

Good practice in annual reporting



Good practice guide

February 2025

Our interactive guide sets out our good-practice principles for annual reporting and provides illustrative examples taken from organisations in the public sector that we judge to be leading the way.

We are the UK's independent public spending watchdog

Communications Team
DP Ref 015114

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Introduction

ANNUAL REPORTS ARE MORE THAN JUST NUMBERS. THEY'RE THE STORYTELLERS OF OUR SECTOR'S PERFORMANCE AND IMPACT.

About this guide:

Welcome to the latest edition of our interactive guide showcasing good practice examples in annual reporting.

We've drawn these real-world examples from the public sector organisations shortlisted for the Building Trust Awards. These awards recognise trust and transparency in annual reporting and have been run by PwC for many years, with the NAO co-sponsoring the award for Reporting in the Public Sector.

Our guide offers valuable insights and practical examples to enhance your annual reporting.

Why transparent reporting is important:

A good annual report is a key opportunity for public sector bodies to:

- engage with key stakeholders in telling their story in a clear and accessible way;
- outline how they have achieved their objectives and the challenges they faced; and
- explain how they have used public money and what outcomes they've achieved as a result.

We have a new Parliament and a new Government, but many of the same problems of rising demand and not enough money to quickly fix the gaps in key public services. Governments today face an era of unprecedented complexity, grappling with global issues like climate change, rapid technological development and increased security threats, while striving to provide modern and affordable public services that meet the needs and expectations of today's society. We see productivity and resilience improvements as the most important value for money challenges and opportunities in the coming years. We won't achieve these without effective innovation in how society's problems are solved and how services are delivered, while also getting the basics right.



In our view, this will require: a clearly articulated risk appetite and a portfolio approach; harnessing the potential of new technology; a culture of fast learning and adaptation; and an effective accountability framework that supports responsible risk-taking to unlock creative solutions. Effective public financial management and transparent reporting are critical to this. Amidst this backdrop, annual reports play a pivotal role. **Annual reports are more than just numbers. They are the storytellers of our sector's performance and impact, and its approaches to innovation and risk management.**

Good annual reports:

- provide a compelling narrative that resonates with the public, both as service users and taxpayers;
- serve as a powerful tool for accountability by shedding light on how taxpayers' money has been stewarded, an organisation's approach to innovation, risk appetite and risk management, how much has been spent and on what, and what outcomes have been delivered as a result; and
- equip stakeholders with information they can use to hold organisations to account.

This is why high-quality annual reports and accounts are fundamental to effective accountability.

Principles supporting high-quality annual reporting

Our guide presents good-practice principles that we believe are the foundation of high-quality annual reporting. We organise our principles under four key pillars:

Supporting Accountability: Annual reports equip readers with information they can use to hold organisations to account and so can help build trust with stakeholders.

Transparency: By providing a candid view of performance, including successes and challenges, organisations can help foster confidence among stakeholders and promote informed decision-making.

Accessibility: Annual reports need to be accessible to a wide audience. Clear language, concise explanations, and user-friendly formats enhance accessibility and encourage engagement.

Understandability: A well-structured report ensures that readers can easily grasp the organisation's performance, goals, and impact. Clarity in conveying complex information is essential – whether in words or graphics.

To illustrate these principles, our guide highlights the following good-practice examples:

Joined-Up Reporting: Annual reports can be lengthy. Aim for conciseness and, to maintain reader engagement, use presentational techniques that thread the narrative throughout the report. This approach helps convey consistent messages.

Frank and Balanced Assessment: Openly address risks and opportunities. A clear narrative about risk management, how effective it is and whether the organisation is achieving its objectives can help build stakeholder confidence.

Understandable Non-Financial Information:

Stakeholders increasingly seek information beyond the financials. Organisations should clearly communicate their responses to external factors affecting them.

Linkages Between Financial and Non-Financial Information:

Showing how the financials tie to operational activities – and supporting this with performance indicator reporting. Doing this provides context to organisational achievements and future objectives.

Accessibility Considerations: Organisations that offer reports in various formats and consider reader accessibility requirements benefit their users the most.

By adhering to these principles and practices, organisations can ensure their annual reports are effective, engaging, and valuable to their stakeholders.

Next steps

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 sector organisations. We hope that you will find these examples useful as you consider what to include and how to structure your annual reports this year.

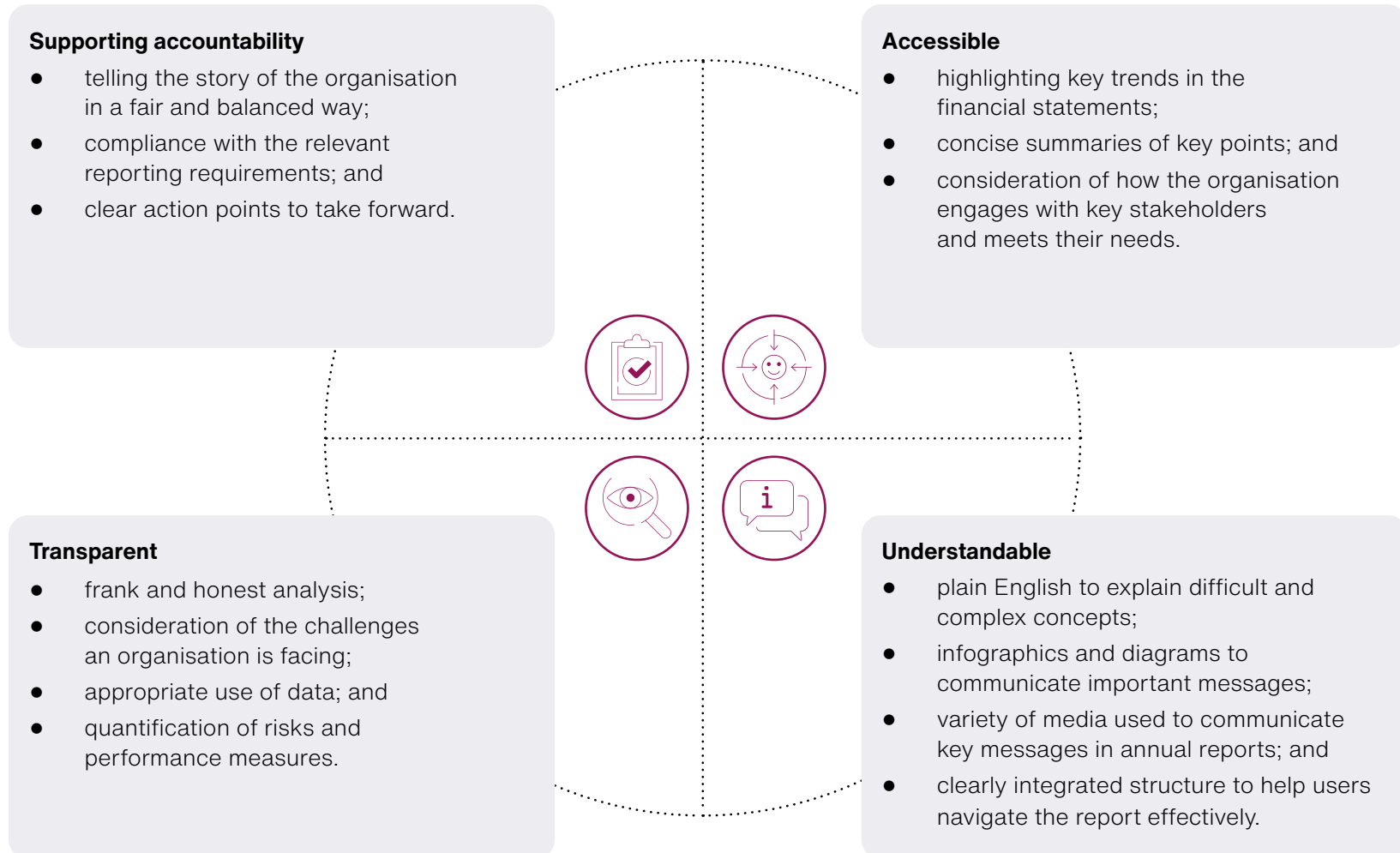
If you would like further information about the guide, or any aspect of annual report and accounts production, please contact your usual NAO team, or get in touch via Building.Public.Trust@nao.org.uk.

Kate Mathers

Executive Director of Financial Audit
National Audit Office, February 2025

NAO's good-practice principles for the annual report

A good annual report provides a fair and balanced description of a body's 'corporate story' in a way that is compelling to the wide variety of stakeholders that have an interest in the body's activities.



NAO's good-practice principles for the annual report

These principles should be evident across the different sections of the annual report:

Strategy

Risks

Operations

Governance

Measures
of success

Financial
performance

External
factors

How to use this guide

This guide draws on examples of good practice from within each of the key sections of an annual report, highlighted previously.

For each example, we highlight the NAO good-practice principles it demonstrates:



Supporting
accountability



Transparent



Accessible



Understandable

In considering which examples to use, we reviewed a large selection of annual reports for 2023-24 that were available by December 2024.

Our examples are not intended to be an exhaustive list of good practice but to provide ideas for bodies to consider as they plan their annual reporting for 2024-25.

Strategy

What did we look for?

- Clarity around purpose, strategic objectives and key programmes.
- A balanced view of progress against objectives.
- Details of plans to implement priorities.
- Strategy clearly linked to performance measures and risks.

Examples:

1

Clear reporting of strategy and purpose

2

Looking ahead to the next financial year

3

Strategy linked to performance measures



1 Clear reporting of strategy and purpose

BBC Group Annual Report and Accounts 2023-24 [LINK](#)



The BBC Group sets out its three core strategies up front and uses the three icons throughout (p.12)



Consistent icons allow the reader to more easily understand which strategic goal links to which purpose (p.21)

BRINGING OUR STRATEGY TO LIFE

A BBC for the Future sets out our current plans in full. Examples of some of our key initiatives are below:




Look for these symbols throughout the Strategic Report to see how everything we do is underpinned by these initiatives.

		
To pursue truth with no agenda, we will...	To back the best homegrown storytelling, we will...	To bring people together, we will...



Purpose 2: To support learning for people of all ages

The following pages demonstrate the breadth of content that the BBC provides to support learning for all.

2 Looking ahead to the next year

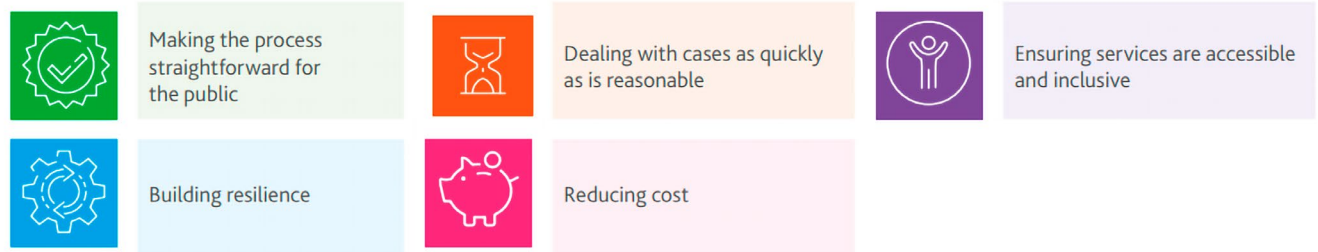
HM Courts & Tribunals Service Annual Report and Accounts 2023-24

[LINK](#)

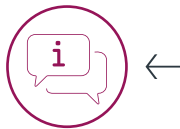
Our Business plan 2024-25

Our Business Plan will translate our priorities into actions and targets supporting us to deliver our commitments while transitioning into a leaner and better performing organisation focussed on continuous improvement in all areas. This year we will:

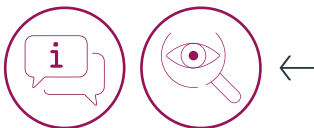
Link to strategic objectives:



Priority	Objective
Perform at our best and provide quality services 	<ol style="list-style-type: none"> 1. Run efficient and effective services and drive performance 2. Maintain and improve the capacity, safety, and security of our buildings 3. Enhance our digital and data infrastructure. Fix things that do not work and stabilise our systems
Enhance our leadership skills 	<ol style="list-style-type: none"> 4. Develop management, structure and culture to align with those of a high performing organisation
Live our values and support our people 	<ol style="list-style-type: none"> 5. Build an appropriately skilled diverse, sustainable workforce to meet the needs of court and tribunal users



HM Courts & Tribunals Service (HMCTS) sets out its five priorities for 2024-25 and links them to the organisation's strategic priorities using engaging icons (p.25)

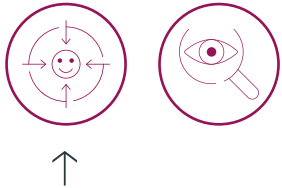


For each priority sets clear objectives that show how HMCTS will achieve their priorities (p.25)

3 Strategy linked to performance measures

Legal Aid Agency Annual Report and Accounts 2023-24

[LINK](#)



The Legal Aid Agency (LAA) provides commentary on performance in 2023-24 and also compares this to performance in prior years (p.24)



The LAA introduces its three strategic objectives and reports its performance against them in turn, demonstrating how its activities during 2023-24 link to its overall purpose (p.11)

About the Legal Aid Agency

Our purpose: Working with others to achieve excellence in the delivery of legal aid

Our work to administer legal aid is essential to the fair, efficient and effective operation of the civil, family and criminal justice systems and we have worked closely with legal providers and the wider MOJ to achieve this. Our purpose has been at the heart of all our day-to-day decision-making and our work to improve legal aid services. The engagement and commitment of our staff is crucial to achieving this.

LAA Vision	LAA Mission
To support swift access to justice, through working with others to achieve excellence in the delivery of legal aid.	Work with providers of our services to ensure fair, prompt and effective access to civil and criminal legal aid and advice in England and Wales. We work across the whole of the justice system to make sure our services meet the needs of everyone who uses them, including the most vulnerable in our society.

Our work is underpinned by our three Strategic Objectives (SO):

<p>Strategic Objective 1</p> <p>Deliver access to justice through legal aid services that meet the needs of our users</p>	<p>Strategic Objective 2</p> <p>Modernise our services, delivering value for money for taxpayers</p>	<p>Strategic Objective 3</p> <p>Become a truly diverse and inclusive employer of choice</p>
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Strategic Objective 3

Become a truly diverse and inclusive employer of choice

KPI: supporting our people to be productive and engaged

<p>Monitor our average working days lost through sickness at 7.0 working days per year or less.</p> <p>5.2 working days this year, which is less than 6.9 in 2022-23 (6.9 for 2021-22) (the figure is based on the previous rolling 12-month period).</p>	<p>5.2 working days</p>	<p>Increase the percentage of people who are able to access the right learning and development opportunities when they need to.</p> <p>80% of responses were positive in 2023, an increase of one percentage point on 2022.</p> <p>Increase the percentage of people who consider that learning and development activities they have completed in their organisation are helping them develop their career.</p> <p>59% of responses were positive, an increase of three percentage points on 2022.</p>
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Using the same icons throughout allows the reader to more easily understand how the LLA activities are linked to the strategic objectives (p.24)



Risks

What did we look for?

- Clear articulation of the organisation's risk management process.
- Risks that reflect the external environment and implications for the entity.
- Link between risks, strategic objectives and the annual report narrative.
- Risk score, implemented or planned mitigations and residual risk.
- Description of how risks have changed over time.

Examples:

1

Clear articulation of risk appetite in key strategic areas

2

Map to illustrate risk likelihood and impact

3

Comprehensive description of risk management process and strategic risks



1 Clear articulation of risk appetite in strategic risk areas

- 1 2 3

Trade Remedies Authority Annual Report and Accounts 2023-24 [LINK](#)



The Trade Remedies Authority uses a table and clear symbols to show its risk appetite in key strategic risk areas (p.47)

Key strategic risk areas	Risk appetite ratings			
	Minimal Avoidance of risk is a key objective. We are only willing to accept very limited risk.	Cautious Preference for safe options that have a low degree of residual risk. These options may only offer limited reward potential.	Open Willing to consider all potential options and choose one which balances residual risk with a desired level of reward.	Bold Eager to be innovative and choose options offering high rewards despite greater inherent risk.
Leadership Setting a clear strategic direction for the organisation and successfully engaging and motivating staff.			✓	
Capacity and capability Attracting, retaining and developing the staff resources needed to deliver our programmes of work.			✓	
Profile and reputation Raising awareness, understanding and credibility among UK and international businesses and other interested parties.			✓	
Accessibility Ensuring the applications process and digital case platform is accessible, secure and reliable for use by external users.		✓		

A high-level summary of our risk appetite aspirations in each of these areas is provided in the following table, which provides the reference point against which we benchmark risk management and mitigation activity within the organisation. In January 2024 the Executive Committee undertook the annual review of risk appetite, which was approved by the ARAC in February and signed off by the Board in April. We keep our risk appetite under regular review and this year we will be stress testing it for alignment to our change programme.

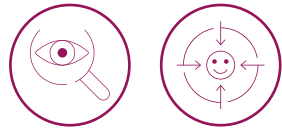


There is also a clear explanation of how and when the risk appetite was set by the Executive Committee (p.47)

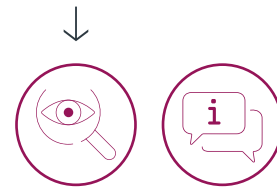
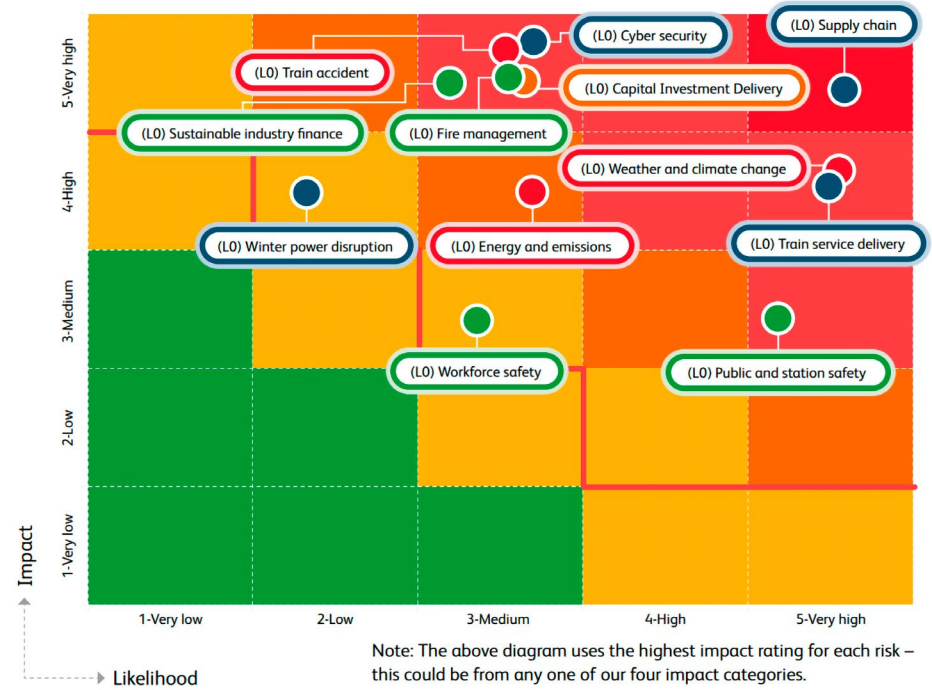
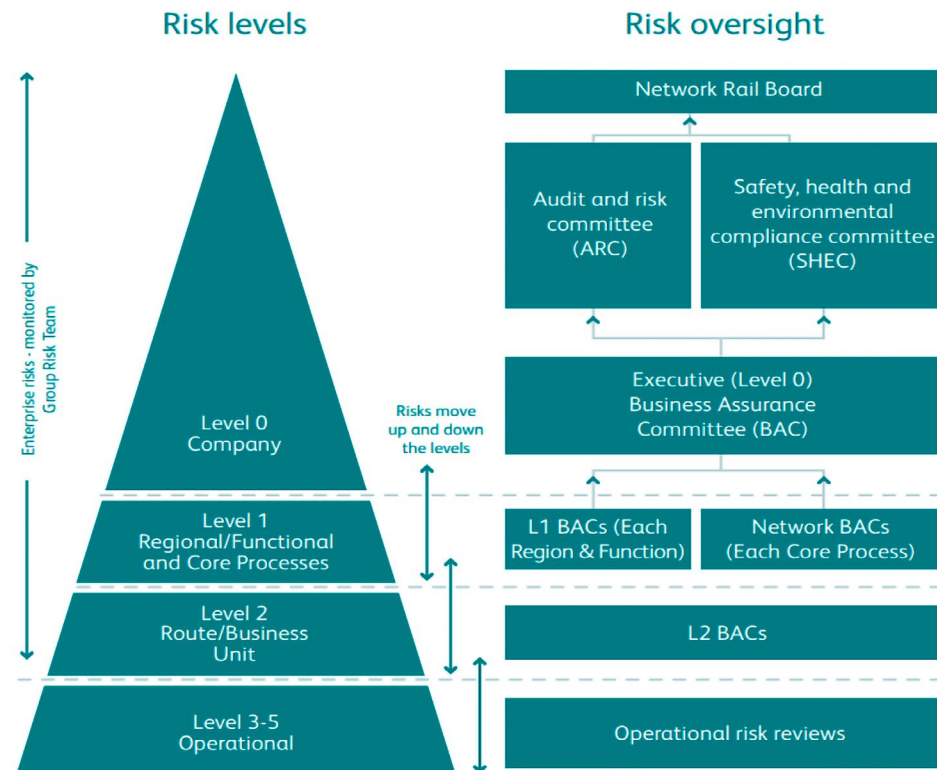
2 Graphics to illustrate risk likelihood, impact and monitoring

Network Rail Annual Report and Accounts 2023-24

[LINK](#)



Network Rail uses a graphic to show how risks are monitored at each level of the organisation (p.92)



Network Rail uses a map to demonstrate its risk profile (impact and likelihood) and how this has changed over the last year (p.94). This is supported by additional detail for each principal risk and a description of mitigating actions (pp.96-99)

3 Comprehensive description of risk management process and strategic risks

Legal Ombudsman Annual Report and Accounts 2023-24

[LINK](#)

Strategic risk (SR) or issue (SI)	How it was managed		
<p>SI.01: Backlog of investigation cases.</p> <p>After cases dealt with by early resolution, a backlog still await full investigation in the pre-assessment pool.</p> <p>Strategic objective: 1, 2, 3 Risk theme: operations Risk appetite: open Residual score: 16 Target score: 9</p>	<ul style="list-style-type: none"> This issue remains a central focus of LeO's risk management, which was reflected in the substance of the 2023/24 strategy and business plan. While the backlog remains above LeO's original projections for 2023/24 (see 'performance analysis'), LeO has made further improvements to customers' experience and wider business plan commitments (see SR.01 below). Building on the knowledge gained during LeO's improvement journey about the key drivers of performance, mitigations have focused on these factors – with the primary strategic focus on monitoring and mitigating investigator attrition and incoming demand for LeO's service. Delivering further efficiencies and reducing duplication have been a focus of LeO's ongoing lean review. 		
Residual risk rating movement over 2023/24			
Q1	Q2	Q3	Q4
20	16	16	16

Risk management process

1. Identification and assessment

All staff in the organisation can identify and raise a risk, as well as prioritising how risks should be managed. The key stakeholders involved in the identification process are:

- Individual members of staff
- Enterprise Risk Manager
- Head of Programme Management and Assurance
- Project Team
- Management Team
- Executive Team



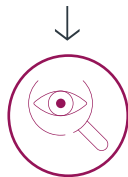
2. Risk treatment

- Risk owners lead the identification, design and implementation of controls or mitigations, in order to manage risks to an acceptable level.
- The Enterprise Risk Manager and Head of Programme Management and Assurance support risk owners with the design of risk treatment options.



3. Risk monitoring

- Monthly review of risks and effectiveness of controls via business performance meetings (for business unit risks and strategic risks).
- Monthly review of risk indicators and risk tolerance levels based on data/performance.
- Monthly review of internal audit actions.
- Led by Enterprise Risk Manager, Head of Programme Management and Assurance, and risk owners.



The Legal Ombudsman (LeO) provides a target and residual risk score and shows how this has changed over time (p.47)



The LeO includes a graphic setting out the risk management process, with key stakeholders identified (p.96)

Operations

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 of how these contracts are awarded and how the entity manages the ongoing contract.
- Consideration of how value for money is being achieved.

Examples:

1

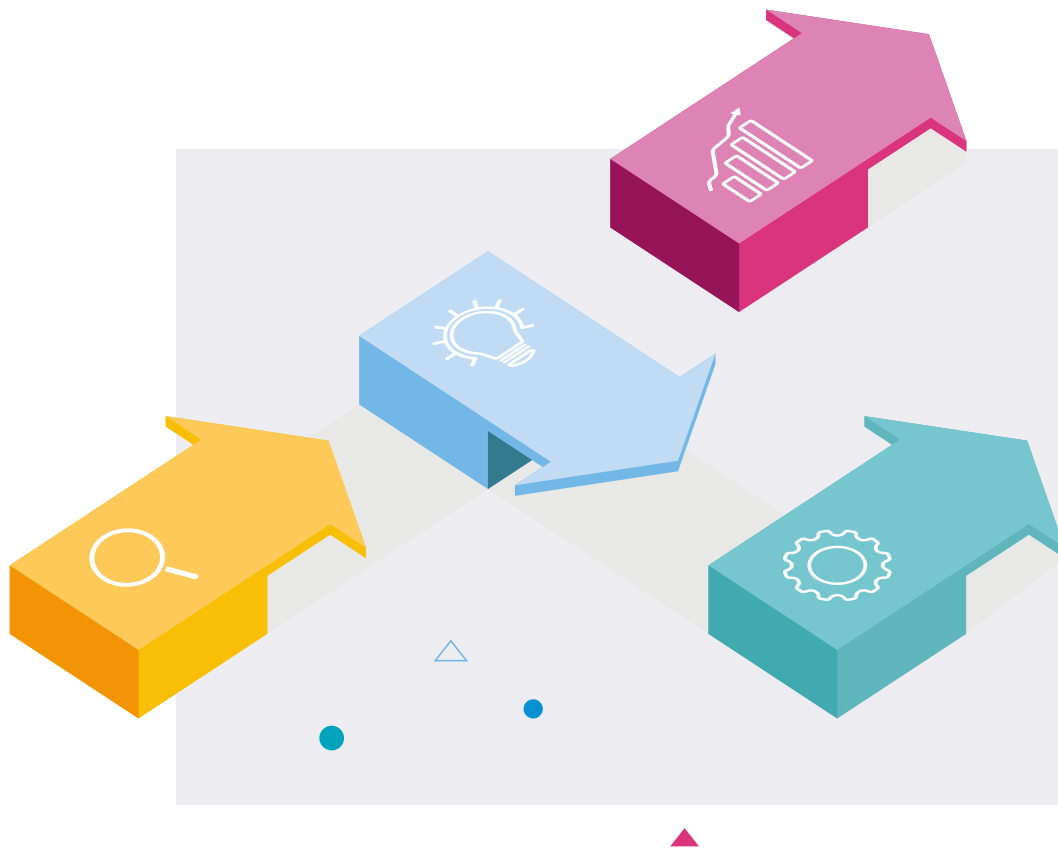
Clear infographic of the operating model

2

Description of contracted-out services

3

Ensuring value for money



1 Clear infographic of the operating model

UK Atomic Energy Authority Annual Report and Accounts 2023-24

[LINK](#)

Operating model

WHAT WE DO?

BUILD THE KNOWLEDGE BASE OF FUSION

- Operate fusion research facilities and sustain technical centres of excellence for use by fusion powerplant programmes in the UK and internationally
- Solve challenges across the full lifecycle of fusion, from design to operations to decommissioning, and integrate solutions across disciplines

DELIVER FUSION POWERPLANTS, SYSTEMS AND TECHNOLOGIES

- Work with industrial partners in a national programme to deliver the STEP prototype fusion powerplant
- Use our skills, facilities, and expertise to work with industry in developing fusion power plant systems and technologies

ENABLE THE FUSION COMMUNITY

- Provide thought-leadership on the opportunities and requirements for fusion power
- Create fusion innovation clusters
- Grow a fusion industry
- Produce skilled people
- Inform fusion regulatory and insurance practices
- Identify growth opportunities for fusion technology

HOW WE DO IT?

UKAEA has capability across the full spectrum of technical disciplines needed for fusion:

PLASMA SCIENCE AND OPERATIONS

INTEGRATED ENGINEERING

ROBOTICS

TECHNOLOGY

TRITIUM FUEL CYCLE

MATERIALS

COMPUTING

UKAEA delivers programmes across the full lifecycle of fusion:

Performance report AT A GLANCE

HOW ARE WE STRUCTURED?

UKAEA GROUP

THE UK'S PUBLIC-SECTOR RESEARCH ESTABLISHMENT FOR FUSION

- The research arm of UKAEA Group

UK INDUSTRIAL FUSION SOLUTIONS

- A company limited by shares, initially owned wholly by UKAEA and to deliver the STEP programme

OTHER JOINT VENTURES (JV) / SUBSIDIARIES / ROLES

- Joint Venture for Harwell
- Captive insurance company, AEAIL
- Administer the UKAEA Pension scheme on behalf of DESNZ

PRINCIPLES

These principles are a commitment from UKAEA to its staff and wider partners and stakeholders:

SAFETY

Safety and wellbeing of our people is our top priority

EQUALITY OF OPPORTUNITY

Diversity of thought and people who are representative of society is crucial for our mission

ENVIRONMENTAL SUSTAINABILITY

We will strive for energy-efficient delivery, minimising our environmental impact

RESPONSIBLE FINANCIAL MANAGEMENT

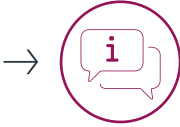
We will use our resources carefully and will be accountable for our investment decisions

WORKING WITH BUSINESS

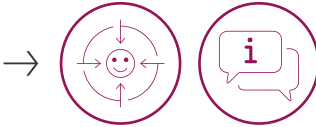
Strong and effective public-private partnerships are an essential part of our operation

STAKEHOLDERS

Our Stakeholders are the foundation of our strategy and delivery model:



A graphic showing the full lifecycle of fusion is provided to explain UK Atomic Energy Authority's (UKAEA) primary activity (p.8)



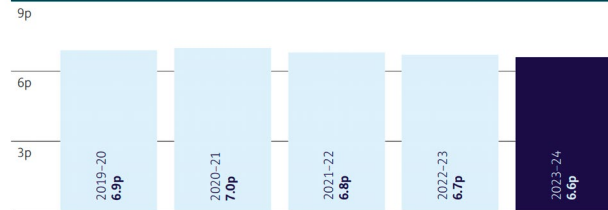
UKAEA's business model is clearly articulated and describes the organisation's key principles and stakeholders (p.9)

2 Description of contracted-out services

National Savings and Investments Annual Report and Accounts 2023-24

[LINK](#)

Efficiency ratio over five years⁽¹⁾



(1) For every £100 of stock held, the administration cost was 6.6p.



National Savings and Investments (NS&I) has included a graphic showing the efficiency ratio over time (p.21)

Risk	Description	Mitigations
Outsourced service risk	There is a risk that NS&I fails to meet our service delivery measures due to Atos missing their contractual performance indicators as a result of internal and/or external control failures or other environmental matters (i.e. pandemics, resource shortages, corporate restructure etc.).	<p>NS&I works closely with Atos to ensure risks to service delivery are identified and managed appropriately. We have regular governance forums where we oversee Atos's operational performance to ensure services are delivered in line with contractual obligations.</p> <p>We monitor and have open conversations with Atos to understand any implications for NS&I from their challenging financial position. We will continue to engage with the Cabinet Office to feed into cross-government coordination activity and our partnership continuity plan is being refined to ensure there is no disruption to service provision.</p>

Delivering NS&I's transformation programme

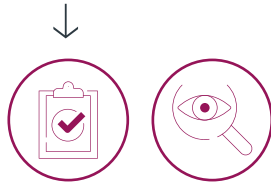
NS&I has played a vital role for savers and government for over 160 years and, in that time, we have evolved as customer expectations have changed and the industry has modernised. Our transformation programme will see the business switch from a single outsource partner to a multi-provider model and will significantly improve customers' experience of NS&I, while also improving our efficiency. The programme will allow NS&I to provide more choice and flexibility for our customers, along with full support for those who are vulnerable or digitally excluded.

In December 2023, we announced that IBM will deliver mobile and online services to our customers and integration services to connect our new multi-supplier model. We also

announced that Sopra Steria will deliver our customer contact centres including all 'back office' operations.

It has been great to commence working with our new partners to transform NS&I. However, modernisation of our systems is a complex process. We are seeking to modernise a 25-year single supplier model and bring together the various components from our new partners, which all need to be connected and aligned.

We also announced, in December last year, that Atos – NS&I's current sole outsource partner – was the preferred bidder to deliver our core banking systems under the new multi-supplier model. Here, progress has been more challenging, with negotiations to finalise the contract protracted. They have taken place at a difficult time for Atos: the company has been going through a period of well-documented corporate restructuring, with Atos targeting finalising the agreement of their financial restructuring plan and obtaining approval from the French court during the summer. Atos



The management of the contract is linked to NS&I's risk assessment and further details provided (p.49)



The Chief Executive's overview includes a section on how the organisation is transitioning from the sole outsource partner model to the new multi-supplier model. NS&I provide details on some of the difficulties during the transition and how they are being managed (p.13)

3 Ensuring value for money

Office for Legal Complaints Annual Report and Accounts 2023-24

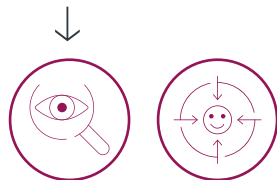
[LINK](#)

Ensuring value for money

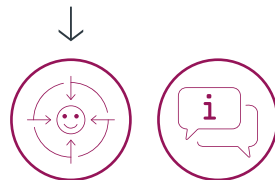
The OLC and LeO remain committed to working efficiently and providing value for money – recognising both the public sector context and the impact of LeO’s funding on the legal services sector. Reflecting this, LeO has maintained a range of processes and assurance to ensure efficiency and value for money are actively measured and delivered. These are:

- Investing time and resource at the earliest stages of LeO’s process has driven higher organisational performance, improving customer journey time and customer experience for a significant proportion of LeO’s customers. This has helped support a significantly reduced cost per case and unit cost compared with historic ways of working.
- Continuing to assess spending against the principles outlined in the NAO’s 4 Es model.

	2021/22 actual	2022/23 actual	2023/24 actual	2024/25 budget
Expenditure	£13.8 million	£15.3 million	£16.8 million	£17.95 million
Cases resolved	6,516	9,467	7,918	8,404 (likely case)
Cost per case resolved	£2,092	£1,618	£2,115	£2,136
Cost per contact (based on total new contacts)	£128	£137	£134	£127



The Office for Legal Complaints (OLC) describes how it ensures value for money in its financial review. Two of the 11 ways it described are included here (pp.44-45)



The OLC uses a table to show the unit costs for resolved cases and contracts over the past three years, and the projected unit cost for 2024-25 (p.46)

Governance

What did we look for?

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



Examples:

1

Clear explanation of boards and activities in the year

2

Graphic showing three lines of defence

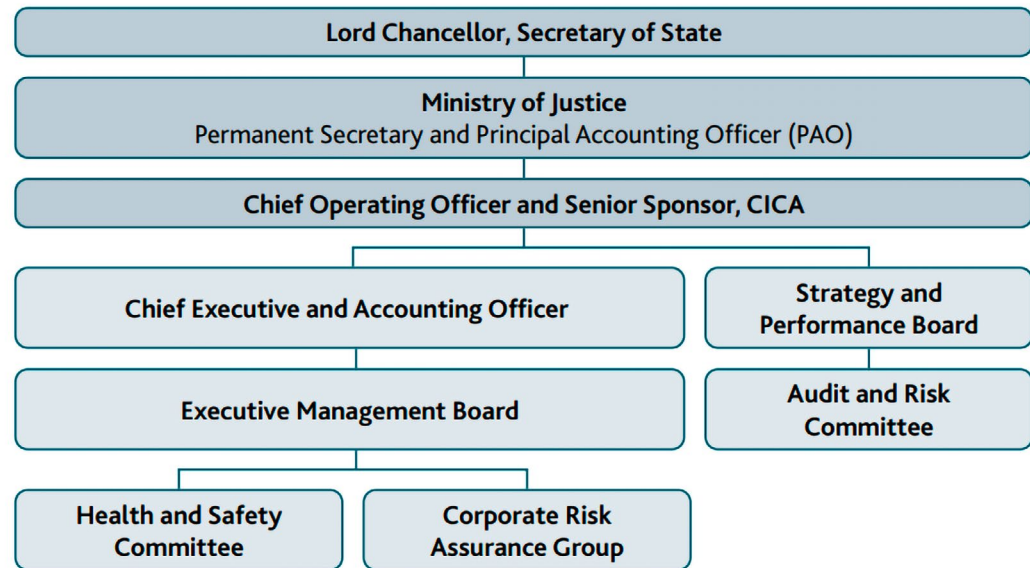
3

Description of board members' diversity and relevant experience

1 Clear explanation of boards and activities in the year

Criminal Injuries Compensation Authority Annual Report and Accounts 2023-24

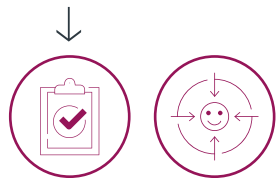
[LINK](#)



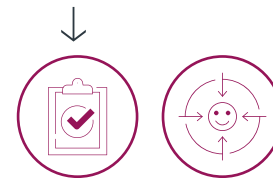
CICA is an Executive Agency of the Ministry of Justice (MoJ). For 2023-24, CICA's reporting line moved to the Chief Operating Officer of MoJ.

CICA also provides a service on behalf of the Scottish Government. A Memorandum of Understanding sets out the framework of CICA and the Scottish Government's relationship. This includes arrangements for the Scottish Government contribution towards scheme funding.

The Scottish Government was represented in meetings of the CICA Strategy and Performance Board by the Head of Victims and Witnesses Unit.



The Criminal Injuries Compensation Authority (CICA) describes its reporting line to the Ministry of Justice (MoJ) and how the Scottish Government is represented in its government structure (p.35)



CICA uses a diagram to show how it is accountable to the Lord Chancellor through its sponsor department (MoJ) (p.36)

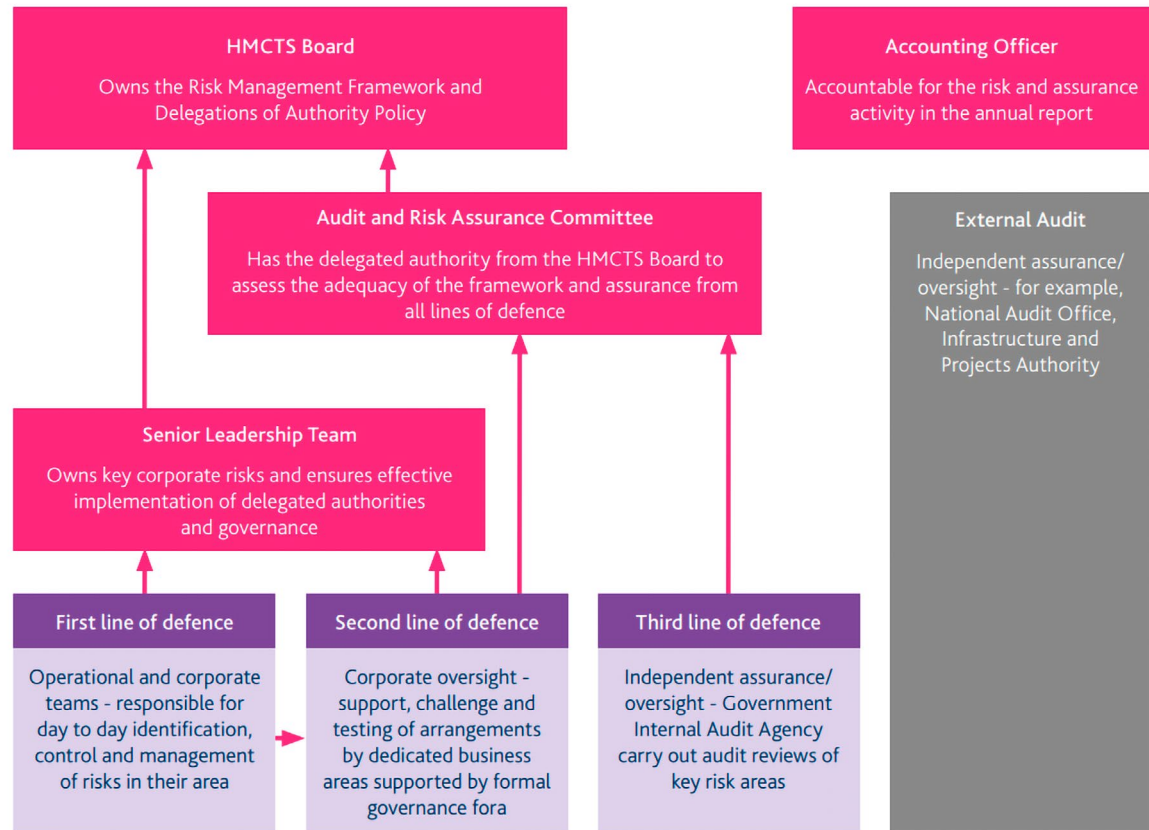
2 Graphic showing three lines of defence

HM Courts & Tribunals Service Annual Report and Accounts 2023-24

[LINK](#)

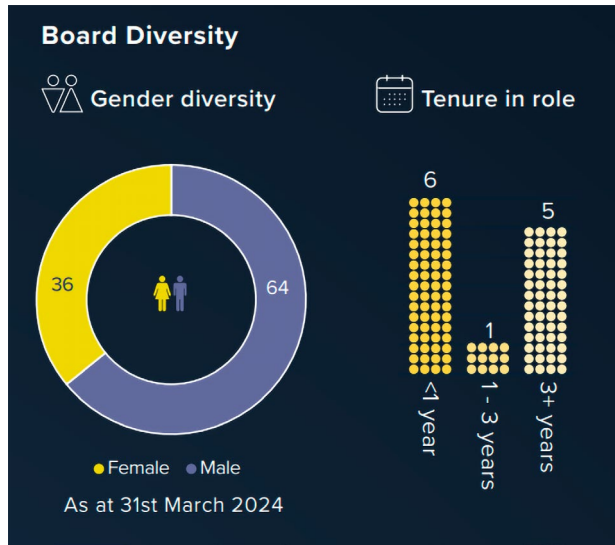


HM Courts & Tribunals Service uses a graphic to explain the three lines of defence and how these report into the governance structure (p.42)



3 Description of board members' diversity and relevant experience

UK Atomic Energy Authority Annual Report and Accounts 2023-24 [LINK](#)



Tim Bestwick OBE
Executive
Appointed to the Board in July 2023

- ▶ Technology start-up companies
- ▶ Development and commercialisation of technology
- ▶ Intellectual property
- ▶ Research and innovation campuses

Experience:
Tim joined UKAEA in 2018, to lead innovation and commercialisation at UKAEA, and start the UK Fusion Cluster. Before coming to UKAEA, Tim led commercialisation and innovation at STFC, developing the major research and innovation campuses at Harwell and Daresbury, setting up 17 spin-out companies and developing the UKI2S Investment Fund. Tim is Chair of the Harwell Science and Innovation Campus Ltd Partnership (HSIC) and also Chair of the Space Partnership, where industry, academia, and government collaborate on shared priorities, and collective action to deliver the UK's National Space Strategy. Tim is past Chair of Eureka, the world's largest public network for R&D and Innovation, in addition to this, he was also Chief Operating Officer and founder of optoelectronics start-up company Kamelian, and Director of Technology of Bookham Technology. He also worked for Sharp Corporation and IBM Research in the US. Tim was appointed to the Board on 5th July 2023.

During 2022/23, Tim served as Chief Technology Office.

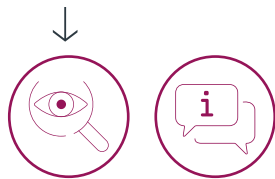
External appointments:
Director, Harwell Science and Innovation Campus

Sir Robin Grimes FRS FREng
Non-Executive

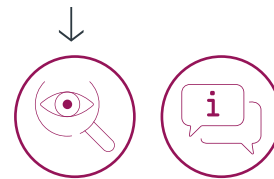
- ▶ Nuclear science
- ▶ Scientific advisory to the academic community

Experience:
Robin was appointed as the Ministry of Defence Chief Scientific Adviser on nuclear science and technology matters in October 2017. He was the Foreign & Commonwealth Office Chief Scientific Adviser from February 2013 to August 2018. He is currently Professor of Materials Physics at Imperial College. His research focuses on the use of high performance computing techniques to understand the behaviour of materials for energy applications.

Robin was knighted in the 2022 New Year Honours for services to UK resilience and international science relationships.



The UK Atomic Energy Authority (UKAEA) uses a concise and engaging graphic to describe the board's diversity (p.108)



UKAEA uses bullet points to summarise the relevant experience of the board members and provides additional detail below (p.112)

Measures of success

What did we look for?

- Quantified key performance indicators aligned to strategic objectives.
- A balanced assessment of goals achieved and performance against targets.
- Graphics used to illustrate performance.



Examples:

1

Performance summary page

2

Clear statements of performance against targets

3

Performance measures clearly defined and set in context

1 Performance summary page

UK Atomic Energy Authority Annual Report and Accounts 2023-24

[LINK](#)

A colour code is used throughout the following sections:
★ Milestone achieved ● Milestone partially achieved ▲ Milestone Missed

STRATEGIC GOALS



11 of 14

Goal 1 - Solving Science & Engineering Problems
Solve challenges of sustainable fusion energy - from design through to decommissioning - with world-leading science and engineering.



4 of 8

Goal 2 - Product
Enable partners to design, deliver, and operate commercial fusion power plants.



9 of 11

Goal 3 - Prosperity
Drive UK economic growth and a thriving industry that exports fusion technology around the world.

Fusion Research

KEY ★ Achieved ● Partially achieved ▲ Missed

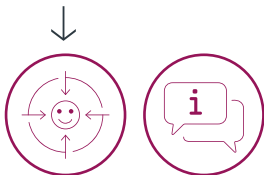
MILESTONE SUMMARY

★ PLASMA: Demonstrate MAST-U plasmas in support of STEP

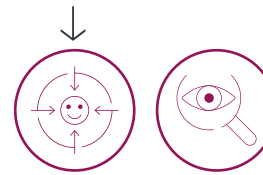


OUTCOME

For a magnetic confinement fusion device to reach optimal performance, the hot plasma core and edge pedestal must be decoupled from the divertors where heat and particles are exhausted, where the plasma can be substantially cooler. Experiments were recently performed on MAST-U that demonstrated it is uniquely capable of achieving this decoupling at the highest heating power available, reducing the plasma temperature by a factor 100 in the divertors with no impact on the hot fusion core. This effect was demonstrated in two alternative divertor configurations, the Super-X and X-point target, providing important initial results on their relative costs and benefits to inform the design of STEP and other future tokamaks.



The UK Atomic Energy Authority (UKAEA) uses a clear graphic to summarise how many targets it achieved for each strategic goal (p.7)



A detailed analysis is provided for each target with a clear indication of whether it was achieved. If a target was missed or partially achieved, an explanation was provided along with an expected date for the target to be met (p.34)



2 Clear statement of performance against targets

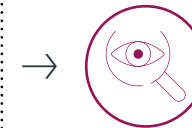
1 2 3

National Savings and Investments Annual Report and Accounts 2023-24 [LINK](#)

Goals and objectives	2022-23	2023-24	2024-25
1. Net Financing	Target	Target	Target
Goals and objectives To raise an amount of Net Financing within an agreed range	£6 billion (+/- £3 billion)	£7.5 billion (+/- £3 billion)	£9 billion (+/- £4 billion)
Measure Absolute amount of Net Financing from NS&I products	Performance £10.0 billion	Performance £11.3 billion ✗	
2. Customer satisfaction⁽²⁾	Target	Target	Target
Goals and objectives To exceed a threshold level of satisfaction with customer service and overall experience received from NS&I	At least 84%	At least 80%	At least 80%
Measure Overall satisfaction with NS&I's service	Performance 74.56%	Performance 74.15% ⁽³⁾ ✗	
3. Government Payment Services (GPS) delivery performance	Target	Target	Target
Goals and objectives To achieve or exceed the minimum threshold level of timeliness, availability and accuracy	95%	95%	95%
Measure Minimum 95% total of all key service levels achieved versus total contractual service levels, where service credits apply, across all GPS clients	Performance 95.89%	Performance 97.08% ✓	



National Savings and Investments (NS&I) reports performance against its key performance indicators, including whether it has met the target. It also sets out historic performance in 2022-23 and its 2024-25 target (p.16)



NS&I includes an explanation of how the performance measures are linked to the goals and objectives (p.16)

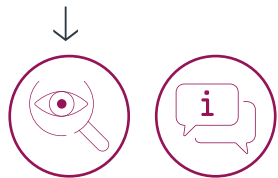
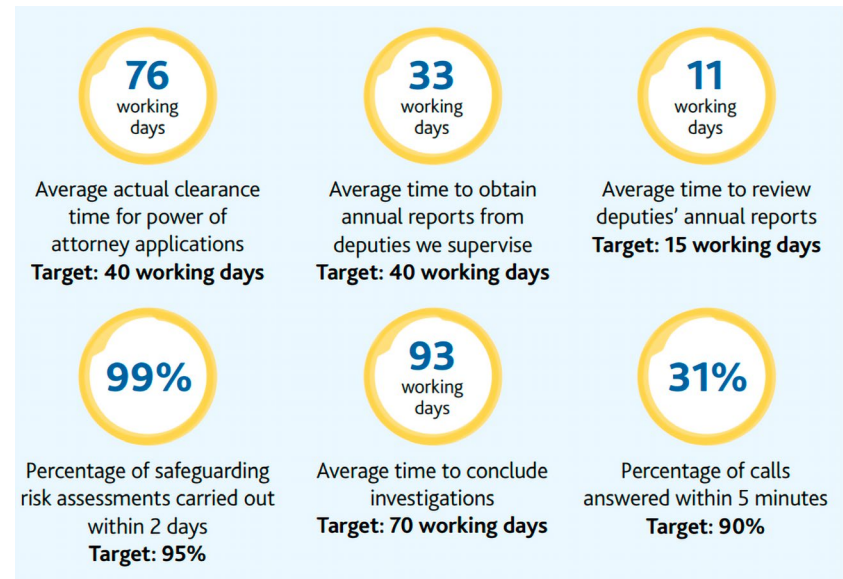
3 Performance measures clearly defined and set in context

Office of the Public Guardian Annual Report and Accounts 2023-24 [LINK](#)

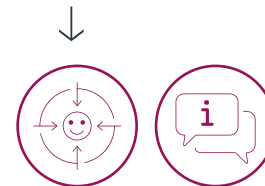
Customer service indicator: OPG customer satisfaction survey – power of attorney services

The target percentage of customers 'very' or 'fairly satisfied' with power of attorney services is 80%.

Purpose	Calculation method	Data source	Achieved to 31 March 2024
This indicator helps us to understand our customers' needs and identify trends so we can continually improve services.	Number responding 'very' or 'fairly satisfied' divided by number of survey responses.	LPA customer satisfaction surveys.	Customer satisfaction survey score at year end was 76%.



The Office of the Public Guardian (OPG) provides additional information in an annex, including an explanation method, data used and how they are used by OPG to understand day-to-day operations (p.118)



The OPG shows performance against targets clearly early in the annual report (p.11)

Financial performance

What did we look for?

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



Examples:

1

Historical trend analysis to provide context

2

Clear descriptions of budgetary framework and terms

3

Waterfall charts to show changes from the previous year

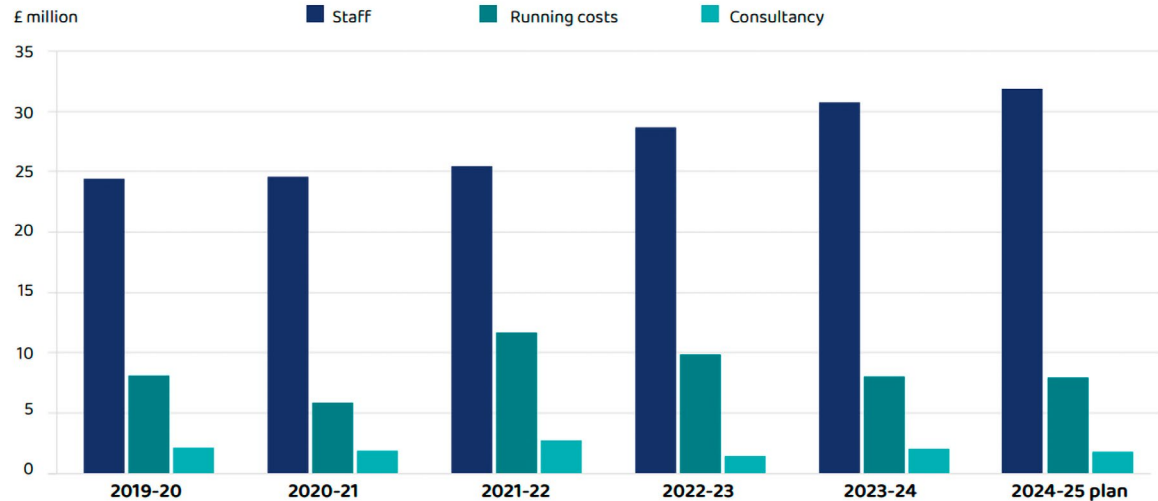
1 Historical trend analysis to provide context

Office of Rail and Road Annual Report and Accounts 2023-24

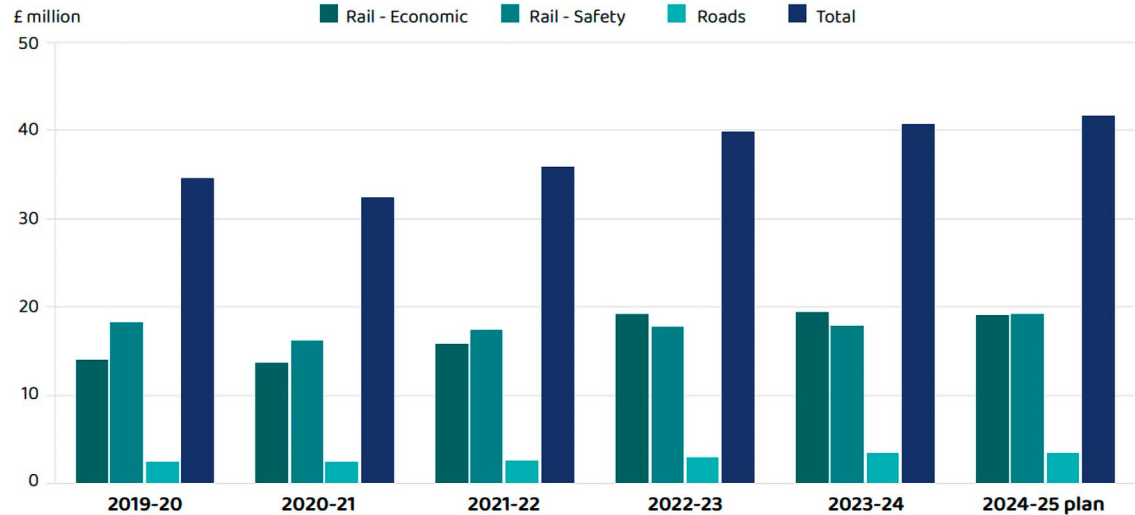
[LINK](#)

Long-term expenditure trends

The chart below shows our spending pattern, in cash terms, over the last five years and for the 2024-25 plan, split by key work area.



The Office of Rail and Road sets out its spending over a five-year period and its planned spending in 2024-25. This is broken down by type of spending and then by business area in clear graphics (pp.54-55)



2 Clear descriptions of budgetary framework and terms

HM Revenue & Customs Annual Report and Accounts 2023-24

[LINK](#)

Budgetary framework

HM Treasury sets the budgetary framework for government spending. Within this, we are given our own Supply Estimate, which sets our proposed maximum spending and is voted on by Parliament at the start of the financial year.

The total amount we spend as a government department is known as Total Managed Expenditure (TME). In 2023 to 2024, our TME was £40,501 million. This funding is subject to strict HM Treasury controls and consists of budgets voted by Parliament and budgets where appropriation is covered in other legislation (including tax credits, other reliefs and allowances and the National Insurance Fund).

Figure 20 shows how TME is split into Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME) budgets, both of which are explained below.

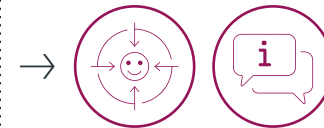
Within our DEL budgets we have ringfences against some programmes where we receive budget for a specific policy measure, which we can only spend on that measure. This is referred to as the HM Treasury policy ringfence.

Departmental Expenditure Limit (DEL) explained

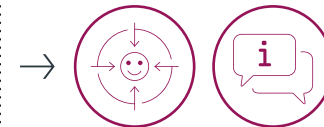
Departmental Expenditure Limit (DEL) sets our budget for controllable expenditure, which includes day-to-day resource and administration costs ('Resource (RDEL)'), and investment ('Capital (CDEL)').

Annually Managed Expenditure (AME) explained

Annually Managed Expenditure (AME) covers our more flexible budgets for volatile or demand-led expenditure, including tax credits, Child Benefit and other reliefs and allowances. This spending may be unpredictable and is more challenging to control, so it requires careful monitoring. HM Treasury reviews these budgets annually and we base our forecast on published Office for Budget Responsibility data.



HM Revenue & Customs (HMRC) describes how HM Treasury sets the budgetary framework and controls, and how Parliament approves its spending limit (p.66)



HMRC also includes definitions of terms such as 'Total Management Expenditure' (p.66), 'Department Expenditure Limit' (p.67) and 'Annually Managed Expenditure' (p.71)

3 Waterfall charts to show changes from the previous year

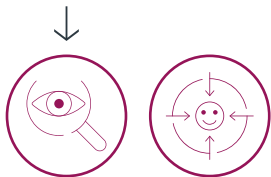
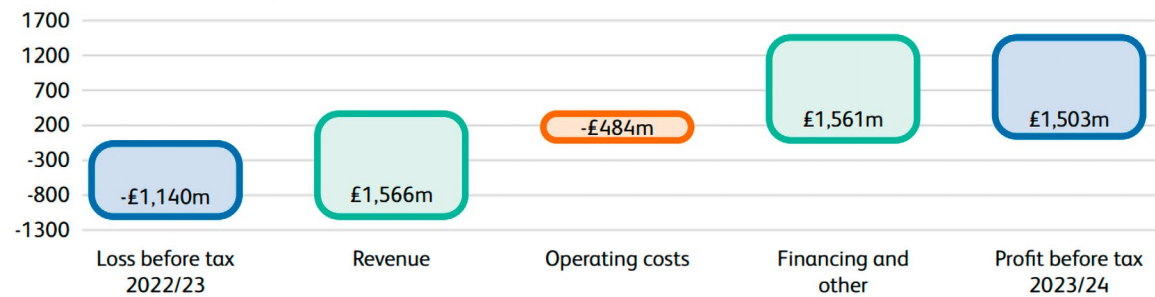
Network Rail Annual Report and Accounts 2023-24

[LINK](#)

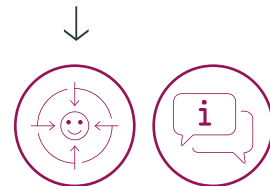
Financial summary

This year we made a profit before tax of £1.5bn (2022/23: loss £1.1bn) The improvement was because lower general inflation meant that the valuation our RPI-linked debt increased more slowly, which meant that finance costs were £1.6bn lower than last year. Revenue was £1.6bn higher than last year and operating costs showed net increases of £0.5bn, through inflationary pressures and additional depreciation.

Profit movements since last year



Network Rail provides additional narrative to describe why its costs were lower and revenue higher this year compared to last year (p.28)



Network Rail used a waterfall chart to show its profit movements since the previous year (p.28)



External factors

What did we look for?

- An annual report that considers the external drivers influencing and impacting on current objectives.
- Innovative reporting on sustainability and climate change.

Examples:

1

Clear reporting of compliance with climate-related disclosures

2

Engaging use of case studies to demonstrate impact

3

Use of graphics to support narrative and demonstrate performance



1 Clear reporting of compliance with climate-related disclosures

- 1 2 3

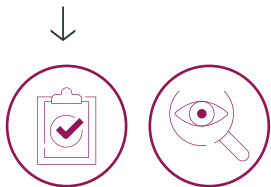
Crown Estate Annual Report and Accounts 2023-24 [LINK](#)

TCFD compliance summary

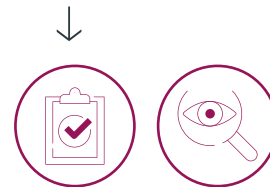
Pillar	Recommended disclosure	Alignment	Pages
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	Compliant	63 and 84-119
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	Compliant	64 and 84-119
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	Compliant	65-66 and 75-82
	b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	Part compliant	67
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Part compliant	67
Risk Management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	Compliant	68 and 75-82
	b. Describe the organisation's processes for managing climate-related risks.	Compliant	68 and 75-82
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	Compliant	68 and 75-82

2023/24 actions

1. Carrying out a gap analysis of our current operations against the TCFD framework to improve the business processes that underpin our management of climate-related risks and opportunities, and our reporting.
2. Enhancing the governance frameworks that support our assessment and management of climate-related risks and opportunities.
3. Establishing a TCFD Steering Committee focused on driving the management and integration of climate-related physical and transition risks across the business.
4. Undertaking our first enterprise-wide qualitative scenario analysis to identify climate-related risks and opportunities across our business and wider operations.



The Crown Estate used a table to report its compliance with the disclosure made by the Task Force for Climate-Related Financial Disclosures (TCFD) (p.62). The disclosures are not mandatory for the Crown Estate, and it reports its compliance voluntarily



The Crown Estate also sets out what work it carried out in 2023-24 to improve its management of climate-related risks and opportunities (p.61)

2 Engaging use of case studies to demonstrate impact

Homes England Annual Report and Accounts 2023-24

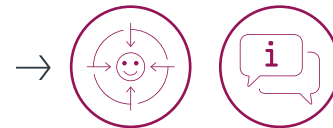
[LINK](#)



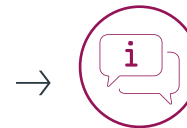
Biodiversity net gain

Biodiversity net gain (BNG) ensures development has a measurably positive impact on biodiversity, compared to what was there before development. This 'net gain' is achieved when developers create new habitats or retain and enhance existing ones to benefit wildlife. This can be done on the development site, or where that's not possible, on another site nearby. Following recent changes in legislation, BNG is now mandatory in England for new schemes, which must now achieve a net gain of at least 10%. We worked with Natural England to help promote good practice and the roll out of BNG.

In line with our new strategic objectives, our project teams look to achieve higher than mandatory levels of BNG where possible. Our new KPI 14 measures the average percentage of BNG planned on supported schemes, to assess the extent to which our schemes are planning for better than mandatory levels of BNG. A priority has therefore been ensuring BNG regulations are understood and embedded in delivery processes, including providing in-house training and awareness raising.



Homes England describes one of its sustainability measures (biodiversity net gain) and how this is linked to its key performance indicators (p.89)



Homes England uses a case study to engage the reader and demonstrate how its developments create impact (p.90)

3 Use of graphics to support narrative and demonstrate performance

Great Ormond Street Hospital Annual Report and Accounts 2023-24 [LINK](#)

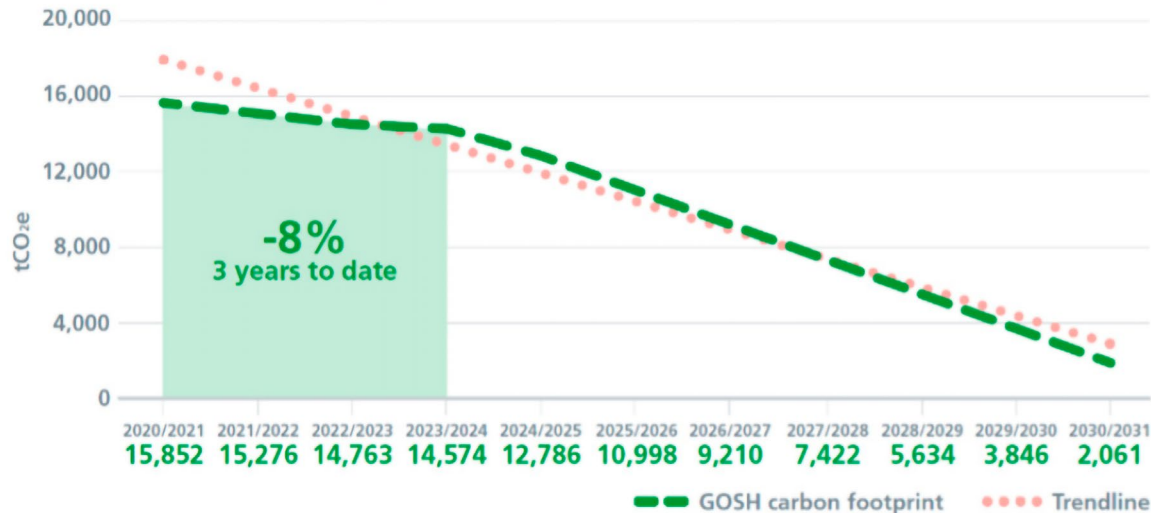
Estate-based emissions

Our building energy constitutes over 90% of the current GOSH carbon footprint. Fig.1 below shows the reduction in emissions required to reach net zero by 2030. This shows an 8% reduction (1,279 tCO₂e) over the last three years. It will be followed by a period of 'deep decarbonisation' where we aim to deliver approximately 87% reduction in estate emissions through a programme of energy efficiency measures and technical interventions. The programme will include the establishment of a Building Management System (BMS), a computer based system that will control and monitor our buildings' mechanical and electronic equipment, such as ventilation, lighting, power systems and our energy centre (the combined heat and power systems

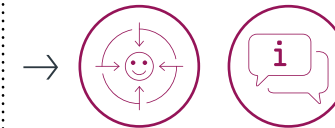
and boilers). We will roll out other efficiency measures, including ventilation and energy metering upgrades, and the replacement of our Combined Heat and Power (CHP) plant with an electrified energy centre. Funding continues to be identified to fully deliver this scenario.

Residual emissions relating to electricity consumption are estimated at approximately 13%*, and these can be reduced only through entering into a power purchase agreement to ensure that all electricity is sourced directly from 100% zero carbon supplies. The option of purchasing Carbon offsets equivalent to the level of any remaining residual emissions is not yet being considered by the NHS or GOSH.

Fig.1: GOSH building energy CO₂e Footprint: net zero trajectory to 2030



Great Ormond Street Hospital (GOSH) describes how it will meet its target to reach net zero for estate-based emissions by 2030 (p.56)



GOSH uses a graphic to show its progress to date and its projected carbon footprint up to 2030-31 (p.56)