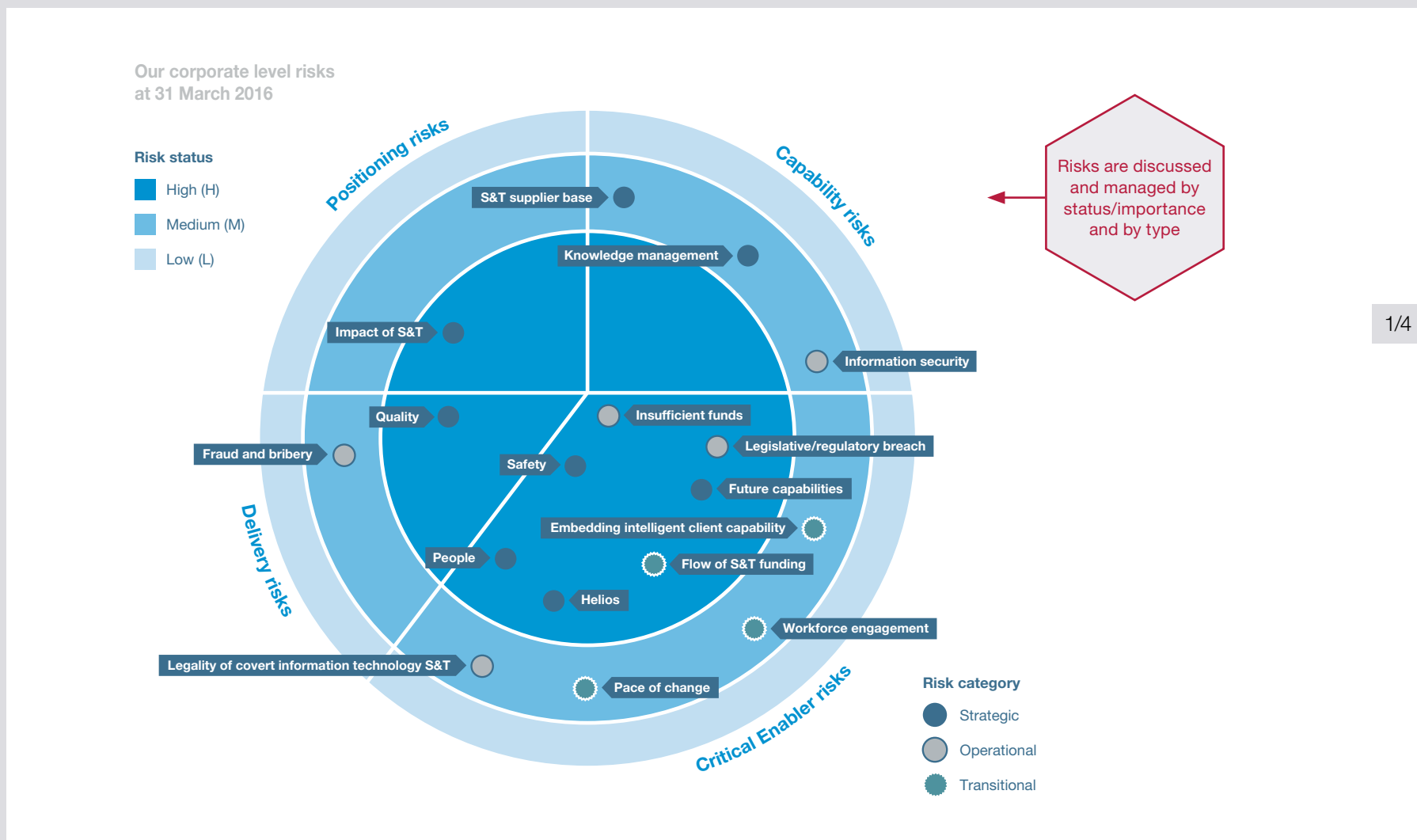


Strong reporting on risks and linked to strategy

Risks

Risk management process

Defence, Science and Technology Laboratory 2015-16 – page 41



Risks

Significant risks – specific and detailed

Department for International Development 2015-16 – page 105



Principal risks	Summary of risk	Mitigating policies and processes
Investment risk	CDC invests in developing countries where such investments are inherently risky with the potential for loss of portfolio value. The timing of cash distributions from these investments is uncertain.	<ul style="list-style-type: none"> Portfolio diversification of debt and equity investments held directly or indirectly via a range of fund managers. Cash management through a cash balance of £437.8 million, stand by revolving credit facility of £814.2 million and a promissory note receivable of £450.0 million from DFID. Hedging of debt investments and foreign currency cash balances. CDC's valuation guidelines have been developed in accordance with the International Private Equity and Venture Capital Valuation Guidelines (December 2012), which in turn are in accordance with the fair value requirements contained within IAS 19 and IFRS 13.
Environment and social risk	CDC is exposed to a variety of environmental & social risks through the companies that it invests in, both directly and indirectly.	<ul style="list-style-type: none"> Established environmental and social team which contributes to due diligence on potential investments in addition to assisting investee companies in developing or improving their approach and monitoring performance. All fund managers and investee businesses receiving CDC capital must sign up to and comply with CDC's Code of Responsible Investing. The Code requires companies to assess, monitor and improve environmental and social standards.
Business integrity risk	Fraud, bribery, corruption and other financial crimes can damage the development goals of CDC in the countries in which it invests.	<ul style="list-style-type: none"> Developed policies and practical procedures to promote good practices. When investing CDC seek to ensure that its investments: <ul style="list-style-type: none"> are made into companies with a commitment to high standards of business conduct; do not knowingly support financial crime; and help companies and fund managers develop and enhance corporate governance standards and practices.

Risks

Key risk with specific risk and mitigation

Highways England 2015-16 – pages 63 to 67



Key Risk	Summary of Current Mitigation
Delivering Performance and efficiency	
<p>The organisation may experience an unclear or changing statement of need and value (as set out in its RIS and performance specification), which undermines:</p> <ul style="list-style-type: none"> the business case for efficiencies and savings Shareholder and Customer perception and damages the organisation's credibility as a new company 	<ul style="list-style-type: none"> internal accountabilities and processes established to ensure that the planning process supports concise and clear agreement of the plan sole interface identified within the business for ongoing engagement with the ORR and Transport Focus. This interface also provides support to Finance in liaising with the shareholder change control process designed with ongoing development to ensure change to the RIS is managed in a controlled way new statement of commitments (from Delivery Plan / RIS / SBP / Framework / Licence) analysed for gaps, finalised and agreed.
<p>A failure to deliver pace, cultural and performance change within the business may undermine the shareholder's confidence in our delivery capability</p>	<ul style="list-style-type: none"> existing planning processes employed to ensure that the Delivery Plan remains robust underpinning internal change plan established Management Plan (containing 2015-16 activity) agreed and activity monitored against 'Review team' reports progress and delivery confidence quarterly to the Board.
<p>Supply chain capacity and capability does not meet the business need due to either failure to prepare or business failure, which critically impacts on the organisation's ability to deliver the plan at a rate that meets commitments</p>	<ul style="list-style-type: none"> Supply Chain Group (Exec sub group) co-ordinates the ongoing monitoring and intervention around supplier stability standard procurement evaluations deployed as part of tendering process and contract management arrangements in place Supply Chain strategy published September 2015 and progress is monitored against Procurement Plan published September 2015 and progress is monitored against.

Provides details of the key risk, the specific risks associated with this, and a summary of the current mitigation

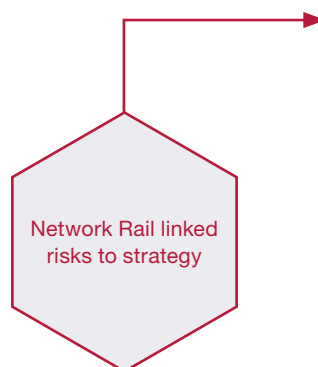
Risks

Strong reporting on risks linked to strategy

Network Rail 2015-16 – page 38 (Strategic Report)



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KEY STRATEGIC RISKS

Risk Area: Safety			
Britain's railways are the safest in Europe, however we are not complacent. Network Rail continues to assess and monitor all areas of safety and continues to invest in preventive measures to keep the likelihood of safety incidents to a minimum.			
Risk	Risk Owner	Current Actions	Planned
Failure to safeguard our workforce, resulting in single and/or multiple fatalities to our staff (employees and contractors).	Group director of Safety, Technical and Engineering	<ul style="list-style-type: none"> Lifesaving Rules refreshed, more vigorously enforced and publication of a new driving policy Over 90,000 close calls reported against a target of 80,000 in 2015/16 with an average 28 day close out rate of over 50 percent. Successful award of new contingent labour contracts, with minimum health and safety provisions built-in to drive improvements in the supply chain Transport for London enlisted to Sentinel to enable the sharing of working hours and other safety critical information on one card for one railway Review of Work Activity Risk Assessment (WARA) and Task Risk Control Sheets to get clearer, simpler, and more effective risk assessments. 	<ul style="list-style-type: none"> Implement an Electrical Safety Delivery Programme focusing on improved isolation methods, better test equipment, accountabilities and competence training Establish a fatigue risk management programme aligned to a new policy and deliver a fatigue risk tool kit for line managers An industry common induction is to be mandated across all Infrastructure Projects – bringing all contractors into Sentinel Sentinel site access will go live in June 2016 Safer Tracksides Working programme – high integrity protection and signal controlled warning technology Prevention through Engineering and Design (PtED) and improve awareness of the Common Safety Method (CSMREA).
Failure to prevent a major avoidable train accident (for example collision or derailment) which results in	Managing director, England and Wales	<ul style="list-style-type: none"> The top seven initiatives that will provide the greatest risk reduction by the end of Control Period 5 (CP5) have been identified 633 point ends, 1,378 tubular stretcher bars installed Trials currently underway for key technology interventions such as remote monitoring for earthworks 	<ul style="list-style-type: none"> Continued roll-out of new control framework in the form of Business Critical Rules Implementation of drainage objectives set out in section ten of the drainage policy Improvements in the competency of earthworks engineers and examiners and drainage engineers Development of the Civils Strategic Asset Management System to provide better asset information



What did we look for?

- Discussion of the different delivery models, the reasons for using these models and how they achieved 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 ongoing contract
- Consideration of capital investment and how it achieves value for money



Clear operating model



Capital projects



Contract management



Achieving value for money



Efficiency

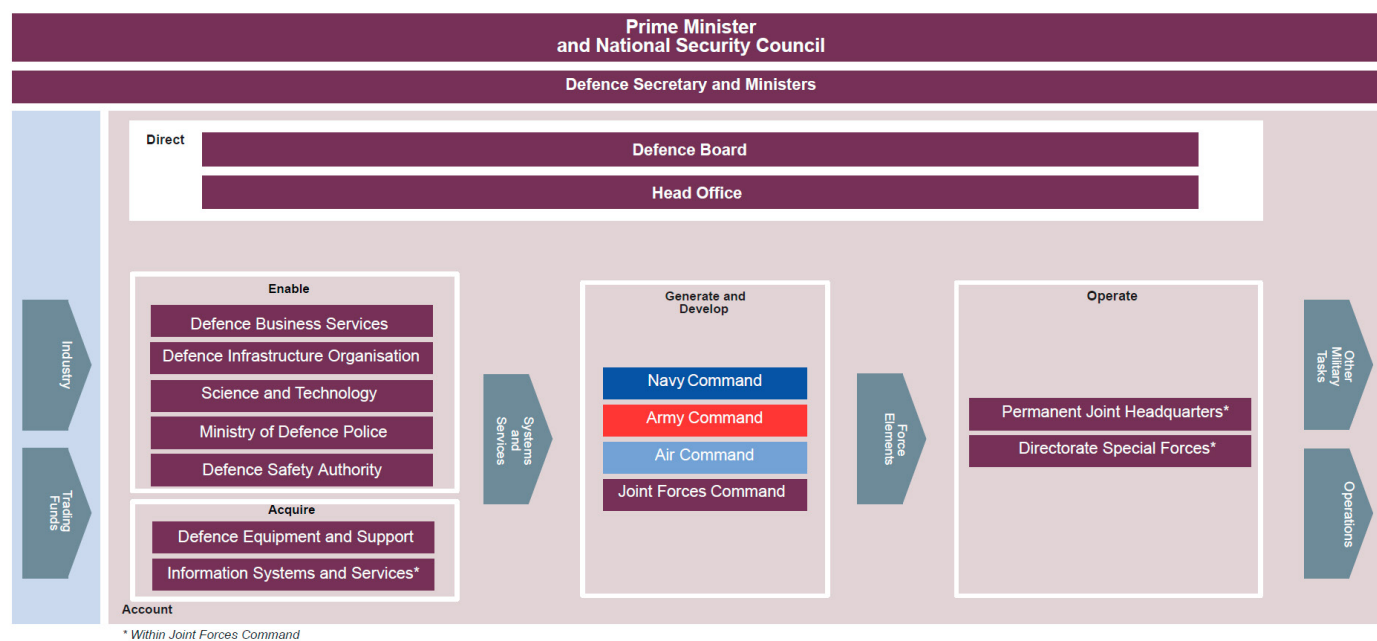
Operations

Clear operating model

Ministry of Defence 2015-16 – page 17



Defence Operating Model



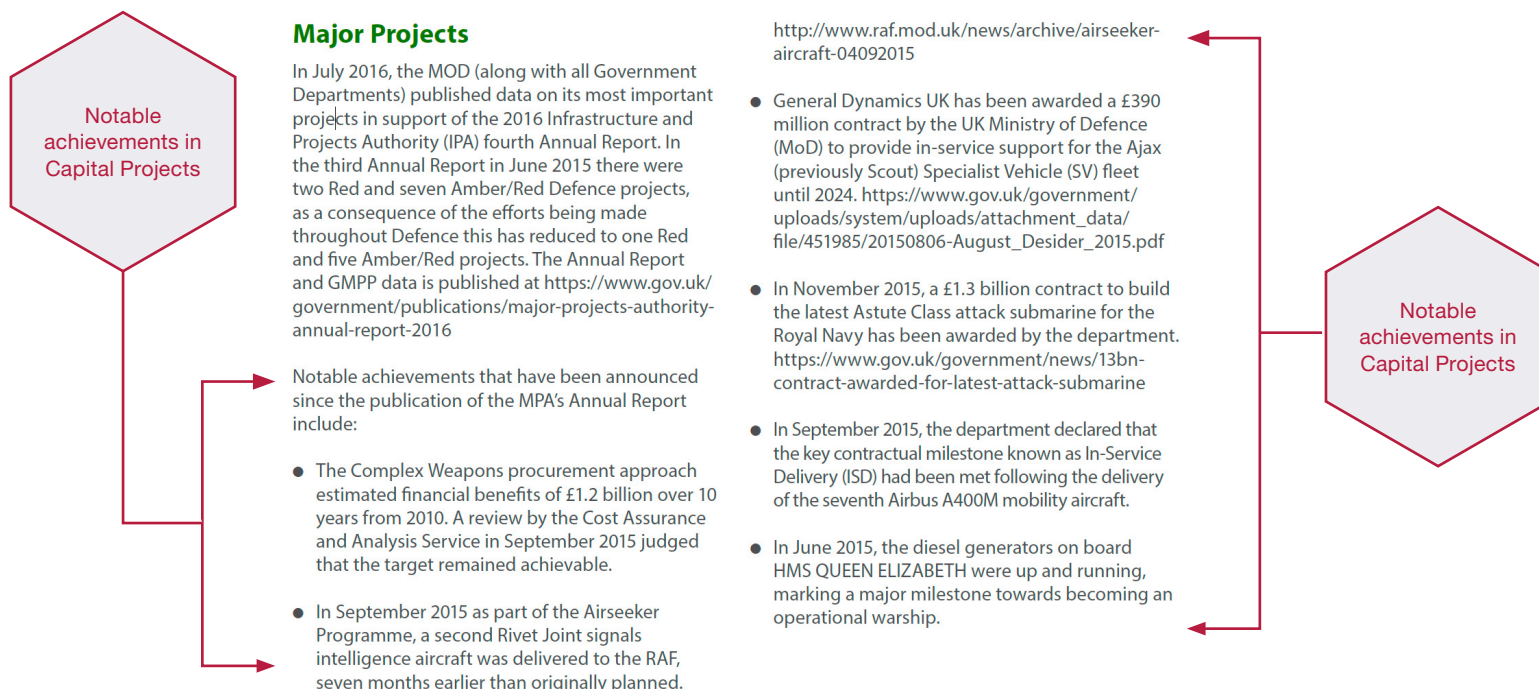
Clear diagram showing how the MoD is structured

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Operations

Capital Projects

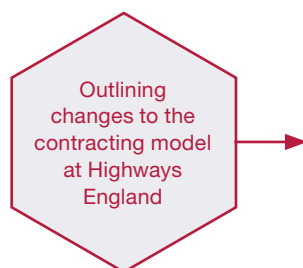
Ministry of Defence 2015-16 – page 45



Operations

Contract management

Highways England 2015-16 – page 20



Changing our contracting model

We are committed to improving how our roads are maintained and operated so that we give the best possible service to road users. During the year we started work to fundamentally change our maintenance operating model and to enhance the way in which we organise the management and procurement of our asset delivery.

The new asset-led delivery model

This new model, currently developed for the East Midlands means that Highways England will, for the first time, directly manage its assets rather than contracting out the responsibility through its supply chain. The new operating model is based on the following core principles, namely to:

- ensure a healthy and safe working environment
- own and have visibility of asset information, cost and productivity
- own and fully understand key investment and maintenance planning decisions
- own and maximise the planning and order of works to manage network occupancy
- develop active, collaborative relationships with suppliers delivering the work.

Building a service based on these principles will help us deliver a safe service to road users and our workforce. Direct ownership of decision making will be based on an improved knowledge of asset information, cost, and productivity and allow us to use our resources more efficiently and flexibly.



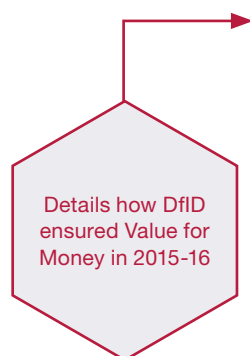
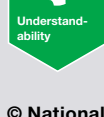
New contracts have been drawn up to work within these new arrangements:

- **Maintenance and response contract** – a single supplier that will provide routine maintenance and respond to incidents for up to 15 years
- **Design services contract** – a single supplier that will be appointed for five years. Duties will include preparing technical designs and undertaking supporting work for capital projects
- **Construction works framework** – this framework is made up of 14 lots representing the construction expertise required to maintain, repair, renew and improve the strategic road network in the East Midlands
- **Specialist goods and services** – a series of separate tenders including technical surveys, laboratory testing, road safety audits, principle and general inspections and weather forecasting.

Operations

Achieving value for money

Department for International Development 2015-16 – page 31



1.3 Value for money and delivering efficiently

DFID has rigorous internal systems and processes to ensure aid reaches intended beneficiaries and delivers results, and has a zero tolerance approach to fraud and corruption.

Value for Money (VfM) means that we work to maximise the impact of each pound spent to improve poor people's lives. We apply VfM approaches at:

- a **strategic level**, by improving the impact of all aid, not just DFID aid; it also means we help our partner countries develop in ways which reduce their future need for aid
- a **portfolio level**, by allocating our limited resources to maximise impact by doing the right things, in the right places, and in the right ways
- a **programme level**, by designing, procuring, managing and evaluating our interventions to maximise impact
- an **administrative level**, by working as an organisation to maximise the impact that our people and resources can have

Across all of these levels, DFID continues to ensure that our aid is spent effectively and efficiently, building on what we have already done to cut waste, introduce even greater transparency, ensure robust independent scrutiny and promote effective lesson-learning.

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Operations

Efficiency

Wales Office 2015-16 – page 13



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Efficiency

The Wales Office 2015-16 budget was set in the 2013 spending round. The budget was reduced by 10% in real terms in comparison to 2014-15 and was in line with the targets set for the other Territorial Offices.

To help meet this 10% reduction the Wales Office reviewed its staffing levels. Staff costs represent around 60% of Departmental spend and reductions have been achieved in this area through natural wastage, and running a voluntary early departure scheme in 2011-12 and 2014-15.

The Department also identified a number of potential efficiency savings; for example in travel and subsistence, (Spend on travel and subsistence decreased by 22% from 2014-15 to 2015-16) The Department also has tenants (the Greater London Lord Lieutenancy) in the London Office which generates rental income of £51k per annum for the Department and also improves the utilisation of our accommodation.

The Department continues to look to share services and expertise with the other Territorial Offices and other Government Departments wherever possible to both drive down costs and improve resilience. To date a shared parliamentary unit has been established with the other Territorial Offices and a shared freedom of information requests (FOI) service with the Northern Ireland Office

As a small Department, the Wales Office has continued with a cost effective and pragmatic approach to the provision of our internal corporate services, maintaining existing Ministry of Justice (MoJ) framework arrangements and contracts in areas such as security, facilities management, IT and financial services. These arrangements and contracts realise significant benefits in terms of economies of scale and expertise to the Department. We have service level agreements in place with the MoJ for these services.

It is down to the professionalism of our staff, and the increasing efficiency in the way we do business, that a reduction in workforce has not impacted on the quality of our service and ability of the Office to deliver its objectives.

Details how the
Wales Office has
achieved efficiency
in 2015-16



What did we look for?

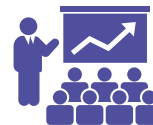
- Narrative clearly demonstrating the governance structure and tone at the top
- Transparent information about how the Board works effectively to govern the organisation



Clear governance structure



Board activities



Board attendance

Governance

Clear governance structure

Department for Energy & Climate Change 2015-16 – page 11

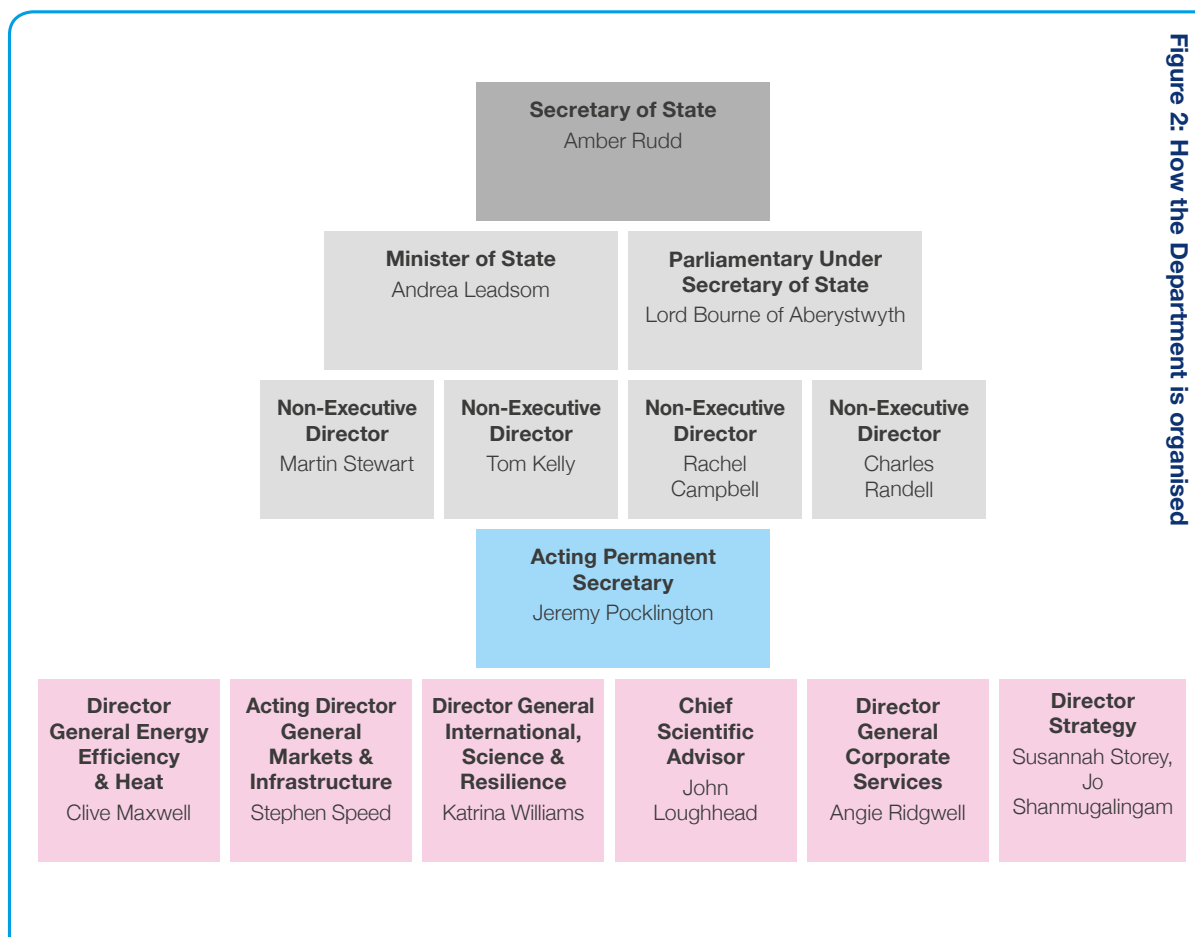
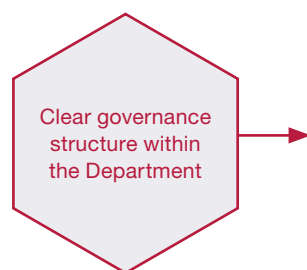


Figure 2: How the Department is organised

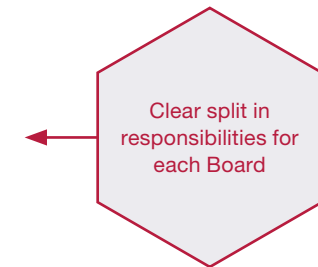
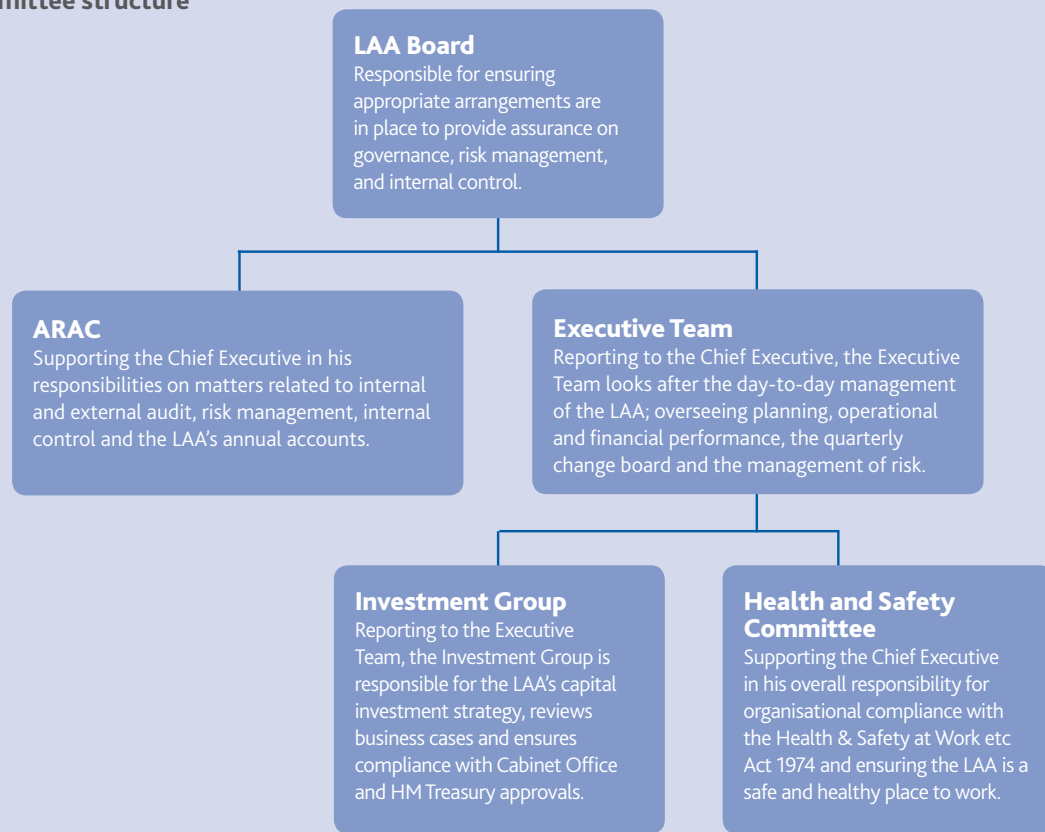
Governance

Board activities

Legal Aid Agency 2015-16 – page 28 (Governance Statement)



Committee structure



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Governance

Board attendance

HM Treasury 2015-16 – page 46



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Treasury Board (Sub-committee) attendance in 2015-16

	Eligible to attend	Attended
Non – Executive Members		
Baroness Sarah Hogg	6	6
Dame Amelia Fawcett	6	5
Richard Meddings	6	4
Tim Score	4	4
Edward Troup	6	5
Executive members		
Nick Macpherson	6	6
John Kingman	6	6
Dave Ramsden	6	5
Julian Kelly	6	5
Mark Bowman	6	5
Charles Roxburgh	6	5
James Bowler	6	5
Kirstin Baker	6	5
Katherine Green	6	6
Clare Lombardelli	4	4
Sophie Dean	1	1

Clear outline
of Board
attendance for
each Committee
member



What did we look for?

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



Key Performance Indicators 1



Honesty in reporting KPIs 1



Key Performance Indicators 2



Honesty in reporting KPIs 2



Key Performance Indicators 3

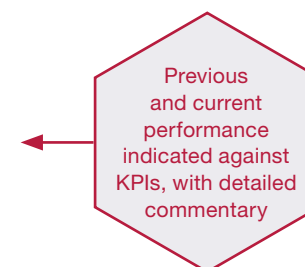
Measure of success

Key Performance Indicators 1

Ministry of Justice 2015-16 – pages 14 to 19



Performance Area	Type of indicator	Previous Performance			Current Period	Commentary
Re-offending						
Adult	% of offenders	25.5 (Jul 2010 – Jun 2011)	25.0 (Jul 2011 – Jun 2012)	25.1 (Jul 2012 – Jun 2013)	24.9 (Jul 2013 – Jun 2014)	Reoffending rates have remained consistent over the last four reporting years. We are changing our approach to make sure we address the causes of reoffending.
Adult, prison	% of offenders released from custody	46.9 (Jul 2010 – Jun 2011)	45.6 (Jul 2011 – Jun 2012)	45.2 (Jul 2012 – Jun 2013)	45.6 (Jul 2013 – Jun 2014)	We are committed to the rehabilitation of offenders; the links between safe housing, employment, strong relationships and health, and reduction in efficiency are well established.
Juvenile	% of offenders	36.0 (Jul 2010 – Jun 2011)	35.3 (Jul 2011 – Jun 2012)	36.6 (Jul 2012 – Jun 2013)	37.8 (Jul 2013 – Jun 2014)	Work is underway to provide services that address the multiple barriers faced by prisoners. There are programmes in place within both the prisons and probation systems to increase offenders' work skills and open employment opportunities for them at the end of their sentence. This also includes raising education standards, supporting those with drug and alcohol abuse issues and working with local communities to provide stable and suitable accommodation for offenders once released from prison.



Measure of success

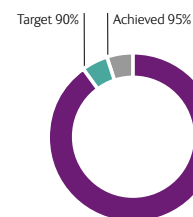
Key Performance Indicators 2

Financial Services Compensation Scheme 2015-16 – page 28



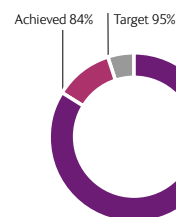
Target:
To answer 90 per cent of complaints within 20 working days.

Performance:
We answered 95 per cent of complaints within 20 working days.



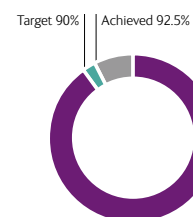
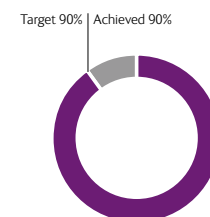
Target:
To answer 95 per cent of calls within 90 seconds.

Performance:
We answered 84 per cent of calls within 90 seconds.



Target:
To confirm a compensation decision on 90 per cent of PPI claims within three months of receiving a completed application form.

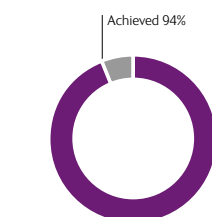
Performance:
We confirmed decisions for 90 per cent of claims within the target.



Target:
To confirm a compensation decision to 90 per cent of all other claims within six months of receiving a completed application form. Of the remaining 10 per cent, no claims should be older than 12 months, unless exceptional circumstances apply.¹

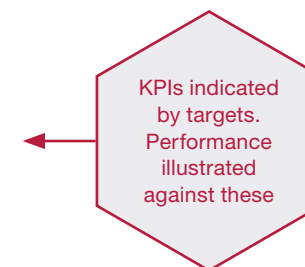
Performance:
We confirmed decisions for 92.5 per cent of claims.

¹ We measure this from the latest of one of three start points: 1) the date a claim is received, 2) the date a default is declared, or 3) the date a claim is reopened. We might also apply a 'target resolution date' once a claim moves from thematic status to BAU.



Target:
To confirm a compensation decision to the majority of savers in failed banks, building societies and credit unions within seven days of failure. (To pay the remaining customers with more complex accounts within 20 days.)

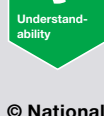
Performance:
In 2015/16, 94 per cent of customers were paid compensation within seven days of the failure of a credit union. (The majority of customers with more complex accounts were paid compensation within 20 days.)



Measure of success

Key Performance Indicators 3

British Council 2015-16 – page 24



PARTICIPANTS IN OUR ACTIVITIES	2014-15 RESULT	2015-16 TARGET ¹	2015-16 RESULT	MET TARGET
Digital social media and learning People participating through digital professional, educational and English learner communities on social networks.	24.9 million	23 million	30 million	✓
Exhibitions, festivals and fairs and performances People attending exhibitions, live arts performances, arts and education fairs and festivals.	12.7 million	12 million	11.9 million	X
Face-to-face People participating in activity where they come into face-to-face contact with others, including teaching centre students, examination candidates, teachers and learners.	11.4 million	11.8 million	11 million	X
Broadcast and publications People participating by watching, listening to, or reading British Council produced or co-produced content in television services, via radio and in print.	473 million	427 million	445 million	✓
Digital online audience Audiences for British Council digital arts, education and English (including teaching and examinations) content reached through websites, mobile devices and applications.	125 million	118 million	148 million	✓

Useful graphic to indicate whether targets (KPIs) have been met

3/5

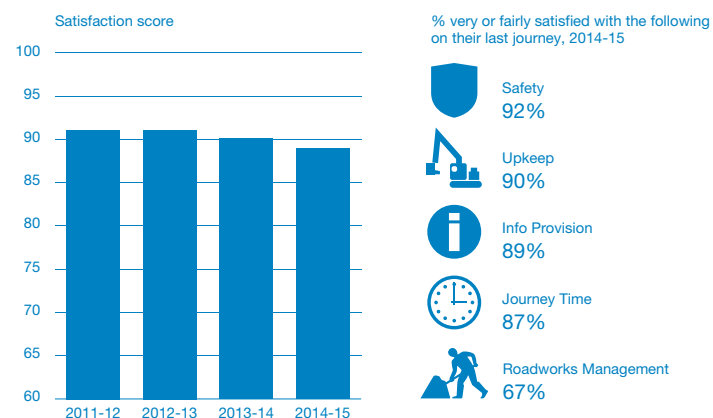
Measure of success

Honesty in reporting KPIs 1

Department for Transport 2015-16 – page 14



Figure 3: National Road User Satisfaction Survey – journey satisfaction score* England



*Satisfaction score is a composite measure of satisfaction with journey time, roadworks management, upkeep, information provision and safety on motorways and trunk roads.

- 1.11 We are improving journeys by:
- » meeting the challenges of disruption to cross-Channel travel and the impact on the M20 into Dover (Operation Stack);
 - » awarding £1.5 billion worth of contracts to build ten 'smart motorways' announced by Highways England;
 - » opening a remodelled Junction 10A of the M1 near Luton in July;
 - » Highways England setting out how it will deliver the £2.2 billion of investment to improve the capacity and condition of roads in the South East. This includes work starting on 24 new major projects by 2020 as well as upgrades already underway on the M3, A21 and M25 at junction 30, cutting congestion and improving journey times for drivers;
 - » continuing the programme of rail upgrades including Thameslink and the Intercity Express Programme;
 - » the Office for Low Emission Vehicles providing grants up to a maximum of £5,000 to support orders for over 39,000 ultra low emission cars, and grants of up to £8,000 to support orders for over 800 ultra low emission vans. Figure 4 shows the increase in the number of ultra low emission registrations since 2011-12;
 - » leading the development of autonomous vehicles with a £20 million fund, which will be matched by industry, to enable research and development into technology of the future. Developing a code of practice for driverless cars to help make the UK the best place for testing;

Measure of success

Honesty in reporting KPIs 2

HM Revenue & Customs 2015-16 – page 34



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Honesty in reporting failure to meet targets

Improving customer services

In summary...

In the first part of the year service levels were substantially below our targets on both customer calls handled and post turnaround times. We responded swiftly by recruiting additional customer service staff to deliver improvements, which we then sustained throughout the year. Overall call answering levels recovered quickly and by the end of the year, we were answering 88% of call attempts. Our average speed of answering calls was also too lengthy at the start of the year, but is now around six minutes and on an improving trend. We also moved more than 900 people from across HMRC to work on post. Our post handling performance took longer to recover but by the end of the year we were handling 70% of post within 15 days and we are now building on this improvement.

We worked hard to deliver the consistent level of service that customers expect from us, and while our performance wasn't good enough in the first part of the year and, as a result, we did not meet our overall targets for calls and post, we made significant and sustained improvements during the rest of the year.

Across the year, we handled 72% of calls (against our target of 80%), handled 52% of post within 15 days (against a target of 80%) and handled 87% of post within 40 days (against our target of 95%), although we did significantly improve performance in quarters two and three and sustained that improvement across the year.

Our phone performance dropped to 48% of call attempts handled in May. We were able to deliver and maintain improvements from that point, with performance above 70% in quarter two and above the target of 80% from November onwards. Similarly, at the start of the year our average speed of answer performance fell to 18-20 minutes. However, performance improved and averaged around six minutes over the last four months.



11,069

customers helped via our Twitter account, with only 20% needing referral to a phone adviser

Figure 7: Call attempts handled – yearly (%)





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



Where the department spent its money



Explanations for variances



Expenditure breakdown

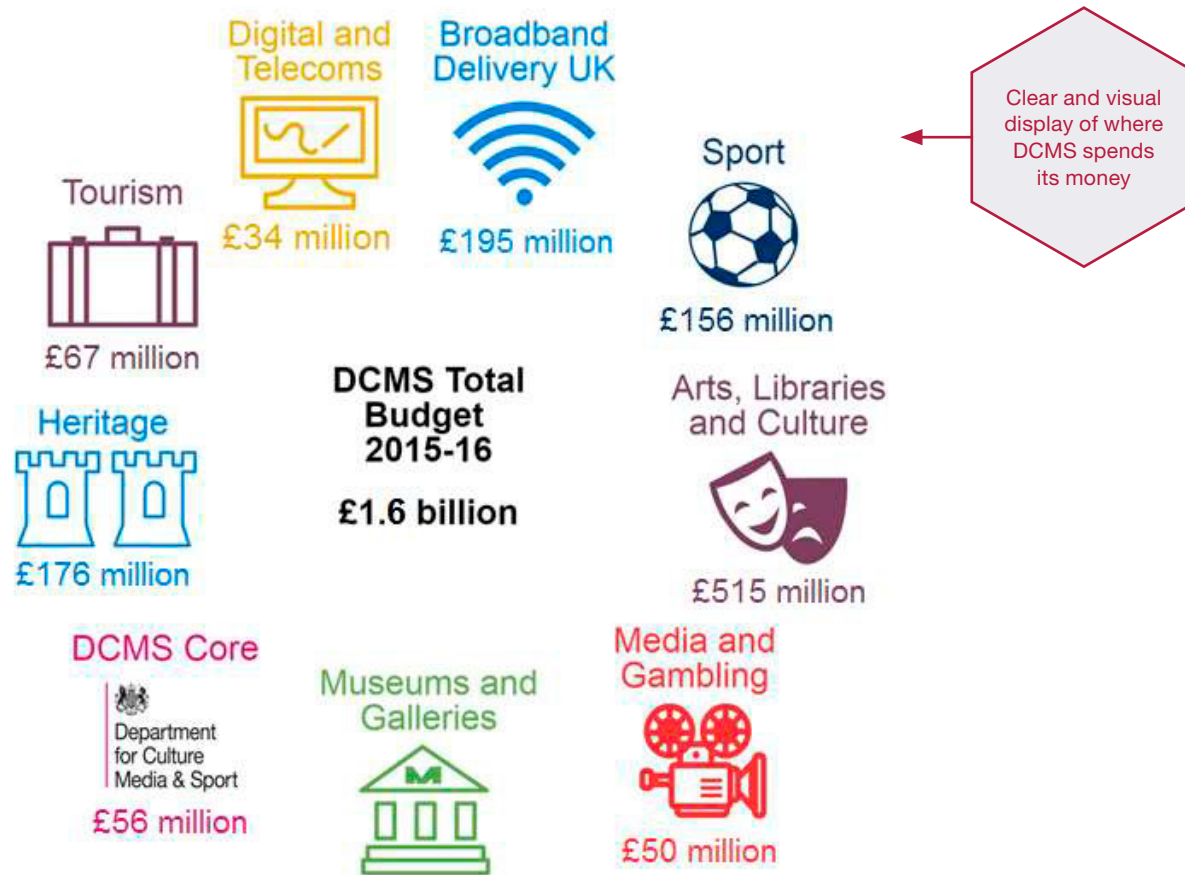


Understandable trend analysis

Financial performance

Where the department spent its money

Department for Culture, Media & Sport 2015-16 – page 11



1/4

Financial performance

Explanations for variances

Department for Business, Innovation & Skills 2015-16 – pages 71 to 75 (Performance Report)



Other BIS budgets

There are significant movements in our outturn particularly in the last two years against non-cash and resource AME budgets. The key driver of outturn in both is higher education student loan impairments. Impairment of student loans issued in year is known as the Resource and Accounting Budget (RAB) charge which is recognised in resource DEL. The impairment of loans issued in previous years is called the stock charge and this is recognised in resource AME. Both are volatile and sensitive to changes in macroeconomic forecasts of earnings growth and inflation made by the Office for Budgetary Responsibility.

In 2014-15 changes to modelling and the expected Office for Budgetary Responsibility projection of long term RPI rate resulted in the RAB charge for that year being recognised in AME rather than DEL. The total loan book was impaired by £1,925 million in 2014-15.

However in 2015-16 there was a favourable revaluation of loans following a change in HM Treasury's long term discount rate resulting in an impairment reversal of £3,623 million. This impacted AME rather than DEL. The carrying value of the loan book as at 31 March 2016 is £56,919 million.

The table below describes the student loan movements in year, the types of budgets impacted and the key drivers for these.

Type of student loan spend	Type of budget impacted	Year on year movement	Variance against Supplementary Estimate	Drivers of movements
Resource and Accounting Budgeting charge – impairment of loans issued in year	Resource DEL programme non-cash	▲ £2,212 million	Underspend £832 million	Office for Budgetary Responsibility inflation forecasts; HM Treasury long term discount rate; changes to repayment threshold; number of loans in issue
Stock charge – impairment of loans issued in previous years	Resource AME non-cash	▼ £7,757 million	Underspend £421 million	
Loan outlay and repayments	Capital AME cash	▲ £1,127 million	Underspend £1,027 million	Demand led uptake of loans by students, repayments impacted by earnings pathways and macroeconomic factors

Drivers of movements between outturn and Supplementary Estimate

Outturn variance against Supplementary Estimate

The Department's full outturn against Supplementary Estimate can be found in the Statement of Parliamentary Supply on pages 108 to 112 of the Annual Report. BIS is responsible for all of the resources allocated to the Department and Partner Organisations. The Department has put in place a strong budgetary control process to effectively discharge expenditure in a responsible manner.

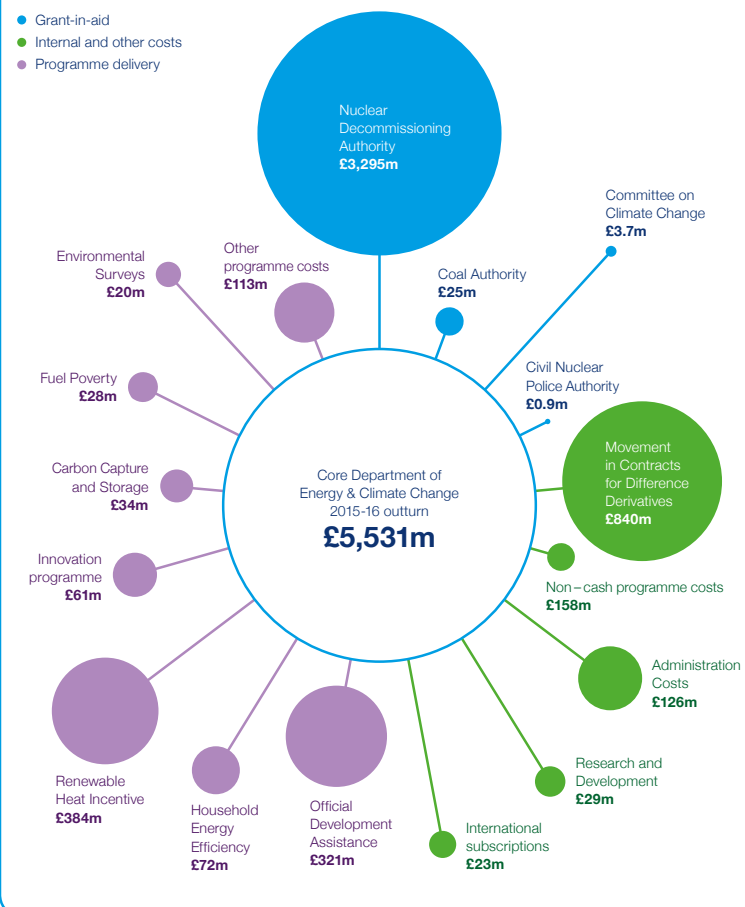
Financial performance

Expenditure breakdown

Department for Energy & Climate Change 2015-16 – page 13



Figure 3: Where the core Department spent its money in 2015-16

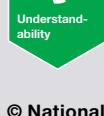


Detailed graphic showing the expenditure breakdown of the Core DECC Department

Financial performance

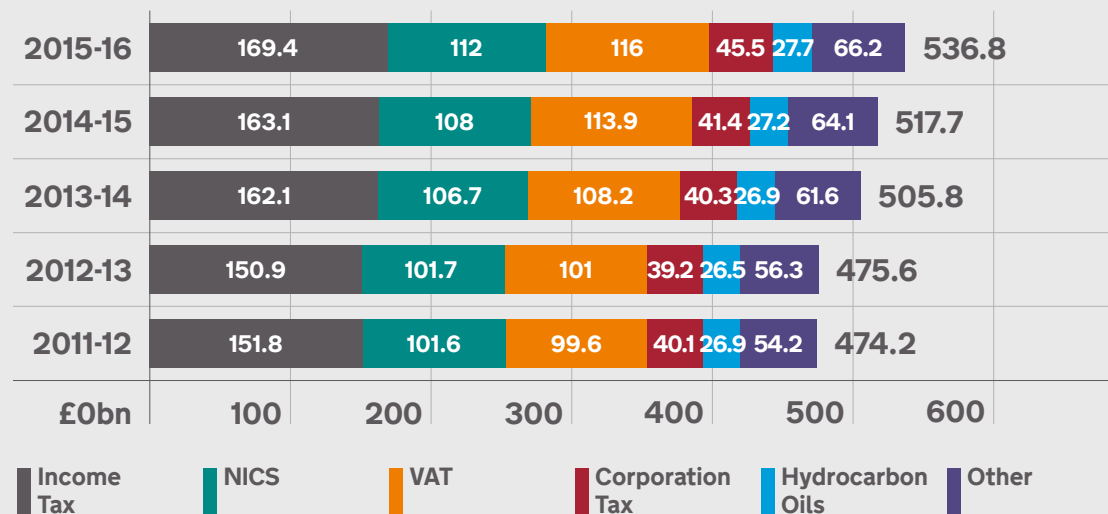
Understandable trend analysis

HM Revenue & Customs 2015-16 – page 17



4/4

Figure 1: Revenue (£bn)



Clear graphic showing revenues collected by HMRC over the past five years



Full information about tax revenues, with year-on-year comparisons, can be found in the Trust Statement on **page 160**.



What did we look for?

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



Importance of staff



How staff fit into the organisation



Staff statistics



Equality



Staff engagement in people survey



Staff sickness



Employee engagement

People factors

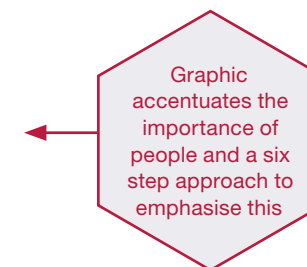
Importance of staff

Big Lottery Fund 2015-16 – page 11



Six key principles for delivering People in the Lead

- 1 Confidence, not control**
We trust in people's ability to make great things happen, believing that our funding should enable rather than control.
- 2 Simple processes, good judgements**
We use simple, proportionate processes which enable us to make good judgements.
- 3 The strengths people bring**
We start with what people can contribute, and the potential in their idea.
- 4 A catalyst for others**
We listen to, learn from, act on and facilitate the things that matter to people, communities and our partners.
- 5 Shared direction, diverse approaches**
We value the diversity of communities we work with across the UK, are consistent in the quality and opportunities we offer, and support people to tackle inequalities.
- 6 Using resources well**
We make informed choices about the resources given to us by National Lottery players: with knowledge, with people and with money, and in an environmentally sustainable way.



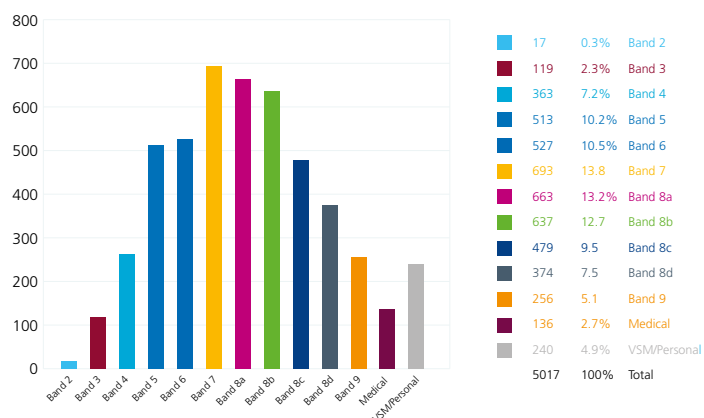
People factors

Staff statistics

NHS England 2015-16 – pages 63 to 64

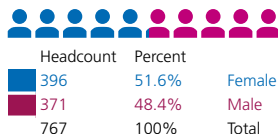


All staff by payband

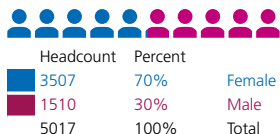


Detailed breakdown of staff by payband, gender, disability, ethnicity and sexual orientation

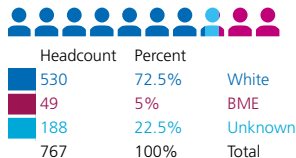
Senior manager by gender



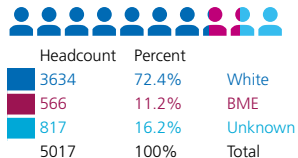
All staff by gender



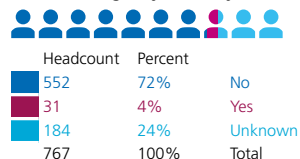
Senior manager by ethnicity



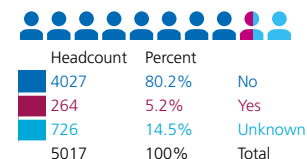
All staff by ethnicity



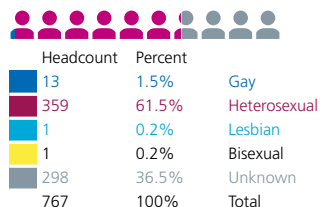
Senior manager by disability



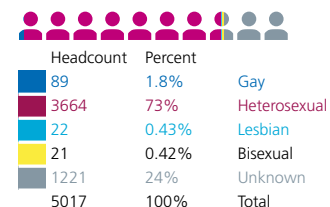
All staff by disability



Senior manager by sexual orientation



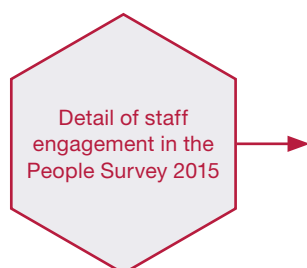
All staff by sexual orientation



People factors

Staff engagement in people survey

Department for Business, Innovation & Skills 2015-16 – page 53 (Accountability)



People

The development of our staff continued to be a priority in 2015-16, helping the Department to be confident, capable and building on our strengths as personal leaders. We improved our strong record on diversity and inclusion, where half of our senior managers are women and we have a high proportion of jobsharers and part-time workers, including in top management positions. In the 2015 People Survey, BIS HQ received a record response with 84 per cent of our people completing the survey, with our overall engagement score holding firm (56 per cent) and the gap to the Civil Service median narrowing for the fourth consecutive year.

Engagement

In the 2015 People Survey, BIS HQ received a record response rate with more than 2,100 (84 per cent) of our people completing the survey. The overall engagement score was sustained at 56 per cent, demonstrating a 7 percentage point increase since 2011, with the gap to the Civil Service median narrowing for the fourth consecutive year.

Seven of the nine survey themes also remained constant or increased. The Department's performance on 'Learning and development' and 'Leadership and managing change' remained strong against the Civil Service median.

In 2015 new questions were asked about the Civil Service Leadership Statement. BIS's results on each question were substantially above the Civil Service median, and BIS's results for 3 of those questions were in the top 25 per cent of organisations that participated in the survey.

Compared with 2014, there was an overall improvement in how staff feel they are managed. A higher number of staff said they have the tools and skills to do their job effectively, and are able to access the right development opportunities which help to improve their performance. Results on inclusion and fair treatment were positive, with more staff feeling that they are treated fairly at work, and that BIS respects individual differences.

People Survey results		2014	2015	2015 Civil Service median
Engagement Index (%)		56	56	58
Theme scores (%)	Leadership and managing change	45	45	43
	My work	79	77	74
	My manager	68	68	68
	Learning and development	55	55	49
	Pay and benefits	26	26	30
	Resources and workload	71	72	73
	Organisational objectives and purpose	83	78	83
	My team	81	81	80
	Inclusion and fair treatment	75	76	74

People factors

Employee engagement

NHS Property Services Limited 2015-16 – page 16



People engagement

We continue to engage with our people through a range of channels and during 2015/16, we carried out our second full people engagement survey, giving everyone across the company the opportunity to give feedback on their experience of working for the company. There was a 35% increase in the number of people taking part in the survey. Our overall engagement score increased by 3% to 659 out of 1000.

Within the survey areas specifically showing a positive trend include:

- People having greater understanding of their role and how it contributes to the business.
- Confidence to suggest improvements.
- Evidence of improvements being made.
- Better communication.
- Opportunities to progress careers.
- All dignity and respect questions rated highly.

The survey was followed up with seven open space events involving around 130 people from across the country. The events provided further discussion around ongoing issues and challenges, as well as ideas for improvement. The outputs from the sessions have helped to inform the action plan going forward.

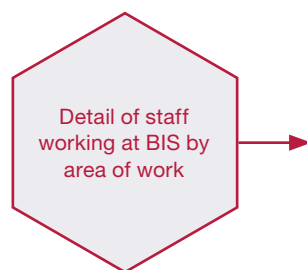
Detail of how employees are engaged across the NHS Property Services Company

4/7

People factors

How staff fit into the organisation

Department for Business, Innovation & Skills 2015-16 – page 110 (Accountability Report)



Number of staff by category	2015-16				2014-15 restated
	Permanent employed staff	Others	Ministers	Special advisers	Total
Skills, Deregulation and Local Growth	2,915	56	-	-	2,971
Finance, Commercial & Digital Transformation	724	135	-	-	859
Economics and Markets	1,520	68	-	-	1,588
Office of Manpower Economics	33	-	-	-	33
Legal Services	175	1	-	-	176
Business and Science	10,166	1,103	-	-	11,269
Shareholder Executive	1,693	182	-	-	1,875
People, Strategy and Higher Education	2,845	660	6	4	3,515
Total	20,071	2,205	6	4	22,286
Of which:					
Core Department and Agencies	4,863	348	6	4	5,221
NDPBs and other designated bodies	15,208	1,857	-	-	17,065
Total	20,071	2,205	6	4	22,286

People factors

Equality

Nuclear Decommissioning Authority 2015-16 – page 71



Equality of opportunity and treatment

The NDA believes that every individual has a right to equal treatment and opportunities. Discrimination or harassment on the grounds of gender, age, marital status, ethnic or national origin, religion, sexual orientation or disability will not be tolerated.

The NDA's Equal Opportunities, Harassment, Discrimination and Diversity Policy outlines the rights of all employees as well as the responsibility on all staff to comply with equal opportunities legislation. Furthermore, ongoing monitoring of equal opportunities data is undertaken to ensure compliance with this policy.

In line with our people policies, the NDA makes every attempt to support all individuals who are disabled. This includes those seeking employment with the NDA, as well as those employees who have become recently disabled. This includes:

- full and fair consideration for applications for employment, where all screening and assessment is carried out in line with our recruitment standards and with reference to the candidate's aptitudes and abilities.
- reasonable adjustments and arranging appropriate training for employees of the company who are disabled, or have become recently disabled, in order to support their continuing employment, training, career development and promotion



6/7

People factors

Staff sickness

Department for International Development 2015-16 – page 51 (Accountability Report)



7/7

The following table summarises the levels of sickness absence for 2015–16 based on the central reporting guidance.

The increase in working days lost in 2015–16 reflects the improved reporting and management of sickness absence as a result of the focus and support to managers in applying the managing attendance policy.

	2015–16	2014–15
Working days lost (short term absence)	4,067	3,953
Working days lost (long term absence)	5,219	4,936
Total working days lost	9,286	8,889
Number of staff absent as a result of sickness	831	827
Percentage of staff with no sick absence	63.9%	62.2%





What did we look for?

- Consideration of the external drivers that influence and impact on current objectives and performance



External drivers 1



External drivers 2

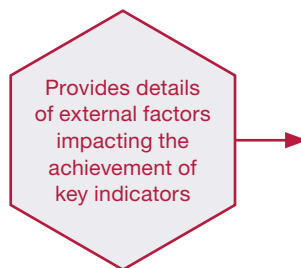
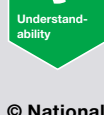


External drivers 3

External drivers

External drivers 1

Department for Culture, Media & Sport 2015-16 – page 42



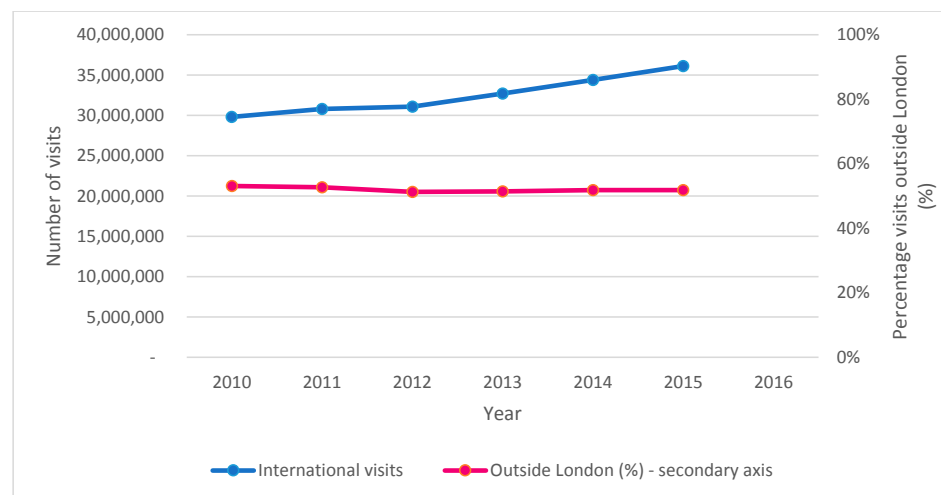
Key Indicators

Many of the policies in DCMS support our objective of sustaining excellence in UK sport, tourism and culture, and promoting Britain around the world. As well as its important contribution to the economy, tourism is a key policy for this objective and a barometer of our influence around the world.

The first headline indicator for this objective is international tourism visits to the UK (including percentage of visitors travelling outside London).

The number of visits outside London has increased by 18% over the period from 2010-2015. The government has set Visit Britain a target to achieve an additional 1.5% growth in visitor spend throughout Britain.

International visits to the UK (and per cent outside London)

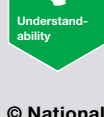


Source: ONS International Passenger Survey

External drivers

External drivers 2

British Council 2015-16 – page 34 (Performance Review)



Middle East and North Africa

This region remains of huge strategic importance, both internationally and to the UK, as it continues to face conflict, instability and the challenge of the worst refugee crisis for decades.

2/3

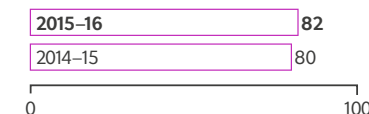
The British Council have included a performance review section on work in each geopolitical region

Political, economic and social structures are under great strain across much of the region; youth unemployment is chronic, political participation stifled and graduates lack the necessary skills for employment. Our work helps to develop education and civil society, promote inclusion and tolerance, and give people skills for employment and for life.

Our work this year included: helping young Syrian refugees access quality education; giving millions access to English; supporting national education reform in Iraq; launching a youth skills for employment programme with HSBC; supporting women's rights in Egypt; strengthening the UK's relationships with young Gulf nationals through arts and education programming.

Customer satisfaction

Score from 0–100



Participation (millions)

External drivers

External drivers 3

HM Treasury 2015-16 – page 54



3/3

Risk Management

The Treasury faces macro and micro level risks in its dual role as the UK's finance and economics ministry and a central government department and employer. The risks faced are diverse in nature and severity, in many areas will have a broad impact on the economy and financial health of the country and often will be influenced by externalities over which the department may have influence, but no control.

As the economics ministry, the department must react to uncertainty in the global economy and present policy solutions to contribute to the UK's recovery; as the department responsible for fiscal policy, the UK's rebalancing and restructuring requires significant Treasury focus and attention; and operationally, the department must make sure it spends its budget appropriately, ensuring value for money and delivering on its duty of care to both staff and stakeholders.

Focus on
the macro and
micro level risks
associated with
HM Treasury
work



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 1



Use of graphics to highlight key achievements 2



Use of graphics to highlight key events



Glossary

Understandability

Use of graphics to highlight key achievements 1

Defence, Science and Technology Laboratory 2015-16 – page 16



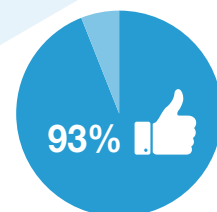
How we have performed

Dstl monitors its performance on a monthly basis to advise the Dstl Executive and Board on current and future performance so that appropriate and timely action can be taken to ensure Dstl is on track to deliver its strategic objectives

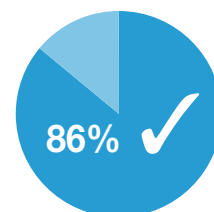
Despite a challenging year and a great degree of uncertainty (due to various reviews and a head count reduction target), the demand for our unique science and technology expertise

has remained high. The following two pages are a summary of our performance; this is followed by more detailed analysis on pages 18 to 20.

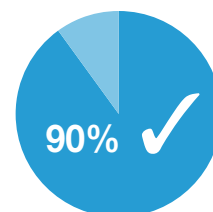
Customer satisfaction



Projects completed to cost



Products delivered to time



Dstl have used graphics to illustrate key achievements, including products delivered to time and cost

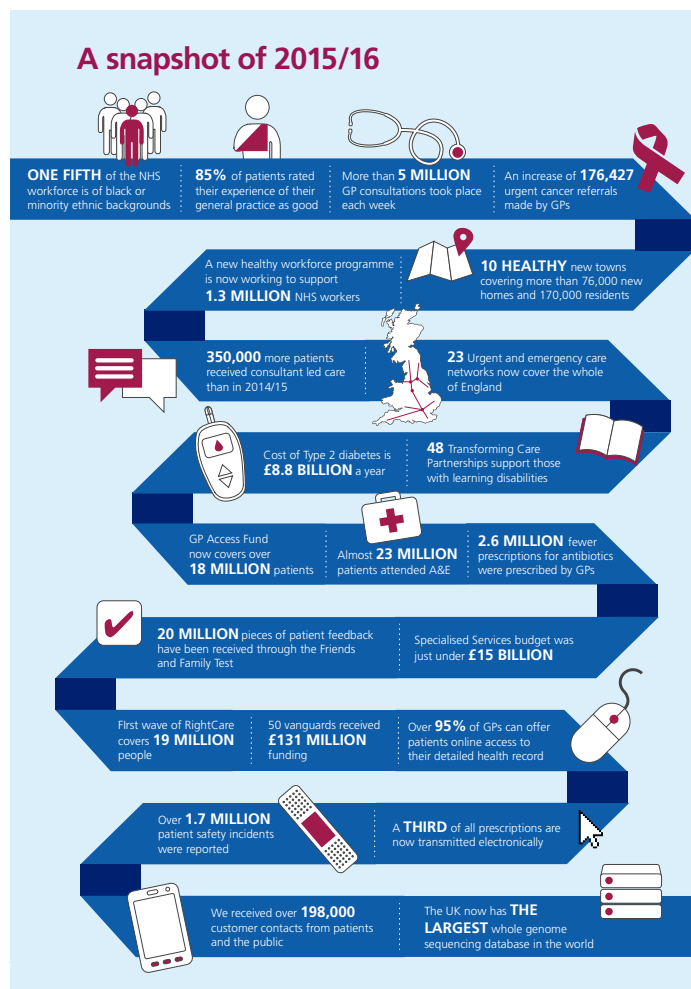


Unless stated, all figures quoted in this section are for Trading Fund only.

Understandability

Use of graphics to highlight key achievements 2

NHS England 2015-16 – page 12



NHS England highlight key achievements with eye-catching graphic

2/4

Understandability

Use of graphics to highlight key events

HM Treasury 2015-16 – page 14



April Launch of the Government Internal Audit Agency 1/4 Corporation and personal tax changes from Finance Bill 2014 come into effect 1/4, 6/4	
May General Election 2015 (7 May 2015) Sale of 65+ pensioner bonds closes with over £13 billion sold 15/5 Creation of UK Government Investments announced 20/5	
June Chancellor's annual Mansion House speech 10/6 Royal Mail share sale 11/6 UK signs founding Articles of Agreement of the Asian Infrastructure Investment Bank 29/6 Insurance Fraud Taskforce: interim report 23/6 Lloyds shareholding reduced below 17% 23/6	
July Government confirms Tax-Free Childcare launch date 1/7 Charter for Budget Responsibility updated 8/7 UK's long term productivity plan launched 10/7 Bank of England reform announced 21/7 Spending Review launched 21/7 Announcement of new Help to Buy: ISA 25/7	
August Financial Advice Market Review launched 3/8 Public Sector Efficiency Challenge launched 3/8 RBS share sale 4/8 Cutting Red Tape review programme begins 28/8	
September Treasury welcomes new graduate policy advisers Announcement of transfer of Pension Wise guidance delivery from the Treasury to DWP 16/9 7th Economic and Financial Dialogue in China 21/9 Consultation on reforms to the taxation of non-domiciles launched 30/9	

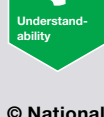
Clear timeline
explaining events
over the year

3/4

Understandability

Glossary

Skills Funding Agency 2015-16 – page 79



4/4

Glossary of Financial Terms

Glossary of key terms assists understandability

The definitions that follow are simplified. They are not a comprehensive statement of the full accounting meaning and nor do they fully reflect accounting policy within the SFA. The definitions are not a substitute for accounting standards, practices, laws and government guidelines as relevant to the SFA. For further information, please refer to a suitably qualified finance professional or to the SFA directly.

Asset

Asset has a broad but specific meaning in accounting terminology. An asset is something that the SFA has control over that it can use as part of the process of delivering its objectives. It may be tangible such as an item of office equipment or it may be intangible such as a computer system. Receivable balances and cash balances are also assets.

Cash equivalent transfer value

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

Depreciation

Depreciation is an estimate of the value of an asset consumed in its use during the reporting period. For example, if the SFA bought a computer system for £1 million and expected it to be used for five years, the depreciation charge would be £200,000 each year.

Depreciation, impairment and losses on disposal

Depreciation is explained above. Impairment is where the value of an asset has permanently fallen below its current recorded value. A loss on disposal refers to the situation where an asset is disposed of before it has been fully depreciated and any sales proceeds do not outweigh the remaining value.

Depreciated historical cost

Depreciated historical cost is the depreciation charge worked out on the historical cost.

EFA recharge

This refers to the recharge of costs to the EFA. There are both revenue and capital elements to this recharge.