

# Annual Report and Accounts 2023/24



# **NHS Business Services Authority Annual Report and Accounts 2023/24**

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Section 29A(7) of the National Health Service Act 2006

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# Foreword from the Chair

The health and social care system is constantly changing and transforming, and it has been a pleasure to see the NHSBSA rise to meet the challenges and demands of this business environment as set out in this 2023/24 Annual Report. I am proud of the ambition and dedication to improving service excellence in all we deliver day to day. We are guided by a strong sense of purpose and a clear vision and the organisation can reflect on its past year's achievements secure in the knowledge that it has a strong framework to respond to external challenges, embrace opportunities, and has the agility to adapt as needed. I have no doubt that the NHSBSA will continue to build on this work as it looks to the future and will continue to make an essential and valuable contribution to supporting the NHS and the wider healthcare system.



**Sue Douthwaite**  
Chair



# 1. Performance report



Our performance report gives an overview of 2023/24, including a section detailing our purpose, activities and performance during the year.

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About us

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Performance summary

## 1.1 Overview

### 1.1.1 Introduction from our Chief Executive

It's my great pleasure to introduce the Annual Report and Accounts for the NHSBSA for 2023/24. This report offers a comprehensive overview of our performance, achievements and financial stewardship during the past year. We have, as always, challenged ourselves to do more and better for our stakeholders, customers, people and for taxpayers.

As an Arm's Length Body of the Department of Health and Social Care (DHSC), the NHSBSA is responsible for providing platforms and delivering essential services to health and social care system providers, the NHS workforce, and citizens. Our purpose is to deliver business service excellence to the NHS to help people live longer, healthier lives. During 2023/24 we have continued work on several transformation programmes whilst improving and further digitising existing services. We have taken on new workstreams including the Hormone Replacement Therapy Prescription Prepayment Certificate (HRT PPC), and the Baby Loss Certification service.

We are driven to deliver taxpayer value and in 2023/24 we achieved over £575 million savings for other parts of the health and care system, with estates rationalisation and modernisation of our Digital, Data and Technology infrastructure generating a further £1.6 million efficiency savings against our own operating budgets

As a public sector organisation delivering on behalf of the taxpayer, we take seriously our environmental responsibilities, this year reducing greenhouse emissions by 60% and recycling 90% of waste. We continue to support the environmental sustainability of the wider healthcare system through developing and transforming our services, increasing the uptake of our digital services to remove waste, and paper consumption at source.

As always, our people are crucial to our success and collectively contribute to building a positive culture. We foster an inclusive work environment that promotes engagement and wellbeing as part of our People Promise. Quite simply, we want the NHSBSA to be the best place any of us have worked, where everyone matters and colleagues can contribute, influence and flourish. Therefore, I'm delighted to report that for the fourth consecutive year we have been recognised as an organisation with "outstanding" engagement in the Best Companies Index. 73% of colleagues took part and we achieved a two-star accreditation. We were also listed in the Top 50 Inspiring Workplaces and overall winner in the EMEA Government and not-for-profit category. These accolades help to demonstrate our continued commitment to being a supportive, inclusive workplace.



I hope you enjoy reading about the achievements set out in our Annual Report and Accounts. I extend my profound thanks to my colleagues and delivery partners who have worked with such skill, purpose and dedication to help us make our unique contribution in supporting the NHS and wider health and care system.

**Michael Brodie CBE**  
Chief Executive



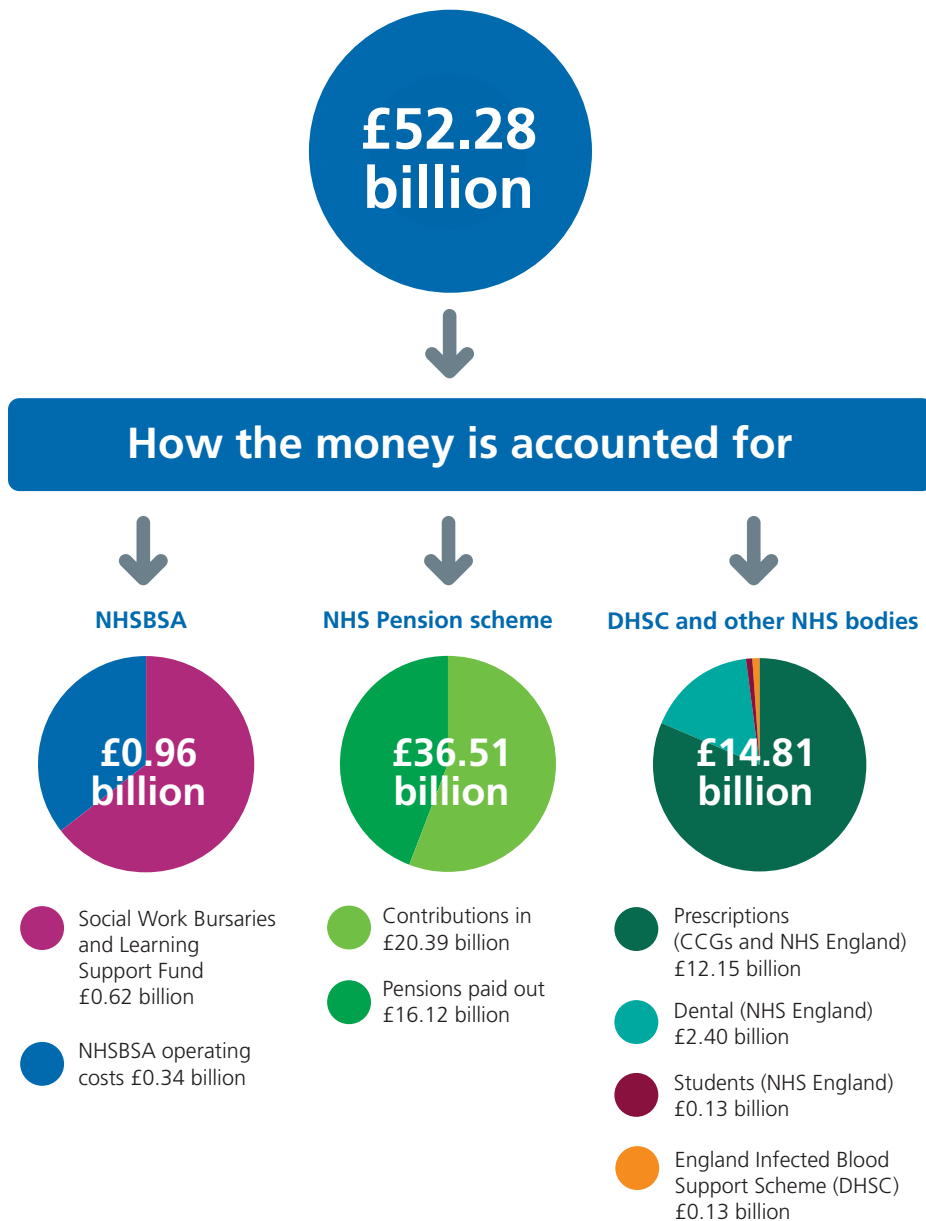
## 1.1.2 About us

- We're an Arm's Length Body of the DHSC.
- We help the NHS run efficiently by delivering services that support the NHS workforce, Primary Care and millions of UK citizens.
- We are experts at managing healthcare information at scale and have a reputation for driving efficiencies and delivering taxpayer value.
- We manage around £52 billion of NHS spend annually while helping to deliver significant savings back into the health and care system.
- We use data analysis, insight, digitisation and collaboration to improve health outcomes and patient safety.

**Our purpose is to be a catalyst for better health.**

**Our vision is to be the delivery partner of choice for the health and care system.**

The money flowing through the NHSBSA



We are an expert delivery organisation relied upon by Government and the health and care system to provide a range of complex and essential, high-volume business services to support the day-to-day running of the NHS and wider system.

We work with pharmacy, dentistry, ophthalmic and GP partners to deliver their critical services to the NHS and we provide a platform for at-scale national payments for primary care services.

We support the NHS workforce throughout their career journey by providing employment, HR and payroll platforms, as well as providing financial support to NHS students and managing the NHS Pension scheme.

We provide a wide range of services direct to the public to help citizens gain access to healthcare and support costs to which they are entitled. Data analysis, insight, digitisation and collaboration are at the heart of our business so we can improve patient outcomes and support the NHS workforce.

We have an excellent reputation as a trusted delivery partner and we have ambition to do more by providing services at scale both at national and local levels and by digitising and transforming these services, we deliver great taxpayer value and great savings for the NHS which can then be reinvested in frontline care.

Our three-year rolling strategy had its final year of delivery in 2023/24 and continued to support delivery of the NHS Long Term Plan, Health and Care Bill, Workforce Plan and other national agendas and priorities.

Our organisation is made up of operational and corporate services. The three operational areas focus on:

1. Services we provide to support essential primary care functions.
2. Services direct to the public to enable citizens to gain access to the healthcare and help with health costs to which they are entitled.
3. Platforms and services we provide to the NHS to best support its people.

## Primary Care Services

- NHS Prescription Services – paying dispensing contractors for the services they provide on behalf of the NHS.
- NHS Dental Services – paying dentists for the services they provide on behalf of the NHS.
- Provider Assurance – supporting providers of NHS services, ensuring delivery against contract requirements.
- Vaccine Damage Payment Scheme – administering the scheme on behalf of DHSC.
- Scanning Services – digitising paper records and reducing storage costs for the NHS.

## Citizen Services

- Customer Operations – delivering services through multi-channel contact routes for citizens across the UK.
- Health Exemption Services – exemption checking and providing services to those who are entitled to help with health costs.
- Health and Community Services – including NHS Healthy Start and administering the England Infected Blood Support Scheme.
- Overseas Healthcare Services – managing global reciprocal healthcare arrangements, including UK Global Health Insurance Card (GHIC).

## NHS Workforce Services

- NHS Pensions – operating the NHS Pension scheme for members, employers and pensioners.
- NHS Jobs – providing the national NHS recruitment platform.
- HR Shared Services – a shared service for HR and recruitment solutions.
- Electronic Staff Record (ESR) – managing the largest centralized HR and payroll system in the world.
- Student Services – supporting future NHS and health and social care workforce through funding students.

Our corporate services provide support to our operational services and the wider health system. All our functions come together to form 'One NHSBSA' and deliver our brilliant business.

We design and deliver our 'brilliant business' around the needs and expectations of our customers, ensuring their experiences are positive. Putting the customer at the heart of what we do helps us to truly understand our customers.

1. Our users – anyone who uses our services, from a member of the public to clinical providers.
2. Our sponsor – we are accountable to DHSC.
3. Our commissioners – anyone who commissions a service from us.
4. Internal customers – our internal NHSBSA colleagues.

2023/24 was NHSBSA's first year as shareholder of NHS Shared Business Services (NHS SBS). DHSC transferred their existing shareholding (49.99%) to NHSBSA on 31 March 2023. The role of the NHSBSA as a shareholder in NHS SBS is to protect the interests of the shareholder (the taxpayer) and to hold NHS SBS to account, challenging NHS SBS senior management when necessary. The fiduciary duties of a Board Director are outlined in detail within the Shareholders Agreement (2004), since amended. From the point of the share transfer Michael Brodie (NHSBSA Chief Executive) has acted as Shareholder Representative and Board Director.



## Our Strategic Goals and Big Ambitions for 2023/24

Our five strategic goals bring our purpose and vision to life and focus on the things that are important to us.

They underpin how we deliver our business, our strategy and our ambitions.

Customer – our customers are at the heart of what we do and we design and transform our services based on this. We deliver what we say we will.

Our People – we enable our people to be their best by creating a fantastic colleague experience, providing ongoing development opportunities with an eye to future needs and being a great inclusive place to work. Maintaining our two star accreditation with Best Companies means we have outstanding commitment to engagement with our people, of which we are truly proud.

Social Impact – we use our capabilities to reduce health inequalities and support our local communities and economies by using our services, systems, data and insight to have a positive impact and help create better health and care for the wider population.

Value & Efficiency – we create value for our customers and stakeholders in the outcomes we deliver and we generate efficiency across the health and care system, as well as in our own organisation, to provide better taxpayer value.

Environmental Sustainability – we are committed to protecting the environment, delivering against our Net Zero target and working towards a greener NHS, supporting a sustainable, healthier future for all.

During 2022/23 we identified three key areas of focus where we believed we could develop to support and drive further change and transformation within the wider system. These were called our big ambitions and we continued to deliver against these during 2023/24.

### **Transform the platforms which can support the career pathway of health and care**

**colleagues** – Our services support the health and care workforce from the point at which they start to think about a career with the NHS, right through to retirement. Our ambition is to transform our platforms and services which support this career pathway, enabling the delivery of the NHS people agenda through effective recruitment, retention and workforce planning. We will also deliver a great customer experience across the whole career pathway from student services through to retirement services.

### **Supporting people to live longer healthier lives, reducing disparities in health and care**

– We operate a range of schemes which help people to gain access to help with health costs to which they are entitled, for example pharmacy and dentistry. This help is increasingly important, as it means people do not have to choose between their medication and other essentials such as heating and food. We recognise how fundamental these services are to tackling health disparities and therefore we want to ensure we process every application efficiently and effectively. We will actively promote our services to specific audiences, so that we increase our reach and make sure as many people as possible who are entitled to the help can gain access to it. We will also further develop our signposting and messaging to the citizens we serve joining up services and working with partners. We will use our data and insight to provide data products for our partners at a national, regional and local level based on user need.

**Supporting the NHS and health and care system to deliver greater efficiencies** – There are challenging times ahead for the health and care system, therefore we need to maximise our resource using every pound wisely to ensure we deliver value for the taxpayer. Using our capability to deliver at-scale, high-volume platforms and services we are well positioned within the system to expand our service offering across our core service areas. We will also improve collaboration and integration with partners to reduce duplication, delivering better value across the system. We will continue the work we do to eliminate fraud, error and waste across all of the services we are responsible for. In addition, we will use our data and insight to support better decision making around medicines management. We will continue to deliver wider system efficiencies.

Our Strategy can be found here: <https://www.nhsbsa.nhs.uk/what-we-do/strategy-business-plan-and-annual-report>.

### 1.1.3 Our key risks and issues

Our key risks and issues are as follows:

- Information security
- Funding
- NHS Pension Scheme service delivery
- Significant fraud
- Adoption of future workforce solution
- Priorities of sponsors/ commissioners
- Government productivity target
- Diverse workforce
- 3\* Best Companies accreditation
- Suitability of directions

A summary of our key risks and issues is given in our annual governance statement in section 2.1.3.

### 1.1.4 Performance summary

Through 2023/24 we continued to receive awards and accreditations that recognise our ambition to be a great, inclusive place to work. These include:



For the fourth year running we were rewarded with the “outstanding” two-star accreditation in the Best Companies survey, as well as the top 50 inspiring workplaces government/not-for-profit winner.



Throughout 2023/24 we have continued to work hard at being a great and inclusive place to work.



## Delivering on our brilliant business

NHSBSA has continued to deliver its brilliant business during 2023/24, whilst providing and transforming new services. NHSBSA contact volumes decreased during this period, however two call streams were directed to a third party provider to support delivery of service levels and this contributed to the decrease, as well as a reduced service provision within our exemption checking services. Outsourced contacts have now been brought back in house and exemption checking services have been restored to circa 94%, therefore contact volumes are expected to increase for 2024/25. However, despite reduced contact volumes, we have seen an increase in other service provision such as payment volumes.

New services include the launch of the Baby Loss Certificate and HRT PPC. In addition to this we also launched our new Pensions Customer Hub with early successes in reduced waiting times for customers and lower abandonment rates.

We also performed well in other key areas such as:

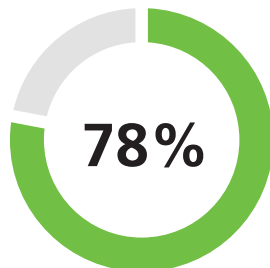
- Making 67 million payments to our customers during 2023/24, of which 99.99% were paid accurately and 99.99% on time.
- Delivering £575m of wider system efficiencies against a forecast of £171.2m in 2023/24, with £2.98bn since 2014.
- Maintaining customer service levels achieving 88% of our sponsor service level agreements over the full year.
- Implementing a new customer satisfaction measure, with 8 of our services showing statistically significant improvement over the last 12 months.
- Undertaking a review of NHS Pensions Services as part of our Taxpayer Value Programme to continuously improve and drive taxpayer value. This is one of our most complex services, identifying a number of recommendations to deliver further taxpayer value and increase customer satisfaction.
- Maintaining our Two Star status in the Best Companies Index for the fifth consecutive year.

## Our business performance

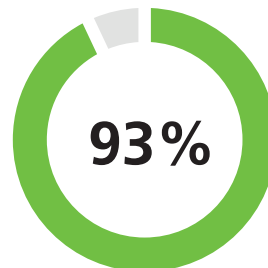
We have continued to perform well throughout 2023/24 ensuring the delivery of our critical services. Year-end position saw 88% of our sponsor service level agreements meet or exceed target, a 10 percentage point increase on the previous year. This is broken down in to three areas of performance measure: enablement, fulfilment and payment.



**Customer Enablement**  
measures achieved over the full year's performance



**Customer Fulfilment**  
measures achieved over the full year's performance



**Payment Processing**  
measures achieved over the full year's performance

Our enablement measures are those that relate to how we help our customers obtain any help or support they need from us, achieving 100% compared to 56% the previous year. Our fulfilment measures also improved from 74% to 78% and we achieved 93% of our payment processing measures.

## 1.2 Performance analysis

### 1.2.1 How we measure performance

To ensure we deliver our 'brilliant business' throughout the year, our performance is measured and monitored using a range of performance metrics. These metrics are reviewed on an annual basis to ensure that we are measuring the things that matter.

Using a monthly Balanced Business Scorecard (BBS) we report on our performance to the Leadership Team through our LT Boards and to the NHSBSA Board at their meetings. Included within this reporting is:

- strategic goals and overarching measures
- operational KPIs
- sponsor KPIs that are agreed with our sponsor and clients
- customer satisfaction
- complaints
- benefits and efficiencies
- financial management
- delivery against our change programmes
- business opportunities
- people insights
- health and safety
- environment and resource efficiency
- spotlights on new services
- watch outs detailing trends, recovery plans etc.

An Operational Temperature Check is also produced, providing a weekly view of operational performance to the Leadership Team.

### 1.2.2 Financial review

#### Background

The financial statements contained within this report have been prepared in accordance with the Direction given by the Secretary of State for Health and Social Care under the National Health Service Act 2006 and in a format instructed by the DHSC with the approval of HM Treasury.

Our accounts for 2023/24 have been prepared in accordance with DHSC Group Accounting Manual 2023/24 (GAM) and comply with HM Treasury's Government Financial Reporting Manual 2023/24 (FReM). The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. They comprise a Statement of Financial Position, Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers Equity, all with related notes.

The accounts are based on two distinct segments. Student Support via the payment of Social Work Bursaries, Education Support Grant (ESG) and the Learning Support Fund (LSF) and the Authority's operating expenditure relating to the provision of services to the wider NHS.



The NHSBSA came into operation in April 2006. Based on normal business planning, and as an Arm's Length Body with the continued financial support of the DHSC, and our other commissioners across the wider healthcare system, our Leadership Team have a reasonable expectation that we will continue to operationally exist for the foreseeable future. For this reason, we have adopted the going concern basis for preparing the financial statements.

### Financial performance 2023/24

As a Special Health Authority, we receive funding from the DHSC to deliver a range of essential services outlined in our Direction Order. Increases in our operating expenditure were funded by either an allocation of Revenue DEL from DHSC or revenue generated by the services from commissioners.

Table 1 summarises our performance against the financial targets set by DHSC. We are able to report that we successfully operated within our funding envelope.

Table 1: Financial target performance 2023/24		
Funding stream	Limit £m	Achieved
<b>Administration Revenue DEL</b>		
Non-Ring-Fenced	67.9	✓
Ring-Fenced	23.2	✓
<b>Programme Revenue DEL</b>		
Non-Ring-Fenced	144.1	✓
Ring-Fenced	11.1	✓
<b>Capital expenditure</b>	28.1	✓

Note: DEL – Departmental Expenditure Limits.

### Better Payments Practice Code

We are required to report our performance against the Better Payments Practice Code, which requires non-NHS and NHS trade creditors to be paid within 30 days or agreed terms. Our performance against this target for 2023/24 is detailed in Table 2 below.

Table 2: Better Payments Practice Code performance 2023/24 (2022/23)	Number	Value £m
Total non-NHS trade invoices paid	8,687 (8,802)	235.4 (183.8)
Total non-NHS trade invoices paid within target	8,173 (8,366)	219.9 (173.9)
Percentage of non-NHS trade invoices paid within target	94% (95%)	93% (95%)
Total NHS trade invoices paid	475 (452)	4.4 (3.0)
Total NHS trade invoices paid within target	455 (440)	4.3 (2.9)
Percentage of NHS trade invoices paid within target	96% (97%)	98% (98%)
Percentage of NHS trade invoices paid within target	96% (97%)	98% (98%)

## Future financial targets

### Background

We worked closely with our funders to reach agreement on the Spending Review 2021 (SR21) settlement, which was in light of significant challenges to our funders being tasked with creating efficiencies across admin and programme budgets for ALBs.

This work ran in parallel with our own internal business planning processes to ensure we could deliver on strategic goals set by the organisation and provide continuity of services that we are directed to deliver.

NHSBSA creates significant savings for other parts of the health and care system (over £575m in 2023/24). This was achieved whilst delivering a further £1.6m efficiency savings against NHSBSA operating budgets within the financial year 2023/24. The two main categories of expenditure where these savings were delivered are:

- **Estates rationalisation:** In 2023/24 cash releasing savings of £0.6m were achieved through the consolidation of the housing of the national prescription scanning services. Subsequent workplace reviews have enabled the commitment of a further £1.6m of cash savings in 2024/25 through more efficient use of NHSBSA Estate.
- **Modernisation of Digital, Data and Technology infrastructure:** Savings of £1m have been achieved by moving to cloud-based technology platforms and solutions. This has benefited specifically with management of customer contact and data storage.

## Financial planning – our approach

After successfully delivering efficiencies throughout 2023/24, the NHSBSA Financial Plan for 2024/25 focused on securing the required financial resources to sustainably deliver services we are directed to provide and secure the resulting savings for the health and care system. As 2024/25 is the final year of the current Spending Review (SR) there is a continued focus on future efficiencies and taxpayer value.

To this end, we continue to work closely with HM Treasury who are supporting us to implement their Public Value Framework across the NHSBSA. We believe that the success of this will ensure opportunities for greater efficiencies to help us meet future financial challenges. We are also seeking to learn and share by working with other organisations who are implementing the Public Value Framework e.g. House of Commons and UK Government Investments (UKGI).

We maintain a relentless focus on efficiency and effectiveness and delivering taxpayer value. We continue to undertake excellent engagement with stakeholders to ensure we help develop and drive improvements to the health system; a number of these projects receive direct funding linked to other NHS organisation's strategic ambitions. We remain committed to delivering against our own productivity efficiencies for 2024/25 which are in line with Government targets as part of the Spring budget.

During 2023/24 the NHSBSA on-boarded and delivered several new services on behalf of DHSC and NHS England fundamental to the Government's plans to drive greater productivity and efficiency across the public sector, including implementing the Pharmacy First Service.

## Revenue expenditure plans

We have agreed Revenue and Capital funding with DHSC sufficient to meet our planned net expenditure for 2024/25.

## Pension costs for current staff

The treatment of pension liabilities and relevant pension scheme details are set out in Note 3.6 to the financial statements and in the remuneration report.

## Hosted services

We provide a range of hosted financial, payroll and HR services to other NHS organisations and DHSC teams. The costs that we incur in providing these services (primarily staff costs) have been included within our operating expenditure, as has the total income contributions received from these organisations to cover costs. For 2023/24 the income received from hosted and managed services was £2.8 million.

The income and expenditure of the organisations to which we provide hosted services, although disbursed by us, is not included in our income and expenditure accounts, and is charged to the relevant organisation's accounts.

## Auditor

The Comptroller and Auditor General is appointed by statute to audit the NHSBSA. The audit fee for the year ended 31 March 2024 of £268k (2023: £263k) is for the audit of these accounts. An additional notional fee of £173k (2023: £160k) relates to the audit of the NHS Pension Scheme accounts.



## 1.2.3 Corporate responsibility

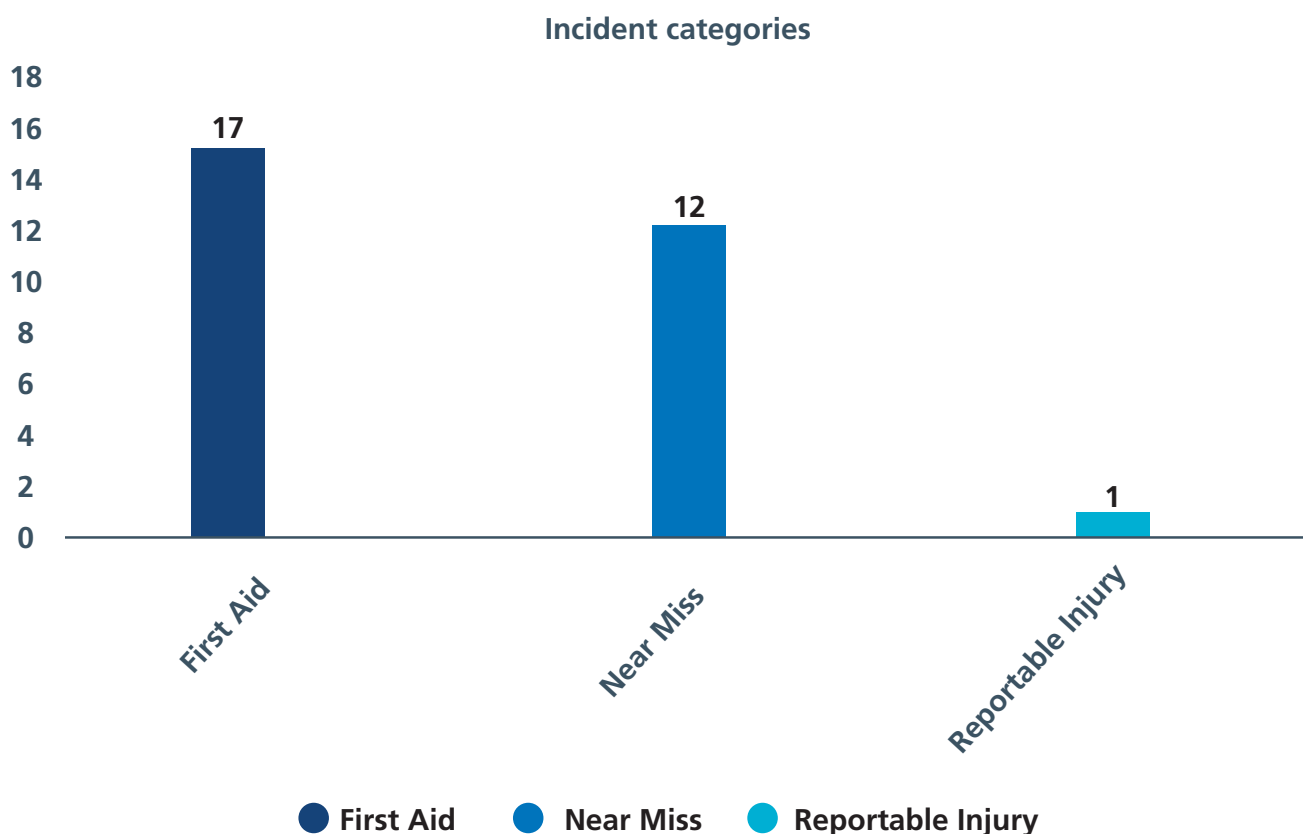
### Background

Corporate responsibility is about ensuring that we make a positive impact on society by delivering our services. It's about people, communities and our environment and is at the heart of what we do and how we do it – as demonstrated by our strategic goals focused on our people, customers and the difference we make to the wider health and care agenda.

Along with our organisational goals, we also recognise that some areas require specific focus. Our subject-specific committees and colleague networks continue to drive these agendas forward and ensure appropriate oversight and engagement across the organisation.

We also ensure robust arrangements are in place around social, human rights, anti-corruption, anti-fraud and anti-bribery matters. This includes training for our colleagues, standards of business conduct policies and processes, and arrangements to encourage and support speaking up. Human rights and labour standards are also addressed in our procurement processes.

### Health and safety



During 2023/24 health and safety was managed and coordinated by our central Health and Safety Team. The team was supported by health and safety representatives in each business area who were trained, coached and supported to ensure they had the appropriate skills and knowledge to implement local delivery of our policies and processes.

During 2023/24 the NHSBSA had one case which needed to be reported to the Health and Safety Executive (HSE) under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). Our safety performance remains excellent for a business of our type and size, when compared to published HSE figures. We believe that this is a result of our proactive approach to health and safety, ensuring all our people are involved, supported and understand their role in how we look after ourselves and those around us.

During 2023/24 the Health and Safety Team continued focus on supporting the business with its approach to hybrid working, whilst continuing to further rationalise the estate and adopt new working practices. The business ensured risks were assessed and appropriate arrangements put in place to support colleagues.

## Sustainability reporting and performance

**Strategic context:** Environmental sustainability has remained a strategic goal for the NHSBSA and we have continued to maintain our commitment to Net Zero. Our approach to environment is managed by our Environment and Sustainability Team. Our Environment Strategy 2022-25 informed by industry best practice, Central Government policy and developed in consultation with key internal and external stakeholders is endorsed by our Board; reaffirming our commitment to environmental sustainability by setting out what we aim to achieve across core priority areas over three years. Our activity has continued to be overseen by our Strategic Environment Committee which meets at least three times per annum, is chaired by our Chief Executive, and includes senior management. An annual environmental action plan details actions we will take against each of our environmental priorities to deliver the strategy.

**Net Zero target by 2030:** We have continued to invest in and improve our facilities. As part of a building refurbishment at Stella House, we have upgraded over 150 light fittings to LEDs with smart controls. We have also installed a Solar PV system with a total install capacity of 18.2KW on the boiler house at Stella House to increase our onsite renewable generation. We have reduced our workspace at Stella House by 50% and Hesketh House by 42% to ensure that our estate continues to meet the requirements of our working practices and provides an efficient and effective space for our needs. Finally, we have upgraded air conditioning equipment in the IT server room at Hesketh House and integrated it into our building management system. Refurbishments and construction activities are designed and delivered in line with building legislation and all other building services statutory requirements. We seek opportunities for how any major estates works can support our Net Zero goals and Greening Government Commitments with respect to energy efficiency, waste management and water management.

To support our rolling programme of works, we have worked alongside the Government Property Agency and our total facilities management (TFM) provider to complete energy and net zero audits at our facilities to help prioritise our activities and investment decisions. We have also developed designs and have started the procurement process for air handling unit replacements and further LED lighting upgrades at Stella House, which we will continue into 2024/25.

**Water reduction:** We have enhanced our water metering across our estate to improve data quality and understanding of water usage trends. A new water metering portal allows us to capture water data and potential issues are raised directly with our TFM provider. This has enabled us to identify and respond to any unusual or unexpected increases in water consumption and carry out the necessary repairs to conserve water. Once the TFM provider rectifies any issues, water data is reviewed to confirm the success of the repair, strengthening our water management approach.

**Sustainable procurement:** Our Environment and Sustainability, and Commercial Teams continue to champion sustainable procurement within the NHSBSA. We assess all procurements over £10k to identify and embed any environmental improvement opportunities or compliance requirements, including the Government Buying Standards and Social Value. Sustainability requirements including greenhouse gas emissions reporting and reduction, ISO14001 conformance, single-use plastic elimination, waste management and water management were embedded within our TFM contracting and selecting approach, relevant to our construction and major refurbishment activities.

To better embed the Social Value Public Procurement Note (PPN) into our procurement process we have established a dedicated Social Value Working Group which is made up of procurement and contract management professionals, as well as subject matter experts from environment and social impact. The purpose of the group is to strengthen the “golden thread” of social value throughout the lifecycle of a procurement.

We have quantified Scope 3 emissions for purchased goods and services and have started to transition from a spend-based methodology to a hybrid method through replacing estimated supplier emissions data with contract specific information obtained from suppliers. We have engaged with our critical and high impact suppliers through a survey to understand their net zero commitments and emissions related to the delivery of our contracts which is supporting the creation of a sustainable procurement framework which aims to reduce our supply chain related impacts and encourage action on climate change.

**Chartered Institute of Procurement and Supply (CIPS) Ethical Procurement Kitemark:** The NHSBSA Commercial Team have continued to maintain the CIPS Ethical Procurement Kitemark and ethical practice accreditation, placing us on the CIPS Global Register of Ethical Organisations.

**Procurement of food and catering:** Food and catering services is provided by our TFM provider who we audit periodically against the Government Buying Standards for Food and Catering.

**Digitisation of our services:** We are continuing to modernise and improve service delivery including those with paper-based, admin-heavy processes. During 2023/24, our efforts to digitise the Vaccine Damage Payment Scheme have resulted in a 32% reduction in the number of letters printed over a period where demand for the service has increased. We have also enabled a 50% increase in digital claims in comparison to 2022/23. Furthermore, we now process 70% of Low-Income Scheme applications digitally; almost a 50% increase from 2022/23. The digital uptake of Prescription Prepayment Certificates also increased to 83% in 2023/24. However, with the uptake of the Healthy Start Scheme increasing, the number of pre-paid plastic cards continues to increase. In February 2024 our Baby Loss Certificate service went live and over 47,500 certificates have been printed and issued to parents. A digital application route has been provided and 99% of applications have been processed digitally. We continue to support the environmental sustainability of the wider healthcare system through developing and transforming our services, increasing the uptake of our digital services to remove waste, and paper consumption at source.

**Eliminate consumer single use plastics:** We continue to engage with key suppliers and stakeholders on consumer single-use plastics (CSUPs) reduction. We have already significantly reduced the number of CSUPs sources used in our cleaning and catering services, replacing them with reusable or paper-based alternatives. We continue to work alongside key internal and external colleagues to further our work towards the elimination of CSUPs throughout 2024/25.

**ISO 14001:2015:** We have successfully maintained our externally audited, business-wide Environment Management System (EMS) during 2023/24. Operating an EMS has many benefits including ensuring a comprehensive approach to managing our compliance obligations and continuing to improve our environmental performance. The standard is valued by our external customers and clients and demonstrates our commitment to environmental improvement.

**Environment Network:** Our Environment Network has continued to engage with colleagues across the business through the delivery of awareness campaigns on different environmental topics. This year our network activities included in-person events across our sites for COP28 raising awareness of the climate crisis and expanding the reach of the network.

**Biodiversity:** Whilst we do not hold significant natural capital or land holdings, we have continued to prioritise sites with the greatest biodiversity potential within our nature recovery plan, namely Stella House which sits on the North Tyne Wildlife Corridor. During 2023/24 at Stella House, we continued to maintain external areas with nature in mind, have planted a remembrance garden and have developed designs alongside our Grounds Maintenance Provider to restore our pond to provide and enhance vital habitats, for delivery in 2024/25. Furthermore, we have continued to positively contribute to nurturing our environment and nature recovery volunteering efforts which have included litter picks, tree planting and rewilding.

**Sustainable ICT & Digital Services:** Our sustainable technology working group consists of senior management representatives across relevant functions to quantify and manage our ICT and digital footprint, review and manage technology assets and waste, and continue to identify and drive opportunities for improvement, both internally and through our supply chain. Colleagues across our Technology Team have completed Carbon Literacy Training to enhance their understanding of sustainability drivers and opportunities which has informed and helped to advance our approach.

We have integrated sustainability as a core part of our FinOps function and have developed a cloud sustainability dashboard which shows the greenhouse gas emissions from our digital activities and services, supporting improved awareness, visibility and understanding of our cloud related impacts. Furthermore, to enhance understanding of how we can improve our digital sustainability at a service level, we have worked with a third-party specialist to conduct a software sustainability assessment which provided recommendations for how we can improve our software carbon intensity at a service level.

We continue to assess and embed sustainability within our procurement processes. All of our ICT and digital services contracts receive an environment assessment which allows sustainability opportunities and mandatory aspects of the ICT and Digital Services Strategy to be embedded within our contracts and social value questions. To effectively manage and reduce our IT related waste, we have embedded circular economy principles within our IT asset disposal contract which ensures any redundant IT equipment is removed and assessed, and that reuse, and refurbishment is prioritised ahead of recycling to keep goods in circulation for as long as possible. This is lifting our IT waste management up the waste hierarchy.

**Climate change adaptation:** The NHSBSA works closely with each business area to define their business impact analysis and subsequent business continuity plans. Part of this analysis explores the effect of business disruption such as no access to buildings. In addition, the NHSBSA Business Continuity Team is linked into the national advisory systems for early indication of severe weather forecasts to enable early planning and we assist in alerting our business continuity leads to weather warnings so contingency measures can be implemented to enable delivery of our services. We have



started to develop our Climate Change Adaptation Strategy for our estate and operations which we aim to finalise in 2024/25.

### **Taskforce for Climate and Finance Related Disclosure (TCFD)**

**TCFD compliance statement:** The NHSBSA has reported on climate-related financial disclosures consistent with HM Treasury's TCFD-aligned disclosure application guidance which interprets and adapts the framework for the UK public sector. The NHSBSA has complied with the TCFD recommendations and recommendations disclosures around:

- governance (all recommended disclosures)
- metrics and targets (disclosures (b)).

This is in line with the central government's TCFD-aligned disclosure implementation timetable. The NHSBSA plans to make disclosures for strategy, risk management and metrics and targets disclosures (a) and (c) in future reporting periods in line with the central government implementation timetable.

**Governance:** To ensure Board and senior management visibility and oversight of climate-related risks and opportunities, we have both executive and non-executive champions of Environment and Sustainability. Our Board receive an annual update on our Environment Strategy, Environment Action Plan and an annual performance report. Additionally, during 2023/24 our Environment and Sustainability Team delivered a sustainability focused 'lunch and learn' to our Board to enhance understanding of climate-related risks and we provided a second performance update to the Board which focused on our road to Net Zero and associated transition risks. These activities allow our Board to effectively oversee, evaluate and manage climate-related risks.

We have also supported the Government Internal Audit Agency's sustainability reporting audit of DHSC and partner agencies which provided assurances in relation to sustainability data collation, processing and reporting practices. A number of recommendations were identified to strengthen the existing sustainability reporting processes in place, including agreeing and introducing consistent formats as part of our data collation process and formally recording data assurance checks. Furthermore, environment and sustainability is embedded within our internal audit cycle, with an environment audit scheduled in 2024/25, which provides further assurances to our Leadership Team and Board on management of environment and climate-related risks.

Our Leadership Team receive an annual update on our Environment Strategy, Environment Action Plan, and a report on our annual performance. This provides effective oversight, visibility and discussion around climate-related issues and their management. Furthermore, we have an Environment Committee, chaired by our Chief Executive as Executive Sponsor for Environment and membership includes Executive Directors and Chief Officers, as well as other senior management representatives from across the organisation. Committee meetings are held at least three times per year and provide a strategic focal point for managing climate-related issues. It also acts as a decision-making body for all environment and sustainability issues, monitors performance and develops and implements key environment and sustainability initiatives.

We have a strategic goal of environmental sustainability within the NHSBSA Strategy, and an Environment Strategy based around key material risks and impacts which underpins this strategic goal. An action plan is created annually to support the delivery of our Environment Strategy which includes joint ownership for sustainability and management of climate-related risks; ensuring senior management support.

Furthermore, we have an Environmental Management System externally certified to ISO14001:2015 which requires our environmental objectives to consider and address risks and opportunities to be identified relevant to our organisation, which include climate-related risks.

**The Metrics and Targets:** Climate-related data is collated, processed and reported on a quarterly basis to DEFRA via the DHSC as part of the Greening Government Commitments. Internally we have set a Net Zero by 2030 target and monitor and report on progress to senior management stakeholders via our Environment Committee, Leadership Team, and Board via the BBS. Scope 1, 2 and where relevant Scope 3 greenhouse gas emissions are reported in the sustainability reporting table below, and these provide an evaluation of progress made against the Net Zero target, and sub-targets.

Table 3: Greenhouse Gas Emissions						
	2017/18 baseline	2021/22 performance	2022/23 performance	2023/24 performance	Reduction against baseline year	
<b>Target: Reduction in overall greenhouse gas emissions tCO<sub>2</sub>e by 44% and direct greenhouse gas emissions reduction from estate and operations by 20% from a 2017/18 baseline by 2024/25</b>						
Total greenhouse gas emissions (GHG) tCO <sub>2</sub> e	2,643	1,463	1,178	1,068	60%	
Scope 1 GHG emissions – direct emissions from owned or controlled sources tCO <sub>2</sub> e	389	545*	336	210	46%	
Gas consumption kWh	1,968,443	2,744,264*	1,760,171	1,047,955		
Oil consumption kWh	N/A	N/A	N/A	N/A		
Diesel fuel consumption kWh	0	0	0	10,571		
Scope 2 GHG emissions – indirect emissions from generation of purchased electricity consumption tCO <sub>2</sub> e	1,985	818	678	647		
Electricity consumption kWh	5,162,904	3,852,748	3,506,794	3,125,318		
Electricity from onsite renewables kWh	3,055	51,582	89,475	189,939		
Scope 3 GHG emissions – indirect emissions from transmission and distribution of purchased electricity tCO <sub>2</sub> e	58	72	62	56		
Scope 3 GHG emissions – official business travel – domestic only (aligning with GGCs target) tCO <sub>2</sub> e	261	28	102	154		
Scope 3 GHG emissions – official business travel – international (categorised as other travel under GGCs framework and not included in the total greenhouse gas emission target or total greenhouse gas emissions reported above)	7	0	2	5.81		
Distance travelled by domestic flights km	53,630	0	6,787	19,020	59%	
GHG emissions from domestic flights	7.58	0	0.88	3	60%	
Distance travelled by international flights km	68,634	0	30,260	44,894		

<b>Table 3: Greenhouse Gas Emissions</b>						
	2017/18 baseline	2021/22 performance	2022/23 performance	2023/24 performance	Reduction against baseline year	
Distance travelled by international business flights (short haul) km	15,309	0	1,408	0		
Distance travelled by international business flights (long haul, economy) km	53,325	0	28,852	37,681		
Distance travelled by international business flights (long haul, premium economy) km	0	0	0	7,213		
<b>Target: Meet the Government Fleet Commitment for 25% of the government car fleet to be ultra-low emission vehicles (ULEV) by 31 December 2022, and for 100% of the government car and van fleet to be fully zero emissions at the tailpipe by 31 December 2027</b>						
Fleet percentage categorised as Ultra-Low Emission Vehicle (ULEV).		76%	85%	88%		
Fleet percentage categorised as Zero Emission Vehicle.		60%	73%	77%		

### Performance commentary and GGC evaluation

Direct emissions associated with NHSBSA activities have reduced by 46% from the baseline year (2017/18). This is primarily due to our reduced consumption of gas through consolidation of the estate and reduced heating loads following discontinuation of ventilation policies put in place during COVID-19.

The consolidation of the estate and continuation of hybrid working have reduced our electrical usage by 67% from the baseline year. Continued investment in energy efficiency measures and the installation of two additional solar panel arrays have supported our electrical use reduction.

\*Gas consumption increased during 2021/22 due to business policy; introduced to ensure appropriate office ventilation during the pandemic aimed at reducing risk of COVID-19 transmission. This increased heating requirements across our office estate.



<b>Table 4: Waste Management</b>						
<b>Target: Reduce the overall amount of waste generated by 15% from the 2017/18 baseline by 2024/25</b>						
	2017/18 baseline	2021/22 performance	2022/23 performance	2023/24 performance	Reduction against baseline year	
Total waste arising (tonnes)	1,154	682	571	690	40%	
Total waste recycled (tonnes)	981	588	506	624		
Total ICT waste recycled, reused and recovered externally (tonnes)	0	24	7	11		
Total waste composted/food waste (tonnes)	11	9	13	5		
Total waste incinerated with energy recovery (tonnes)	103	62	52	50		
Total waste to landfill (tonnes)	59	0	0	0		
Percentage of waste to landfill	5%	0%	0%	0%		
Percentage of waste recycled	85%	86%	89%	90%		
<b>Reduce the amount of paper used by 50% from a 2017/18 baseline by 2024/25</b>						
A4 (Reams)	25,218	11,598	12,215	16,777		
A3 (Reams)	270	80	1,975	5		
A5 (Reams)	222	89	160	0		
A4 Reams Equivalent	25,869	11,802	16,245	16,787	35%	
<b>Target: Reduce water consumption by at least 8% from the 2017/18 baseline by 2024/25</b>						
Water use (m <sup>3</sup> )	20,090	7,899	7,965	9,157	54%	

### Performance commentary and GGC Evaluation

Data includes waste from administrative and operational activities only.

We have facilities in place to measure and report on food waste at two out of four sites that offer a food service. During 2023/24 we implemented a method for estimating food waste at the remaining sites.

We continue to reduce paper consumption across our organisation through our service improvement programmes which remove paper-based, admin-heavy processes and provide digital alternatives, working with stakeholders to increase uptake of these digital solutions. However, although we have significantly reduced many paper-based processes, some of our services have mandatory paper documents that need to be issued which has offset some of the savings made. Whilst we

continue to improve our services and drive up use of our digital platforms, it is unlikely we will meet the GGC target of 50% reduction in paper consumption alone, due to mandatory requirements for paper correspondence.

We have already removed several Consumer Single-Use Plastics (CSUPs) from our estate and operations, prioritising reusable alternatives ahead of other single-use items where possible. Over the next year we aim to further reduce and/or eliminate our use of CSUPs at source and where there are viable sustainable alternatives, however it is unclear whether all CSUPs across the categories identified through the GGCs will be eliminated in their entirety.

NHSBSA proactively look for reuse schemes and alternatives to single-use items where opportunity exists, examples include within our IT asset disposal approach.

We have reduced our water usage by 54% against our 2017/18 baseline and have implemented a water monitoring solution that allows water usage to be better understood and anomalies identified which has supported improved water management and leak detection. Throughout 2023/24, a number of leaks have been identified and repaired which has contributed to the slight increase in water usage. Hybrid working has continued to have a positive impact on water consumption however a proportion of this has been offset by sharing building space which has resulted in increased water use across shared locations. We continue to monitor water usage site-by-site and identify improvement opportunities.

Much of our indirect water footprint lies within our supply chain. We complete an environmental assessment on all procurements over £10k and embed opportunities for water reduction within our contract requirements and social value questions where appropriate.

<b>Table 5: Financial Indicators</b>	<b>2021/22 performance</b>	<b>2022/23 performance</b>	<b>2023/24 performance</b>
<b>Financial Information</b>			
Gross expenditure on the purchase of energy	£996,181	£1,396,716	£1,595,726
Reported areas of Energy: Gas	£98,649	£161,674	£103,336
Reported areas of Energy: Electricity	£897,531	£1,235,042	£1,490,857
Reported areas of Energy: Diesel Fuel	£0	£0	£1,533
Total Expenditure on accredited offset purchases	£0	£0	£0
Total expenditure on official business travel	£140,000	£319,116	£523,308
Total expenditure on waste	£45,969	£105,667	£68,829
Total expenditure on waste recycled	£55,266	£96,356	£74,433
Total expenditure on waste sent to landfill	£0	£0	£0
Total expenditure on composted/food waste	£1,824	£2,033	£2,492
Total expenditure on waste incinerated with energy recovery	£5,707	£6,436	£7,890
Total expenditure on ICT waste recycled, reused and recovered (externally)	-£16,828	£842	-£15,986
Paper costs	£25,337	£45,523	£77,058
Total water cost (including water and sewage costs)	£47,676	£79,718	£70,108

Note: Reduction against baseline year figures included where required by Government.

### **Performance commentary and GGC Evaluation**

In 2022/23 we reviewed paper usage and costs and have identified an alternative paper supplier being used across our organisation. We have included paper costs associated with this supplier in our reporting for this and subsequent years.

## Wellbeing, Inclusion and Social Impact

Throughout 2023/24 we've continued to build on our previous successes, evolving our support offering in recognition of fundamental changes to our workplaces and ways of working over the past few years. In addition, we've taken on new services which have required us to think carefully about, and cater for, the support needs of colleagues engaged in service delivery, including the new Baby Loss Certification scheme launched during February 2024. Throughout, our approach has been to listen to the needs of our colleagues whilst at the same time using available data to map people behaviours and trends to inform activity. We recognise the world of work will continue to evolve and we will therefore continue our efforts to innovate in this space, ensuring the inclusion and wellbeing of our workforce.

Our already strong focus and infrastructure on wellbeing and inclusion allowed us to be dynamic in meeting these challenges to make sure our people continued to be supported through change and are equipped to thrive. The strong sense of community and belonging is a fundamental part of what makes the NHSBSA such a great place to work, and our approach to wellbeing and inclusion is integral to that.

Our Diversity and Inclusion Strategy for 2022-25 includes our commitments to creating a truly inclusive organisation where all colleagues feel they belong, and a diverse workforce at all levels which is representative of the communities we serve. Throughout the year the Colleague Experience and Social Impact Team have developed and delivered key innovative interventions which support these aims, such as the Reciprocal Mentoring for Inclusion Programme which is bespoke to the NHSBSA. Taking an evidence-based approach, we have focussed activity aimed at increasing representation, through recruitment and development of diverse talent. We successfully delivered our first two cohorts of our BAME Leadership Development Programme – a development programme focused on increasing skills and knowledge and providing a placement experience alongside that to support the delegate with their career aspirations. Working closely with the Talent Acquisition Team to develop more inclusive recruitment practices, we have embedded gender and ethnicity diversification of recruitment panels and worked with community groups to build skills and knowledge in relation to recruitment processes, application and interview skills. Going forwards, this is an area that will be developed further as part of a new approach to social mobility.

We provide a comprehensive Wellbeing Offer for colleagues including access to a wide range of in-house and external services including our Employee Assistance Programme. We continued to enhance our wellbeing offer through the provision of virtual wellbeing sessions for colleagues including mindfulness, mind management, yoga and good sleep hygiene, delivered by external experts. Further support has continued to be provided to meet the additional needs of colleagues, for example those impacted by menopause, or cost of living challenges. For the year ahead, our ambition is to review our wellbeing offer and strategy to ensure they continue to evolve to meet the changing needs of our people, join up our network campaigns to achieve a greater impact, and finally to use our expertise and achievements as best practice to coach other organisations in this space.

Our Wellbeing and Inclusion networks have continued to thrive, and develop, becoming more advanced and responsive to the requests made of them. The networks have provided peer support for colleagues during this past year. One of the main roles of the networks is to provide protected spaces for diverse groups and various wellbeing and inclusion initiatives to support the continued physical and mental wellbeing of all colleagues and this continues to be a valuable support system for members. They have also supported the delivery of a wide-ranging programme of engaging and inspiring events. Our four lived experience colleague networks; BAME, Disability and Neurodiversity,

LGBTQ+ and Women have enabled a constant focus on the issues impacting on these equality groups. This was recognised by our LGBTQ+ Network being highly commended by Stonewall in their Workplace Equality Index. Our Domestic Abuse Support, Mental Health First Aid, Menopause Champions and Wellbeing networks have provided comprehensive support for colleagues.

As part of our commitment to inclusion and social impact we have continued reaching out to the communities we serve and recruit from. We've offered support to those in our communities who are often marginalised and underprivileged in society. We have done this by volunteering, fundraising, and providing bespoke support to groups within our community, sharing best practice to enhance knowledge and skills in the recruitment process to maximise job opportunities, creating links with external networks and organisations.

We have continued to have our performance externally assessed in benchmarking and accreditation schemes including; Employers Network for Equality & Inclusion's (enei) TIDE (Talent, Inclusion and Diversity Evaluation) and the Better Health at Work Award, amongst others. This helps us understand our current performance and how we can continue improving. In 2023/24 we made our first submission to Employers for Carers, Carer Confident accreditation and were thrilled to be awarded the Carer Confident Accomplished standard. In addition, we were delighted to be awarded the Gold Standard by enei in TIDE for the fourth year running, in recognition of our performance on diversity and inclusion, and were ranked first out of the European organisations participating. In addition, we yet again achieved our Maintaining Excellence status in the annual Better Health at Work Awards, in recognition of our wellbeing offer for colleagues and the wide-ranging and proactive support in place. We also continue to use our accreditation as a 'Menopause Friendly Workplace' – accredited by Henpicked (a panel of independent menopause experts) – to support colleagues impacted at work.

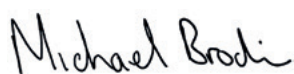
### Summary – during 2023/24 we:

- Retained our 'Gold Standard Employer' status in enei's TIDE benchmark for the fourth year running and were ranked first out of 170 organisations.
- Obtained level 2 Carer Confident – achieved after entering the accreditation for the first time.
- Retained our Maintaining Excellence status in the Better Health at Work Awards, in recognition of our wellbeing offer.
- Retained our 'Menopause Friendly Workplace' status.
- Completed the second cohort of our bespoke Reciprocal Mentoring for Inclusion Programme, a mentoring partnership based on providing learning and development to both partners, to increase knowledge, skill and to achieve our aims relating to inclusion.
- Completed our first two cohorts of our BAME leadership development programme, a development programme focused on increasing skills and knowledge and providing a placement or practical experience alongside that to support the delegate with their career aspirations.
- Continued our Shadow Board initiative, a development opportunity for colleagues who aspire to director level positions, with seats for colleagues who identify as BAME, disabled and neurodiverse, LGBTQ+ and women, who also co-chair our lived experience networks. Each Shadow Board member is also sponsored by a Leadership Team member.
- Embedded gender and ethnicity diversification of recruitment panels, which requires all panels to be gender balanced and all panels for senior roles to have an ethnicity balance.
- Worked with community groups to build knowledge in relation to recruitment processes, application, and interview skills.
- Continued the roll out our 'Let's Talk About Race' programme of e-learning and facilitated team conversations to support learning around race inclusion.



- Developed leadership competence and confidence around disability and mental health completing the delivery of our bespoke programme for all managers.
- Published our Gender Pay Gap report and continued to progress supporting actions aimed at reducing our gender pay gap and increasing the representation of women in senior leadership roles, including a bespoke development programme for female colleagues, in partnership with our Women's Network.
- Continued to support LGBTQ+ equality groups and communities by attending and supporting Pride events and sponsorship of Pride Radio.
- Ensured wellbeing and inclusion considerations were a fundamental part of our People approach, through utilising our wellbeing and inclusion impact analysis, and through listening and responding to the different needs of our diverse colleagues.
- Provided awareness, learning and support by delivering inclusion events, We CARE cafes and wellbeing awareness sessions.
- Continued to support colleagues from different equality groups, providing them with protected safe spaces to connect and support one another.
- Continued to enhance our wellbeing offer through the provision of virtual wellbeing sessions for colleagues including mindfulness, mind management, yoga and good sleep hygiene, delivered by external experts.
- Supported colleagues with neurodiverse traits to access specialist advice through our external occupational partners as a means of identifying the right support and workplace adjustments.
- Increased wellbeing and inclusion network engagement through network activities, with all networks delivering an inspiring programme of awareness campaigns and events which more colleagues than ever before engaged with.
- Expanded our support for colleagues around menopause by training more colleagues to be Menopause Champions, training managers and running regular menopause cafes.
- Relied on our new approach to safeguarding, responding to concerns that have arisen, and effectively managing risk in this area.
- Continued to support colleagues, and their line managers, affected by the cost-of-living crisis with advice and guidance.

Further information including how we have due regard to the Public Sector Equality Duty, our workforce demographics, and specific objectives we have set ourselves in relation to these, is available in our Diversity and Inclusion Annual Report: <https://www.nhsbsa.nhs.uk/our-policies/diversity-and-inclusion>



**Michael Brodie CBE**

Chief Executive

NHS Business Services Authority

18 July 2024

## 2. Accountability report

The purpose of the accountability report is to meet key accountability requirements to Parliament. It is comprised of three key sections:

- Corporate governance report.
- Remuneration and staff report.
- Parliamentary accountability and audit report.

**Corporate governance report** – explains the composition and organisation of governance structures and how they support achievement of our objectives.

**Remuneration and staff report** – provides details of the remuneration and pension interests of senior management.

**Parliamentary accountability and audit report** – brings together the key Parliamentary accountability documents. It establishes the organisation's compliance with principles relating to supply and Parliamentary control over income and expenditure incurred.



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Corporate  
governance report

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Remuneration  
and staff report

**Page 75**

Parliamentary  
accountability  
and audit report

## 2.1 Corporate governance report

### 2.1.1 Directors' report

**Composition of Board, directorships and significant interests** – A list of executive and non-executive directors and a declaration of their interests is shown in Section 2.1.3 Annual governance statement. No company directorships or significant interests were held by the Board members which may conflict with their management responsibilities.

**Personal data related incidents** – The NHSBSA has had four security incidents (based on the set NHS Data Security & Protection Toolkit criteria) which required onward reporting to both NHS England and the Information Commissioners Office (ICO). The ICO were satisfied with the remediation actions taken.

**Communications, Engagement and Consultation** – We communicate regularly with colleagues through several internal channels. Our corporate intranet, My Hub, is a central information portal available to all colleagues. It contains information about the organisation, its strategy and structure. Directorates have their own pages and are able to post their own news and provide activity updates for their people and the wider organisation.

My Hub is the home of timely news and information about key campaigns in the organisation as well as updates from board meetings and key diary dates. We email colleagues a weekly news digest which includes news they may have missed on My Hub that

week, and once a fortnight we email a blog from our Chief Executive highlighting key initiatives, milestones and successes. Each month we hold a Teams Live Q&A event in which members of our Leadership Team provide topical updates and in which colleagues are invited to ask questions on any work-related topic.

Following on from the decision to allow hybrid working we have supported the subsequent estates review during 2023/24, engaging colleagues through listening sessions to ensure their needs are met as we reconfigure existing offices to make them more collaborative spaces. Our communications have aimed to educate and minimise disruption as we have introduced a new parking space and desk-booking app and sent notifications about sharing offices with other organisations. Other important topics that have been shared with colleagues through our communications channels are the messages on the NHSBSA Strategy, the annual colleague engagement survey, the WeCare Awards and support for colleagues relating to the cost-of-living crisis, along with support for volunteering opportunities and the initiatives of various colleague networks.

We work closely with the trade unions we recognise, discussing broad matters of common interest at our National Joint Committee, and undertaking formal consultation when needed. Other committees and groups also meet to discuss specific issues, for example health and safety, and diversity and inclusion.

## 2.1.2 Statement of Accounting Officer's responsibilities

The Principal Accounting Officer for the DHSC has appointed the NHSBSA Chief Executive as the NHSBSA Accounting Officer.

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives.

I also have responsibility for safeguarding the public funds and the organisation's assets for which I am personally responsible, in accordance with the responsibilities set out in HM Treasury's Managing Public Money and as assigned to me in the Accounting Officer Memorandum.

Under the National Health Service Act 2006 and directions made there under by the Secretary of State with the approval of Treasury, we are required to prepare a statement of accounts for each financial year in the form, and on the basis, determined by the Secretary of State, with the approval of Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the NHSBSA and of its net operating costs, changes in taxpayers' equity and cash flows for the financial year. As Accounting Officer, I have responsibility for ensuring the preparation of our accounts and transmission to the Comptroller and Auditor General.

In preparing the accounts, I am required to comply with the requirements of the Government Financial Reporting Manual (FReM) and in particular to:

- observe the accounts direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements and estimates on a reasonable basis
- state whether applicable accounting standards, as set out in the FReM, have been followed and disclosed and explain any material departures in the financial statements

- prepare the financial statements on a going concern basis, unless inappropriate to presume that the NHSBSA will continue in operation
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

My relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public funds and assets vested in the NHSBSA, and for the keeping of proper records, are set out in Managing Public Money issued by the Treasury.

As Accounting Officer I can confirm that:

- as far as I am aware, there is no relevant audit information of which the NHSBSA's auditors are unaware
- I have taken all the steps I ought to have taken to make myself aware of any relevant audit information and to establish that the NHSBSA's auditors are aware of that information
- the Annual Report and Accounts as a whole is fair, balanced and understandable
- I take personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable.



## 2.1.3 Annual Governance Statement

### Introduction

The Accounting Officer for the NHSBSA is required to provide assurances about the stewardship of the organisation. These assurances are provided in this Governance Statement, in line with HM Treasury guidance.

The Accounting Officer for the NHSBSA is Michael Brodie, NHSBSA Chief Executive.

### Scope of responsibilities

The NHSBSA's Board is accountable for internal control, ensuring that its business is conducted in accordance with the law and proper standards.

It also ensures that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively in accordance with HM Treasury's Managing Public Money. In discharging this responsibility, the Board is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the exercise of its functions.

This includes ensuring a sound system of internal control is maintained throughout the year which supports the achievement of the NHSBSA's policies, aims and objectives and arrangements are in place for the management of risk.

### The purpose of the Governance Framework

The NHSBSA operates an integrated governance framework. This framework comprises the systems and processes by which the NHSBSA leads, directs and controls its functions and accounts to, and engages with, the DHSC and the wider NHS community. The NHSBSA takes its responsibilities seriously, striving to be a good corporate citizen. In aiming to embed this, the corporate governance framework is underpinned by the culture, values and behaviours adopted across the NHSBSA.

A significant element of the framework is the system of internal control, which is designed to manage risk to a reasonable level. It cannot eliminate all risks of failure to achieve policies,

aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to achieving our policies, aims and objectives
- evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework and system of internal control have been in place for the year ending 31 March 2024 and up to the date of approval of the annual report and accounts.

### NHSBSA Governance Framework

The overarching Corporate Governance Framework has been approved and adopted by the Board and is subject to annual review. The framework incorporates the following elements:

- Statutory Instruments and Directions which describe and govern the NHSBSA's core operations, processes and structure.
- Code of Conduct for Board Members of Public Bodies, setting out clearly and openly, the standards expected from those who serve on the Board.
- Matters determined by the Board which ensure that the NHSBSA has appropriate decision making processes in place, including:
  - Standing Orders
  - Standing Financial Instructions
  - Scheme of Delegation.
- Other management information which supports effective governance and operation, i.e. corporate policies and procedures.

The Director of People and Corporate Services and Corporate Secretary are responsible for ensuring that all decisions made are legal and comply with the NHSBSA Corporate Governance Framework. The NHSBSA complies with the



Corporate Governance Code for Central Government Departments where it applies to us.

### NHSBSA Board

The Board is responsible for the strategic direction and integrated governance of the NHSBSA, including the stewardship of its finances. In fulfilling these responsibilities, the Board reserves certain decision making powers, including decisions on strategy and budgets, but other key duties have been delegated to the NHSBSA's two standing committees:

- Audit and Risk Management Committee.
- Remuneration and Nominations Committee.

The roles and responsibilities of these standing committees are described more fully below.

### Board membership and responsibilities

Membership of the Board is currently made up of a non-executive Chair, five non-executive directors, Chief Executive and five executive directors, one of which is a finance director.

The key roles and responsibilities of the Board are:

- to set and oversee the strategic direction of the NHSBSA
- continued appraisal of the financial and operational performance of the NHSBSA
- to discharge its duties of regulation and control
- to receive reports and updates from the standing committees
- to approve and adopt the Annual Report and Accounts.

The Board has met nine times up to the end of March 2024 and is responsible for approving the business plan and budget. Subsequent reporting is based on an exception principle ensuring that the Board focuses on key issues and utilises its time effectively.

The Board receives regular updates from its standing committees on the business covered, risks identified and actions taken. These updates

are delivered by the non-executive Chair of the respective committee.

At each meeting, the Board receives a balanced business scorecard (BBS) which includes details on:

- performance against the identified key measures and strategic goals including the current financial position, wider system efficiencies generated and financial benefits as a result of change
- people related insight including absence and recruitment
- customer insight including satisfaction, complaints and contact volumes
- business development pipeline
- corporate risks and issues
- environmental sustainability.


The data presented to the Board is produced and quality assured in line with the six dimensions of data quality (Accuracy, Validity, Reliability, Completeness, Relevance and Timeliness).






The NHSBSA's Senior DHSC Sponsor, Nigel Zaman, attends our Board meetings to ensure members of the Board, in particular non-executive directors, are able to get an understanding of the key stakeholders' views. Further details of our sponsorship arrangement can be found in our Framework Agreement here – <https://www.gov.uk/government/publications/dhsc-and-nhsbsa-framework-agreement>.

Board members must abide by the NHSBSA Conflicts of Interest Policy and Code of Conduct for Board Members of Public Bodies and declare their interests to the Chair and Corporate Secretary in any matter relating to the NHSBSA's business at the time that they become aware of a potential conflict. Members will normally be excluded from the discussion after declaring an interest related to that issue. The minutes of the meeting will record the member's declaration.

Table 6 shows the number of meetings attended by Board members during the financial year and highlights their declared business interests.

**Table 6: Board members**

Board member		Meetings attended	Register of interests
	<p>Non-Executive Chair: Sue Douthwaite</p>	8 of 9	<p>Non-Executive Director (Risk Committee and Remuneration &amp; Nominations Committee member), Melton Building Society Chair, Nexa Finance Ltd Non-Executive Director, British Business Investments Ltd Director, Apricus Consultancy Ltd Chair of International Advisory Board, Queens University Belfast Management School Banco Santander SA, shareholder Virgin Money, shareholder</p>
	<p>Non-Executive, Chair of Audit and Risk Management Committee: Kathryn Gillatt</p>	9 of 9	<p>Non-Executive Director, Rotherham, Doncaster and South Humber NHS Foundation Trust (Audit and Risk Committee Chair from 1 January 2024) Pavegen, shareholder Severn Trent, shareholder Saga, shareholder Business and Financial Consultancy, sole trader Independent Chair of Audit and Risk Committee, Nottingham CityCare Partnership CIC Ltd. (until 31 July 2023)</p>
	<p>Non-Executive: David Leather (from 7 December 2023)</p>	3 of 3	<p>Transformation Director, EE BT Group, shareholder</p>
	<p>Non-Executive: Mathew McKie (from 7 December 2023)</p>	3 of 3	<p>Strategy &amp; Analytics Lead, Connected Health Systems Ltd. Connected Health Systems Ltd., shareholder</p>

Board member		Meetings attended	Register of interests
	Non-Executive: Randeep Sidhu (from 7 December 2023)	3 of 3	Director, Green Field Ideas Ltd. Trustee and Steering Committee Member, EPOC Guest Lecturer / Speaker, Kings College London (and other universities on ad-hoc basis)
	Non-Executive, Chair of Remuneration and Nominations Committee, Senior Independent Director: Mel Tomlin	9 of 9	Director and Consultant, North Star Products and Services Ltd Trustee, Rowland Hill Fund Royal Mail, shareholder
	Chief Executive: Michael Brodie CBE	9 of 9	Member of Council, Chartered Institute of Public Finance and Accountancy (CIPFA) Chair of Sustainability Forum, Chartered Institute of Public Finance and Accountancy (CIPFA) Member of Oversight Board and Chair of Audit and Risk Committee, National Infrastructure Commission Trustee, Community Foundation (Tyne and Wear and Northumberland)
	Executive Director of People and Corporate Services: Mark Dibble	9 of 9	Director, Personal Development Academy Ltd Trustee, Blue Cabin
	Executive Director of Finance, Commercial Services and Estates: Andy McKinlay	9 of 9	Parent Governor, Allerton Grange High School Trustee, Shadwell Recreation Centre

Board member		Meetings attended	Register of interests
	Executive Director of Strategy, Performance, Business Development and Growth: Allison Newell	8 of 9	Nothing declared
	Chief Operating Officer: Brendan Brown	8 of 9	Independent Monitoring Board Member, HMP Kirklevington Grange
	Chief Digital, Data and Technology Officer: Darren Curry	8 of 9	Member of Audit Committee, Gateshead College (from 6 July 2023) Co-opted Member of Audit Committee, Gateshead College (until 5 July 2023)
	Non-Executive (until 31 May 2023): Associate Non-executive (from 1 June 2023 until 31 May 2024) Debra Bailey	1 of 1 (as non-executive director) 5 of 8 (as associate non-executive director)	Telefonica, shareholder BT, shareholder Barclays Bank, shareholder Chief Information Officer, Royal Mail (until 31 December 2023)
	Non-Executive: Karen Seth (until 14 September 2023)	3 of 5	People Director, Canal and River Trust Trustee, Reuben's Retreat Trustee, Charlesworth WI

Note: Details of our current Board are available on our website: <https://www.nhsbsa.nhs.uk/what-we-do/our-board>

## NHSBSA Board review of effectiveness

The NHSBSA Board is required to consider its own effectiveness on a regular basis. The NHSBSA undertakes such a review annually, with an external review undertaken every three years (the last such review was in 2022/23, undertaken by GIAA).

The results of the 2023/24 review indicated the Board continued to be highly effective and this was consistent with the 2022/23 result. High scores were registered across all the survey areas – ‘Objectives, Strategy and Remit’, ‘Performance Measurement’, ‘Relationships with Key Stakeholders’, ‘Propriety, Fraud and Other Leakage’, ‘Delivery Chain and Project Management’, ‘Risk Management’, ‘Audit Committee, Internal Audit and Corporate Reporting’ and ‘The Boardroom’.

The Board accepted the results of the review and agreed to continue to monitor effectiveness over the coming year. The members recognised that the Board would continue to evolve following the appointment of three new non-executive directors during December 2023. The Board discussed areas of continued development and actions for 2024/25, including: the approach to and reporting on major project and programme post-evaluation reviews; updated performance reporting aligned to the new strategy; and continued benchmarking activity.

During 2023/24, the Board continued to operate within its governance framework and codes of conduct. Furthermore, the NHSBSA has:

- achieved its financial targets
- delivered against the majority of its agreed key performance indicators
- continued to operate its assurance process through the assurance map process
- maintained its robust performance reporting mechanism using a dashboard style approach
- maintained its risk management procedures using dashboard reporting giving an overview of the risk profile of the whole organisation yet focusing attention on relevant areas

- maintained an effective, risk-based internal audit programme, ensuring internal audit recommendations are addressed appropriately.

## Audit and Risk Management Committee

The committee is chaired by a non-executive director and has met seven times during 2023/24.

Membership of this committee is made up of three non-executive directors including the Chair, one of whom is required to have recent and relevant financial experience. Kathryn Gillatt provides this experience and chairs the committee. The NHSBSA Chair also regularly attends the committee.

There is a requirement for regular attendance from the Director of Finance, Commercial Services and Estates, and representatives from both internal and external audit. The Chief Executive and Accounting Officer also attends the meeting, including specifically to discuss the assurance processes which support the production of the Annual Report and Accounts. Other staff are invited to attend meetings as appropriate (Table 7).



Table 7: Audit and Risk Management Committee	Meetings attended
<b>Non-executive directors:</b>	
Kathryn Gillatt (Chair of Committee)	7 of 7
David Leather (member from 1 February 2024)	1 of 1
Mathew McKie (member from 1 February 2024)	1 of 1
Debra Bailey (member until 31 January 2024)	3 of 6
Mel Tomlin (member until 31 January 2024)	6 of 6
<b>Executive directors:</b>	
Michael Brodie (Chief Executive)	7 of 7
Mark Dibble (Executive Director of People and Corporate Services)	7 of 7
Andy McKinlay (Executive Director of Finance, Commercial Services and Estates)	7 of 7

The committee is responsible for providing the Board with an independent and objective view of the adequacy and effectiveness of the NHSBSA's governance and assurance arrangements, including the governance framework, risk management, controls and related assurances.

Updates are provided to the Board following each meeting and subsequent Board meetings receive copies of the confirmed minutes. An annual report is submitted to the Board which summarises the work undertaken by the committee during the previous year.

In addition, the Committee receives an annual review of the NHSBSA Risk Management Framework, and this concluded that the framework was effective and fit-for-purpose.

The Audit and Risk Management Committee's key responsibilities, aligned to the Audit Committees and the External Audit: Minimum Standard (where applicable), are:

- monitoring financial governance and reviewing the draft financial statements
- reviewing the effectiveness of internal controls
- monitoring the effectiveness of risk management controls
- monitoring the effectiveness of fraud, bribery and security management

- monitoring the effectiveness of information governance and security arrangements
- monitoring the effectiveness of speaking up/whistleblowing arrangements
- seeking assurance regarding the control environment, including via the work of internal and external audit
- reviewing the effectiveness of internal audit arrangements.

These standing items are complemented by a series of risk-based presentations on 'Areas of Focus' providing an opportunity for members to seek more detailed assurance from senior leaders (see Assurance arrangements).

### **Audit and Risk Management Committee review of effectiveness**

The committee reviewed its effectiveness using an online survey, aligned to the National Audit Office: Audit and Risk Assurance Committee Effectiveness Tool. The survey was sent to each member and regular attendee. Overall, the results were highly positive and confirmed the continued effectiveness of the committee. Areas of focus for the committee in 2024/25, as a result of the survey results, included further enhancement of member training management; ensuring a balance of agenda items aligned to the Board agenda; and ensuring further ongoing regular engagement with audit colleagues.

## Remuneration and Nominations Committee

The Remuneration and Nominations Committee is a standing committee of the Board and comprises three non-executive directors, one of whom chairs the committee. The Chief Executive and/or other executive directors attend these meetings on an 'as required' basis (Table 8).

Table 8: Remuneration and Nominations Committee	Meetings attended
<b>Non-executive directors:</b>	
Mel Tomlin (Chair of Committee)	4 of 4
Sue Douthwaite (Chair of Board)	4 of 4
Randeep Sidhu (member from 1 February 2024)	1 of 1
Kathryn Gillatt (member from 15 September 2023 until 31 January 2024)	2 of 2
Karen Seth (member until 14 September 2023)	0 of 1
<b>Executive directors (specific meetings/items):</b>	
Michael Brodie (Chief Executive)	4 of 4
Mark Dibble (Director of People and Corporate Services)	4 of 4

The key responsibilities of the Remuneration and Nominations Committee are to:

- determine the terms of service, remuneration and other benefits of the executive team and any other relevant employees, in accordance with the NHS Executive and Senior Managers Pay Framework and other relevant guidance issued by DHSC
- monitor systems to evaluate the performance of relevant employees
- oversee contractual arrangements for relevant employees
- nominate candidates for appointment as officer members of the Board
- monitor Board-level succession planning arrangements, including the assessment of skills/ experience, development needs and development plans, and ensuring the development of a diverse pipeline of talent
- support the process operated by the DHSC for the appointment (or proposed

The Chair of the committee provides updates to the Board following each meeting and confirmed minutes are shared at subsequent Board meetings. The committee also reviews and

approves the Remuneration Report of the Annual Report to ensure its accuracy.

### Remuneration and Nominations Committee review of effectiveness

The committee reviewed its effectiveness during 2023/24 using a survey sent to each member and regular attendee. Overall, the results were positive and confirmed the effectiveness of the committee. The committee agreed to continue to focus on the balance of meeting agenda items and oversight of performance objectives.

### Terms of Reference

The full terms of reference for both of these committees can be found in the NHSBSA Corporate Governance Framework which is published on the NHSBSA website:

<https://www.nhsbsa.nhs.uk/our-policies/governance-framework>

## NHSBSA sponsorship arrangements

The NHSBSA manages a complex range of business activities on behalf of the DHSC. Accountability arrangements with the Department comprise an overall Senior Departmental Sponsor, with individual sponsors providing policy direction for each core service stream. Arrangements are aligned to the DHSC Accounting Officer System Statement requirements.

A clear ongoing accountability framework is in operation, which includes formal reviews with Senior Sponsors. This is consolidated through a formal framework agreement between the NHSBSA and DHSC. Strategic, policy and operational issues are reviewed alongside the corporate risk register, assurance arrangements and the latest financial position at review meetings. Additionally, regular scheduled meetings are held with the individual service sponsors.

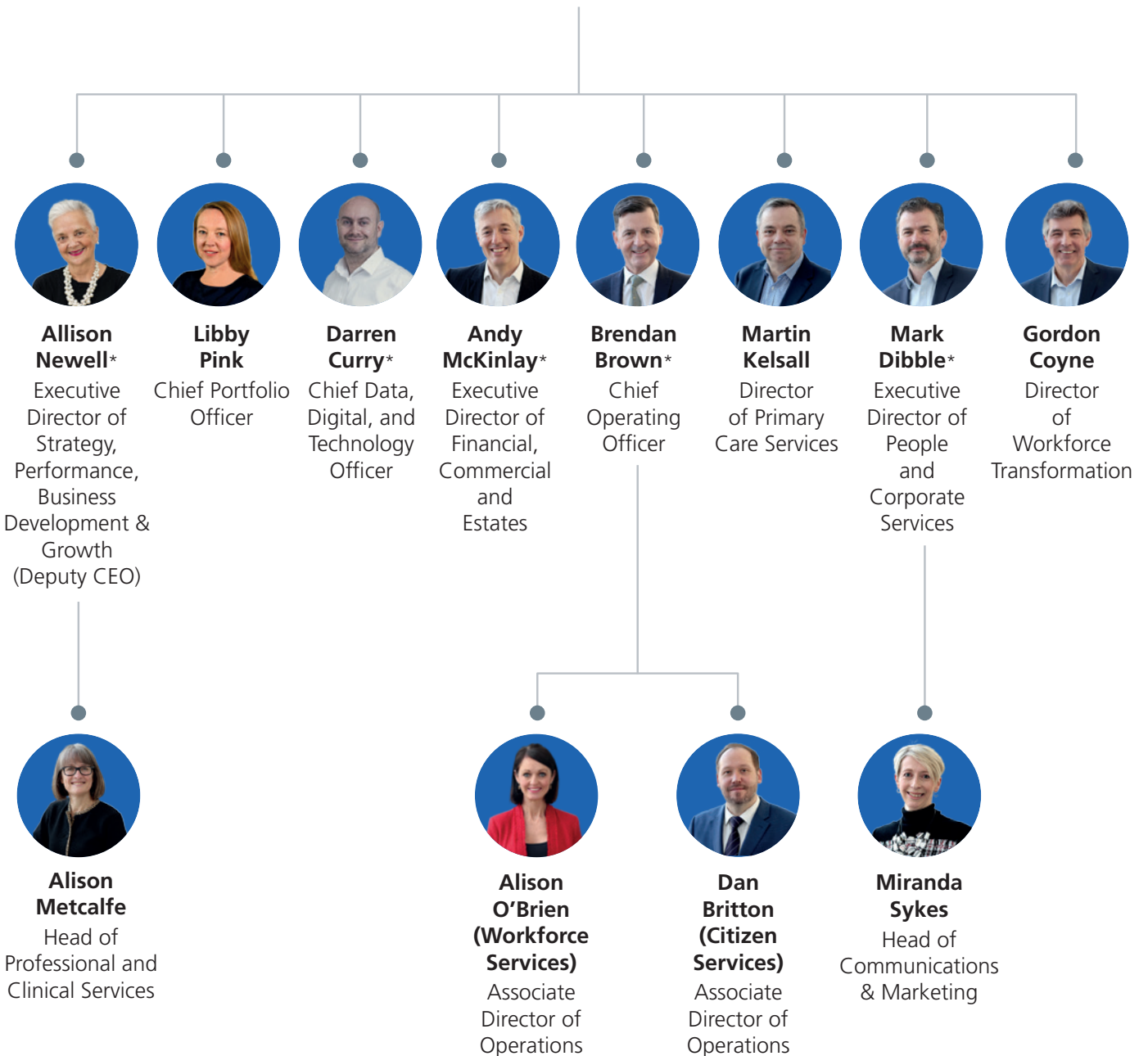
## NHSBSA management

Other than those matters reserved for the Board, responsibility for the day-to-day management of the NHSBSA is delegated to the Chief Executive, who is the Accounting Officer. The Chief Executive is supported by a Leadership Team as shown below.

## NHSBSA Leadership Team



**Michael Brodie\***  
Chief Executive



\* Board members.

## Key governance systems

The NHSBSA has identified the following areas which support the overarching governance arrangements:

- Risk management.
- Assurance.
- Managing information.

The Audit and Risk Management Committee regularly reviews these areas to ensure that they remain robust and effective. This enables the committee to provide assurances to the Board that appropriate risk identification and management processes are taking place across the organisation.

## Risk management

**Risk appetite** – Risk appetite can be defined as the amount of risk that an organisation is willing to seek or accept in the pursuit of its long term objectives. The NHSBSA Board review and agree the organisation's Risk Appetite Statement annually, setting appetite levels for key areas. The NHSBSA's aim is to seek to terminate, treat, tolerate or transfer risks as appropriate to ensure that it meets its objectives.

**Process** – The NHSBSA Risk Management Framework comprises:

- Risk management policy.
- Risk management methodology.
- Risk and issue register.

These are applied consistently across the NHSBSA, with risks and issues being escalated up the hierarchy as dictated by our policy. These tiers consist of:

- Services/Corporate Teams – Risks and issues are managed on an ongoing basis as part of business-as-usual, with registers owned and managed by the Head of Service.
- Project/Programme – Risks are reviewed and managed by Project Managers as part of the project governance process. Significant risks

and issues are escalated to the Programme Manager and Portfolio Board.

- Corporate – Each quarter the Leadership Team review the top-level corporate risk Register. This review is informed by collated versions of team and project risk registers, and a paper produced by the NHSBSA Risk Management Group. The Leadership Team is also free to identify further risks and issues at this meeting.
- Audit and Risk Management Committee – The committee receives updates on the work undertaken in the area of risk and issue management. The committee also receives a copy of the corporate risk register, and 'Areas of Focus' presentations on specific risk/issue areas. This process enables the committee to provide assurances to the Board that appropriate risk management processes are in place and risk mitigation is taking place.
- NHSBSA Board – The Board receives an overview of the corporate risk register and update reports from the Audit and Risk Management Committee. The Board also periodically undertakes a full risk review and review of the NHSBSA risk appetite.

## Significant risks and issues

In a dynamic and complex business environment significant risks can often be encountered.

## Risks and issues managed and closed in year (2023/24)

### Asset management

Following on from the 2019/20 and 2020/21 Annual Accounts audit work, our auditors proposed a number of improvements to the organisation's asset management arrangements. We refreshed job roles and responsibilities and recruited where we had gaps in skills and capabilities. This ensured that we have a continued focus on compliance and assurance. We also continued to share the learnings from the audit process across the organisation through our finance training for budget managers.



The audit of the 2021/22 accounts, and the removal of the qualification relating to the valuation of a selection of intangible assets from the closing position, provided assurance to the business on the effectiveness of the controls implemented, and this issue was closed on the corporate risk register.

### **Employee Industrial Action**

Following a ballot by Unions during 2022/23, industrial action commenced in a number of NHS organisations. A risk was identified around the potential for NHSBSA colleagues to also take industrial action following the Union ballot. The ballot undertaken within the NHSBSA did not meet the criteria to enable colleagues to take industrial action. Also, business continuity plans were in place for all NHSBSA services and would be initiated if required.

Discussions with the trade unions regarding the NHS Pay Deal began in March 2023 and a subsequent offer accepted, leading to the closure of the risk.

### **Serious Shortage Protocols**

In July 2019 the Human Medicines Regulations 2012 were amended to introduce a new protocol (Serious Shortage Protocol – SSP). This allowed the DHSC to determine when a shortage occurs that pharmacists, using their professional judgment, were able to change a patient's prescribed order.

From a NHSBSA operational perspective, this substitution could only be processed through manual intervention. Therefore, the volume of medicine or appliances that could be part of this protocol had to be regulated.

The NHSBSA's mitigation for this risk was that DHSC had agreed to limit the volume to 250k items per month. This was the maximum number of additional transactions the business could comfortably process at short notice. This was an approximation and determining the exact volume of a medicine or appliances that would be prescribed in a future month could not be guaranteed. Therefore, there was a risk that

volumes of SSP items exceeded resources. If this occurred, the business had an agreed position with DHSC that it would retrospectively process these adjustments in bulk. This would have ensured accurate payment, but would have impacted the accuracy of prescribing data, with a potential impact on our broader social value work.

To mitigate this risk, system development was undertaken by both system suppliers and the NHSBSA to automate the process. 95% of all SSP's are now automated and only vaccines require manual intervention, which are prescribed in such low volumes, that this risk was closed in mid-2023.

### **Spend Control Delays – External**

Significant time delays to external professional services, consultancy and contingent labour spend control approvals continued to impact the business during 2022/23, specifically in relation to causing delays to key programmes, increased pressure on the existing workforce and increased reliance on recruitment in a challenging national environment. The business continued to engage with the DHSC to keep them updated on the specific impacts this was having on services and commissioned work.

Following the receipt of written confirmation of the remaining controls from DHSC in mid-2023, the business has implemented planning guidance and processes aligned to mandated requirements, and the issue was closed in mid-2023.

### **Colleague Attraction and Recruitment**

As a result of changes to the way people can work post-pandemic and increased national competition, there was a risk that the required volume and quality of colleagues could not be achieved across the organisation, which could have impacted on our ability to achieve KPIs, caused issues with delivering new services, increased pressure on our people, and damaged our reputation.

To mitigate this risk, the Talent Acquisition (TA) Team collaborated with the business to work on a range of actions to address the risk, including developing our Employee Value Proposition to support the attraction of talent to the business, partnering with the business to support the sourcing of candidates, development of our external careers microsite and streamlining our internal recruitment processes. We have also developed external partnerships to support recruitment into niche roles.

This activity has enabled us to attract talent to our organisation and address key recruitment risk areas. Taking all of this work into account, the corporate risk was closed at the end of the 2023/24 financial year.

## Current risks and issues

### Information Security

The volumes and sensitivity of data we hold means the Leadership Team and Board have purposefully continued to closely monitor the organisation's approach to information and cyber security. Ongoing benchmarking against best practice standards and scrutiny by the Audit and Risk Management Committee ensures the risk is managed as threats continue to evolve on a day-by-day basis. Activity has continued as part of the Information Security Management System (ISMS) programme and via the rolling cyber security improvement project.

The NHSBSA aligns to the Data Security and Protection Toolkit (DSPT) requirements set by NHS England, with independent assurance provided annually by Government Internal Audit Agency (GIAA). ISO27001 certification continues up to June 2024, following which it will not be renewed. The NHSBSA will still align to the certification requirements. The DSPT is being changed during 2024/25 to adopt the National Cyber Security Centre's Cyber Assessment Framework – the NHSBSA will align to this, and this will continue to be assured through the work of internal audit annually.

### Funding

We continue to work closely with the DHSC sponsor team and finance team, implementing additional reporting and assurance forums. This has enabled us to ensure that any funding gaps identified are addressed with our sponsors, enabling the delivery of services within financial resource limits. Regular engagement has also been in place to ensure funding is in place for any new services.

Alongside routine monitoring and reporting we have delivered the business planning process for 2024/25, capturing service pressures, service improvements, new services transferring into the NHSBSA and any efficiencies. These have formed the basis of our request to funders.

The risk rating has been reduced on the basis that the funding envelope was agreed for 2024/25. This will be regularly reviewed with consideration for current and future years.

The NHSBSA has discussed the formation of a wider system efficiencies programme with DHSC and NHS England at the Stakeholder Board. This activity was agreed and will form part of key actions being delivered during 2024/25.

### NHS Pension Scheme Service Delivery

The NHS Pensions service has a significant amount of change planned, which encompasses McCloud and other legal rulings alongside service improvement and development. There is a risk that the roadmap of change, alongside other external factors, could impact the delivery of a quality and timely service to our customers.

A recruitment plan has been created to support the operational teams to supplement their resources. A 5-year Pensions Strategy has been drafted, with a supporting Annual Service Plan, to focus on the key activities to be delivered to improve the service.

As part of the McCloud Programme, the reform project has delivered the major tasks to close the legacy schemes and transfer all members into the 2015 Scheme. The partial retirement

changes to the 1995 Scheme and amendments to member contributions have been completed. Further activity is underway to plan for future contribution changes.

In the communications and engagement project, we have completed significant volumes of communications with members and employers including direct mailing to active members (1.7m) with further letters in production for deferred members which are aimed for completion by the end of June 2024.

Activity in the remedy project has focused on preparation for choice on retirement to members and bulk retrospective choice to those members who have already retired from October 2023.

Independent assurance of the programme by DHSC during 2023/24 resulted in overall positive findings. A further review is planned for early 2025.

### Significant fraud

Similarly to the Information Security risk, this risk was added to the risk register to recognise and log the business-wide work delivered each year in relation to loss, error and fraud prevention and detection related to both internal risks and those related to our services. The NHSBSA have a three-year Loss and Fraud Prevention Strategy, most recently refreshed for 2024-27, which includes the delivery of an annual workplan, producing Fraud Risk Assessments for all services within the NHSBSA and monitoring the risks identified, as well as utilising data and technology to reduce or where possible eradicate risk.

### Adoption of Future Workforce Solution

One of the NHSBSA's major programmes and key areas of strategic focus is the delivery of the future workforce solution to replace the current Electronic Staff Record (ESR). A major risk to the delivery of the benefits from this programme is the adoption of the new solution by user organisations, where there may not be the capacity or appetite to complete the full implementation. Two projects have commenced to focus on enabling readiness for the new

solution within user organisations and to encourage an increase in the use of current functionality available. We are continuing to focus on engagement with stakeholders throughout delivery of the programme to ensure all are aware of the deliverables and the activity that will be required for implementation.

### Priorities of Sponsors/Commissioners

As an Arm's Length Body, we deliver services directed by the DHSC alongside services commissioned by other organisations, such as NHS England. We continue to manage a risk that the priorities of our sponsors or commissioners change, which could impact what we plan to deliver as part of our Strategy. The NHSBSA, DHSC and NHS England Stakeholder Board focuses on working together to establish joint priorities and ensure we continue to deliver the best possible services to our users.

### Government Productivity Target

As part of our new Strategy 2024-29, we have committed to meeting the Government Productivity Target. For some areas of our business, as with all businesses, productivity can be harder to measure directly. For these areas, we are establishing the data we would require to accurately measure when we have reached the target.

### Diverse Workforce

Another of our strategic goals is to have a diverse workforce, at all levels, that is fully representative of the communities we serve. This will support us to ensure our services meet the needs of all of our users. We are committed to achieving this goal and have already implemented a number of key activities to support improving diversity in our workforce, such as diverse interview panels and development of colleagues from our Lived Experience networks through our Shadow Board.

### 3\* Best Companies Accreditation

At the time of this Annual Report and Accounts, the NHSBSA is a 2\* organisation according to the results of our Colleague Engagement Survey through Best Companies. We are committed to

further increasing our colleague engagement, with a view to reaching 3\* accreditation. There were a number of areas identified through our most recent survey where improvements could be made. The areas highlighted for improvement, coupled with the increasing pressure and changes within our services, have informed a risk that we will not further improve our colleague engagement. To mitigate this, action plans have been created to deliver improvements across all areas of our business. We are also creating a new appraisal process with a greater focus on wellbeing.

### Suitability of Directions

One of the NHSBSA's strategic areas of focus is to be a data-driven organisation, providing high quality data and insight to maximise the contribution across the health and social care system. The delivery of some aspects of this strategic area of focus are dependent upon an appropriate governance framework and Directions aligned to this aspiration, specifically in relation to the use of data and subsequent analysis.

During 2023/24, the NHSBSA, DHSC and NHS England Stakeholder Board has discussed the data and insight capabilities of the NHSBSA as part of a programme to deliver wider system efficiencies. The area of workforce data has been prioritised for further discussion. The DHSC Sponsor Team continue to support the consideration of data use when any new Directions are drafted to ensure the powers needed are in place from the point NHSBSA takes on a service.

### Assurance arrangements

The NHSBSA uses an assurance map approach, using the best practice three lines of defence model, to identify the sources of assurance in place over each of the key functions and services we deliver. The three lines of defence represent:

- first line: management control and reporting
- second line: functional oversight and governance systems

- third line: independent review and regulatory oversight.

This model provides the basis upon which the NHSBSA Leadership Team can determine the focus of assurance effort. The assurance map is fully integrated with the risk management process with areas of concern being reflected in the relevant business area risk register and escalated to the corporate risk register, where required.

The Audit and Risk Management Committee review, at least annually, the process in place around assurance mapping. The Leadership Team members are responsible for ensuring their maps are up to date for their areas of responsibility.

The Audit and Risk Management Committee has continued a programme of 'Areas of Focus' exercises to assure itself on behalf of the Board regarding the robustness of controls. During 2023/24 exercises were carried out in the following areas:

- **Future Workforce Solution Programme** – The committee received reports at two of its meetings on the delivery of the Future Workforce Solution Programme, which included updates on the Gate 2 and Gate 0 Infrastructure Projects Authority reviews of the programme. This provided assurance on the ongoing delivery and governance arrangements in place.
- **Systems Debt** – The committee received reports at three of its meetings on the work being undertaken to manage systems debt across the NHSBSA. The committee received assurance on the approach being taken to the assessment and management of key systems across the business to ensure ongoing delivery of our services.
- **Change Portfolio** – The committee received reports on the NHSBSA Change Portfolio, giving oversight of key areas of activity, including benefits management, post-implementation reviews and adherence to Government Functional Standards.



The committee has gained an increased awareness over the assurances in place for each of the areas reviewed. The assurance provided by these reports constitute the key report highlights from the committee during 2023/24.

### Third party assurance

The NHSBSA provides services to the wider health system including making dental, prescription, vaccine and student bursary payments on behalf of our clients, and the management of the NHS Electronic Staff Record (ESR). In order to give users of the services greater assurance about the quality of the NHSBSA's infrastructure, management engage auditors to review the controls and deliver an independent third party opinion of their design and operating effectiveness, resulting in the production of ISAE 3000/3402 reports. Unmodified opinions were received for all areas audited in 2023/24.

### Managing information

During 2023/24 the NHSBSA has maintained its approach to handling information efficiently and securely. Each year, the NHSBSA undertakes the NHS-wide Data Security & Protection Toolkit (DSPT) assessment which is based on the National Data Guardian's ten data security standards. Our return was submitted at the end of June 2024.

Frequent compliance updates are provided to the NHSBSA Audit and Risk Management Committee and NHSBSA Board.

868 security incidents were raised during 2023/24. Upon investigation and risk assessment (based on the set DSPT criteria) four incidents required onward reporting to both NHS England and the Information Commissioners Office (ICO). The ICO were satisfied with the remediation actions taken.

In the course of the NHSBSA's business, information is held and used about members of the public and NHS colleagues. Some of this information is of a personal and sensitive nature and stringent controls are in place to ensure the security of this information.

Issues relating to information security within the NHSBSA are coordinated by the Business Information Security Group (BISG) which is chaired by the Executive Director of People and Corporate Services who holds the position of Senior Information Risk Owner (SIRO). The remit of the SIRO is to take ownership of the NHSBSA's information security policy, act as advocate for information risk to the Board and provide written advice to the Accounting Officer on the content of the Annual Governance Statement with regard to information risk.

### Data protection and freedom of information

As a Special Health Authority, the NHSBSA is subject to the requirements of the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA) 2018. Appropriate notifications have been filed with the ICO. This means that all Data Subject Rights Requests are responded to within the requirements of UK Data Protection legislation, typically within a calendar month. The NHSBSA is also subject to the requirements of the Freedom of Information Act (FOI) 2000. This means that all requests for information are responded to within the provisions of the Act, typically within 20 working days.

During 2023/24 we have dealt with:

- 689 Data Subject Rights requests – a 31% increase on the previous year. All but 38 were responded to within the required timeframe.
- 650 FOI requests – an 18% increase on the previous year. All but 13 were responded to within the required timeframe.

The root causes for these exceptions have been identified and corrective action taken to avoid a recurrence. There are no trends that would give rise to any particular cause for concern.

### Whistleblowing and Freedom to Speak Up (FTSU)

During 2023/24 the NHSBSA continued to embed a 'Freedom to Speak Up' approach across the organisation. This includes a FTSU Policy



aligned to the updated NHS England National Policy, a FTSU Strategy and Improvement Plan, a FTSU Guardian role, training and awareness plans and formalised executive (Mark Dibble) and Non-executive lead roles (Karen Seth until 14 September 2023, and Mel Tomlin thereafter).

FTSU Champions are also in place across the business, made up of colleagues from a diverse range of backgrounds, locations and services. This has further improved understanding and take-up of FTSU across the business.

Oversight of the agenda was provided by a FTSU Network, and regular reports were provided to the Board aligned to National Guardian's Office guidance.

During 2023/24 twenty-three cases were raised and addressed via the FTSU Guardian. Overall, feedback received from colleagues raising issues was positive in relation to the action taken and support received. Volumes and themes of cases will continue to be monitored as further communication campaigns and other initiatives are rolled out.

### **Government Functional Standards**

Government Functional Standards set expectations for the management of functional work and the functional model across government, and government functions are positioning these standards as the primary reference documents for improved and consistent ways of working. They help organisations achieve their objectives more effectively and efficiently and help accounting officers fulfil their duties.

The NHSBSA conducts an annual review of compliance with Government Functional Standards which is managed centrally by the Corporate Governance team. The review is undertaken in August each year, as part of an annual review of the Corporate Governance Framework.

The review process involves:

- engaging with the business lead responsible for the implementation of the standards to assess the current level of compliance
- gathering evidence of self-assessment (or formal assessment) against the standards and the outcomes
- recording actions that will be taken to further embed requirements.

For 2023/24, the business is fully implementing the majority of mandatory elements and continues to review and use the standards to drive ongoing continuous improvement.

### **Health inequalities**

The Health and Social Care Act 2012 created a legal responsibility for the Secretary of State for Health to have regard for the need to reduce health inequalities. As a Special Health Authority, the NHSBSA supports the Secretary of State in delivering these functions so far as our functions allow. We believe that our most significant contribution to reducing health inequalities can be delivered through our ability to provide accurate information and insight to our NHS commissioning colleagues. Questions on health inequalities are included in our wellbeing and inclusion analysis tool which assesses the impact of any policy and service changes we make.

### **Handling Complaints**

Our aim continues to be to resolve complaints fairly and promptly within our policy and we continue to view complaints as an opportunity to learn about how we can improve our services. We pride ourselves on the level of customer service we provide to our customers and other service users, and this continues to be of high importance to us.

During 2023/24 we've onboarded new services including Baby Loss Certificate and HRT PPC – and we have developed our internal knowledge base to help support and effectively manage complaints in these areas.

We have continued to review our processes and customer journeys against the Parliamentary and Health Service Ombudsman standards,

and this continues to provide us with increased confidence in our complaints handling approach.

As we continue to build on our services, we want to continue to enable our customers to use more self-service options with our skilled agents guiding them through our processes.

During the 2023/24 period 10,977 complaints were resolved. 89.41% were locally resolved at the first stage of the complaints process with 5.26% escalating to Stage 1, 1.56% to Stage 2, 0.05% to the Parliamentary and Health Service Ombudsman and 3.72% were MP correspondence. 92.1% of all complaints resolved are reported as not upheld.

The 0.05% of cases raised to the Parliamentary and Health Service Ombudsman represents 6 cases across all of our call streams (with the exception of Pensions who report on this separately in their Annual Report and Accounts). All of these cases were reported as not upheld however any recommendations would be recorded, considered and implemented where possible.

Further work has been carried out to align our complaints reporting to include all areas of the business. This will further improve consistency, transparency and oversight, and will provide increased insight for us to make further business improvements. A new complaints dashboard was also introduced during late February 2024, helping us to further improve our approach to reporting and management.

Details of formal complaints relating to the NHS Pension Scheme for 2023/24 are available in the NHS Pension Scheme Annual Accounts – at <https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports>

## Sources of assurance

### Audit and Risk Management Committee

One of the key sources of assurance provision for the NHSBSA's Board is from the Audit and Risk Management Committee, whose key

responsibilities are described in the Audit and Risk Management Committee section. The committee meets these responsibilities by receiving regular reports on a range of audit and assurance topics.

The following is a list of the key reports:

- NHSBSA Annual Report and Accounts and NHS Pension Scheme Annual Report and Accounts.
- Risk Management updates – setting out and assessing the major risks and issues that we face along with progress and impact of mitigation actions.
- Annual Risk Management report – outlining how our risk management arrangements have continued to operate during the year and how they have been reviewed and strengthened.
- Assurance Map review – annual review of the assurance mapping arrangements in place across the business.
- Areas of Focus presentations – looking at high-risk areas, or other topics highlighted, for example, through internal audits, assurance maps, etc.
- Internal Audit progress report – regular progress reports on the work undertaken by Internal Audit against the agreed plan.
- External Audit reports – regular progress reports on the work undertaken by External Audit.
- Internal/External Audit recommendations trackers – updates on progress made across the NHSBSA implementing audit recommendations.
- Fraud/Bribery/Local Security Management annual reports – reports detailing the work undertaken during the year mapped against the agreed work plans.
- Freedom to Speak Up (Whistleblowing) update report – updates on activity across the business each year.
- Senior Independent Risk Owner (SIRO) report – providing an overview of information security, business continuity, information governance and cyber security.

- Third Party Assurance reports – the outcome of the third party assurance engagements undertaken to review the control environment covering prescription, dental, vaccines and student bursary payments, and ESR. The outcome of these engagements is shared with clients, as appropriate, to provide third party assurance for the services we provide on their behalf.

## Head of Internal Audit Opinion

Government Internal Audit Agency (GIAA) provides internal audit services for the NHSBSA. The Head of Internal Audit (HIA) and his GIAA team adhere to Public Sector Internal Audit Standards. GIAA reviews governance, risk management and internal controls. Key activities include focusing on business risks, supporting improvements, considering risk management, and advising on control implications of business change.

The HIA agrees with the Accounting Officer and Audit and Risk Management Committee (ARC) an annual plan, which is reviewed periodically to ensure it remains focused on risk. The NHSBSA provides evidence to GIAA to demonstrate that actions are implemented effectively, and GIAA provides updates to each ARC meeting on progress. GIAA provides an Opinion to the Accounting Officer on the extent that the NHSBSA has adequate and effective systems of governance, risk management and internal controls in place for the reporting year.

GIAA's overall opinion for 2023/24 is Moderate. This is consistent with the previous two years. Opinions and reports are rated on a four-point scale: Substantial, Moderate, Limited, or Unsatisfactory. The Opinion is based on nineteen completed audits, of which three were advisory (Pensions Operating Model; Clinical Governance; Future NHS Workforce Solution Programme), one Substantial (HR Shared Services), thirteen Moderate (DSPT; DDaT Governance; Tangible Asset Management; FOI & SARs; HRT PPC; Recruitment, Training & On-boarding; Pensions Member Data; NHS Healthy Start; Benefits Realisation/ PIRs; Pensions Portal; Workplace

Review; Pensions Annual Allowance Charge Compensation Scheme; BCP), and two Limited (DDaT Asset Management; Monitoring Supplier Resilience). During 2023/24 GIAA made 85 recommendations, of which 31 were actioned during the year. 51 actions were also closed from audits undertaken in the previous years. At year-end, there were eleven overdue actions, measured against the original target completion date. Completion dates have been agreed for all such actions, with sign-off from the relevant director, linked to agreed reasoning.

GIAA's Annual Opinion for the 2023/24 report focused on five themes:

### 1. Collaborative Service Delivery

GIAA assessed supplier resilience arrangements against Government best practice. Whilst there was a Limited rating, particularly around process and strategy, the Commercial Team does have some controls in place which they now intend to build upon because of the agreed action plan from the audit. NHSBSA has established a clinical governance framework, with a Professional and Clinical Strategy articulating that internal assurance ensures dependability of services, whilst external assurance checks third-party clinical assessments. There is good progress in clinical risk management in the design and deployment of health IT systems. GIAA noted that in the recruitment, training and onboarding of staff into Citizen Services, there are established governance arrangements, supported by policies, procedures and training.

### 2. Delivering new and enhanced services

The NHSBSA provides end-to-end HR shared services for NHS England and several arms-length bodies. GIAA found effective governance and assurance arrangements in place. Comprehensive workforce planning ensures client needs are met. In the delivery of HRT PPC, there was suitable governance for this mandated service. Regular accountability meetings take place between DHSC and the NHSBSA. Validation rules and manual workarounds are in place. On the future NHS workforce solution programme, GIAA have

observed the programme's leadership team. There will be inevitable challenges in large-scale procurement of enterprise HR software. The skilled leadership team fosters trust and deliberation with stakeholders.

### 3. Corporate functions

On tangible asset management, the focus is on IT assets. Processes for managing fixed assets were generally in place. There is a minor issue with the reconciliation of financial records to the operational IT asset register. On Freedom of Information / Subject Access Requests, information governance is well-established, with reporting and oversight. The function is operating within performance metrics. Casework is managed by business-critical spreadsheets, with improvements needed in data content and software controls. With business continuity arrangements, there is a good understanding of business services and prioritisation, with a formal governance structure in place. GIAA identified the need for defined communication channels and greater use of the business continuity management software. On estates management, a programme exists to ensure leased buildings are fit for future purpose. GIAA found strategic alignment; oversight; and staff engagement in place. GIAA recommended closer alignment with strategic workforce planning and clarification of decision-making authorities. On benefits realisation, a comprehensive framework is in place, in line with good practice, and supported by a dedicated reporting tool. Implementation improvements have been suggested. Post implementation reviews have been piloted and are undergoing maturity improvements.

### 4. Digital Control Environment

GIAA reviewed the NHSBSA's Data Security Protection Toolkit submission, against National Digital Guardian standards noting high confidence in accuracy. On DDAT Governance GIAA noted the improvements planning in place following a third-party assessment. On DDAT asset management, GIAA found some effective controls in place for software compliance and

separation of duties but gave a Limited overall opinion due to some more significant issues with the joiner/leaver process, and the monitoring of secure disposal of IT assets.

### 5. NHS Pensions

GIAA considered controls on member data, noting well-established processes for validating new and amended data, and strong application controls in place. There were opportunities to improve the periodic reviews that ensure appropriate staff restrictions for some records. A new operating model was delivered combining administrators and call centre staff. GIAA found sufficient governance, with senior sign-off and a phased communication plan, with ongoing evaluation and cross-skills training planned for 2024. On the My NHS Pensions Portal, portal enhancements had been made, but vacancies had impacted workload, causing issues with the testing strategy, survey analysis, and the service backlog. In the review of the Pensions Annual Allowance Charge Compensation Scheme, GIAA found effective governance and collaboration with NHS England, and made recommendations relating to ownership, overpayments, financial processes, and working with uncertainty.

## Other sources of assurance

Supporting the role of the Board and the Audit and Risk Management Committee, the NHSBSA's governance and control environment also includes the following elements:

- Risk Management Process – see Risk Management section.
- Balanced Business Scorecard – reviewed by the Leadership Team on a monthly basis and by the Board at each meeting.
- Wellbeing and Inclusion Committee – controls are in place to ensure that all of our obligations under equality, diversity and human rights legislation are adhered to. The Wellbeing and Inclusion Committee, which is chaired by the Chief Executive, monitors performance against our Diversity and Inclusion Strategy and achievement of



our equality objectives. It also oversees the delivery of our wellbeing and social impact goals.

- Environment Committee – monitors performance against our Environment Strategy and associated objectives, KPIs, plans, and risks, ensuring compliance with all statutory and mandatory requirements, in addition to good practice. The committee is chaired by the Chief Executive and membership includes senior leaders from across the organisation.
- Statutory Function Register – a register which details the current Statutory Instruments, Directions and other applicable agreements is maintained to ensure correct arrangements are in place, and the NHSBSA is legally compliant in discharging its duties.
- NHS Pension Scheme – as an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.
- National Joint Health and Safety Health Committee – controls are in place to ensure that we comply with relevant health and safety law and good practice. The National Joint Health and Safety Committee, which is chaired by the Executive Director of People and Corporate Services, monitors performance against our Health and Safety Strategy and Action Plan.
- Clinical Governance Oversight Committee – provides review and assurance of the NHSBSA's arrangements for clinical governance within the organisation and with external clinical partners and suppliers, provides leadership and guidance for the development of NHSBSA's clinical governance assurance activities and the Clinical Governance Framework, is a point of escalation for all issues and risks relating to clinical governance, clinical risk management and patient safety, and is a forum for

sharing best practice and innovation in clinical governance.

## Learning Support Fund

2023/24 was the fourth year, and third full year, of operation of the new Learning Support Fund (LSF). Payments of approximately £570m were made to students on qualifying courses.

Given the material level of LSF expenditure, the NHSBSA has previously undertaken assurance exercises with the higher education Institutes (HEIs) to confirm that students in receipt of funding for the 2020/21 and 2021/22 academic years were in attendance for the full year. These exercises identified an estimated level of overpayments of £1.1m and £1.4m in the 2020/21 and 2021/22 financial years respectively, and the NHSBSA has taken steps to recover those overpayments.

A further assurance exercise relating to the 2022/23 academic year took place in early 2024 and identified an estimated level of overpayments of £1.6m. Steps have, or will be, taken to recover the overpayments identified.

From October 2023, our system requires HEIs to confirm student attendance each term before we make payments. This was previously only required at the commencement of each academic year. This additional control will reduce the risk of overpayments in terms of numbers of students and the size of the amounts overpaid.

## Accounting Officer's review of effectiveness

The Head of Internal Audit's opinion was that, based on the work completed to date, there is moderate assurance given to the Accounting Officer that the NHSBSA has had adequate and effective systems of control, governance and risk management in place for the reporting year 2023/24.

The Assurance Framework itself provides me with evidence that the effectiveness of controls that



manage the risks to the NHSBSA achieving its principal objectives have been reviewed.

My review is informed by:

- The work of the Audit and Risk Management Committee which informs the Board about the outcome of its activities through the submission of updates, minutes and its annual report to the Board.
- The findings of both the external and the internal audit reviews. The Audit and Risk Management Committee oversees progress towards the implementation of all such recommendations.
- The work of the fraud specialists is to prevent, deter, investigate and report fraud activity. The Audit and Risk Management Committee receives the annual work plan and annual report of the fraud specialists and provides updates to the Board as appropriate.

### **Significant governance issues**

There were no significant issues raised during 2023/24.

### **Conclusion**

My review confirms that the NHSBSA has a system of governance that supports the achievement of its policies, aims and objectives and that continuous improvement is ongoing.

## 2.2 Remuneration and staff report

### 2.2.1 Remuneration report

The remuneration of the NHSBSA executive directors is set by the Remuneration and Nominations committee on behalf of the NHSBSA Board, subject to approval by the DHSC. The Committee is chaired by a non-executive director. The NHSBSA Chair also attends.

This report for the year ended 31 March 2024 is produced by the Board. The Remuneration and Nominations Committee met on four occasions during the period 1 April 2023 to 31 March 2024.

The Remuneration and Nominations Committee operates within a framework laid down by the DHSC and takes into account the recommendations of the Senior Salaries Review Body. Its remit is to determine, on behalf of the NHSBSA, the Terms of Service, remuneration and other benefits of the Chief Executive, executive directors and such other posts that are specifically designated by the Board to be within their purview, with the intention that relevant employees are fairly rewarded for their individual contributions to the organisation. This includes setting the terms for the recruitment of any new executive directors within the DHSC framework.

The committee has an objective to satisfy itself that appropriate and effective succession and contingency planning arrangements are in place for relevant employees. During the last year, the committee has continued to make further progress in ensuring that adequate arrangements are in place for our executive directors.

The committee also ensures that an effective system is in place and being properly administered to monitor and evaluate the performance of relevant employees, including such assessments as may be required to determine their level of remuneration.

The remuneration of executive directors is reviewed at least annually by the Remuneration and Nominations Committee, taking account

of NHS national awards, central DHSC directions or guidance and other relevant factors. The remuneration for the tenure of non-executive directors is determined by the Secretary of State for Health and Social Care. With the approval of the DHSC Remuneration Committee, we operate the NHS Executive and Senior Managers (ESM) pay framework.

#### Appointments

Non-executive directors are appointed to the NHSBSA Board by the Secretary of State for a fixed period. Executive directors have NHSBSA contracts of employment, in which there are no contractual clauses or other agreements for compensation in the event of early termination of office other than those provided by statutory requirements and normal pay provisions.



### **Emoluments of Board members**

The remuneration of all directors in post during 2023/24 is detailed in the tables on the following pages which identify the salary, other payments and allowances and pension benefits applicable to both executives and non-executives.

## Non-executive directors

The following table sets out details of payments made and appointment term details for the Chair and non-executive members.

*Subject to audit*

Name and title		2023/24						2022/23						Date of appointment/ re-appointment	Appointment ends		
		Salary (bands of (£5,000))	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonuses (bands of £5000)	All pension-related benefits (to the nearest £1,000)	TOTAL (bands of £5,000)	Salary (bands of (£5,000))	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonuses (bands of £5000)	All pension-related benefits (to the nearest £1,000)	TOTAL (bands of £5,000)				
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000				
<b>S Douthwaite</b> Chair		60-65	7.9	0	0	0	70-75	3.9	0	0	0	65-70	0	0	0	1 Apr 2022	31 Mar 2025
<b>M Ellerby</b> Non-Executive Director, Senior Independent Director and Chair of Remuneration and Nominations Committee (until 31 December 2022)		n/a	n/a	n/a	n/a	n/a	n/a	0.5	0	0	0	5-10	0	0	0	1 Apr 2014 1 Apr 2017 1 Apr 2018 1 Apr 2021	31 Mar 2017 31 Mar 2018 31 Mar 2021 31 Dec 2022
<b>K Gillatt</b> Non-Executive Director, and Chair of Audit and Risk Management Committee		10-15	3.2	0	0	0	15-20	1.9	0	0	0	10-15	1.9	0	0	1 Oct 2020 1 Oct 2023	30 Sep 2023 30 Sep 2026
<b>K Seth</b> Non-Executive Director (until 14 September 2023)		0-5	0.5	0	0	0	0-5	0.7	0	0	0	5-10	0	0	0	15 Sep 2017 15 Sep 2020	14 Sep 2020 14 Sep 2023
<b>D Bailey</b> Non-Executive Director (Associate from 1 June 2023)		0 <sup>1</sup>	4.1	0	0	0	0-5	1.4	0	0	0	0-5	1.4	0	0	1 Jun 2016 1 Jun 2019 1 Jun 2022 1 Jun 2023	31 May 2019 31 May 2022 31 May 2023 31 May 2024

Name and title	2022/23						2021/22						Date of appointment/ re-appointment	Appointment ends
	Salary (bands of (£5,000))	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonuses (bands of £5000)	All pension-related benefits (to the nearest £1,000)	TOTAL (bands of £5,000)	Salary (bands of (£5,000))	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonuses (bands of £5000)	All pension-related benefits (to the nearest £1,000)	TOTAL (bands of £5,000)		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>M Tomlin</b> Non-Executive Director Senior Independent Director and Chair of Remuneration and Nominations Committee	5-10	3.2	0	0	0	10-15	5-10	2.8	0	0	0	10-15	1 Apr 2021 1 Apr 2024	31 Mar 2024 31 Mar 2027
<b>D Leather</b> Non-Executive Director (from 7 December 2023)	0-5	0.2	0	0	0	0-5	n/a	n/a	n/a	n/a	n/a	n/a	7 Dec 2023	6 Dec 2026
<b>M McKie</b> Non-Executive Director (from 7 December 2023)	0-5	0.6	0	0	0	0-5	n/a	n/a	n/a	n/a	n/a	n/a	7 Dec 2023	6 Dec 2026
<b>R Sidhu</b> Non-Executive Director (from 7 December 2023)	0-5	2.1	0	0	0	0-5	n/a	n/a	n/a	n/a	n/a	n/a	7 Dec 2023	6 Dec 2026

<sup>1</sup> Does not draw a salary.



## Senior manager remuneration

The following table sets out details of payments made and appointment term details for the Chief Executive and senior managers.

Subject to audit

Name and title	2023/24								2022/23				Date of appointment/ re-appointment	Appointment ends
	Salary (bands of (£5,000))	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonuses (bands of £5000)	All pension-related benefits (to the nearest £1,000)	TOTAL (bands of £5,000)	Salary (bands of (£5,000))	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonuses (bands of £5000)	All pension-related benefits (to the nearest £1,000)	TOTAL (bands of £5,000)		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>M Brodie</b> Chief Executive	175-180 <sup>1</sup>	1.5 <sup>1</sup>	0	0	45	220-225	165-170	1.4 <sup>1</sup>	0	0	41	210-215	1 Sep 2019	Permanent contract (6 months' notice)
<b>M Dibble</b> Executive Director of People Corporate Services (Corporate Secretary)	125-130 <sup>1</sup>	1.4 <sup>1</sup>	5-10 <sup>4</sup>	0	0 <sup>2</sup>	130-135	120-125	0.7 <sup>1</sup>	0	0	7	125-130	1 Sep 2017	Permanent contract (6 months' notice)
<b>A Newell</b> Executive Director of Strategy, Performance, Business Development and Growth	135-140 <sup>1</sup>	0.9 <sup>1</sup>	0	0	34	170-175	130-135	1.3 <sup>1</sup>	0	0	20	150-155	16 Apr 2018	Permanent contract (6 months' notice)
<b>A McKinlay</b> Executive Director of Finance and Commercial Services	120-125 <sup>1</sup>	1.7 <sup>1</sup>	5-10 <sup>4</sup>	0	31	155-160	115-120	1.7 <sup>1</sup>	0	0	29	145-150	9 Apr 2018	Permanent contract (6 months' notice)
<b>B Brown</b> Chief Operating Officer	105-110 <sup>1</sup>	2.5 <sup>1</sup>	5-10 <sup>4</sup>	0	0	115-120	60-65 <sup>3</sup>	3.8 <sup>1</sup>	0	0	0	65-70	1 Sep 2022	Permanent contract (6 months' notice)

Name and title	2023/24						2022/23						Date of appointment/ re-appointment	Appointment ends
	Salary (bands of (£5,000))	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonuses (bands of £5000)	All pension-related benefits (to the nearest £1,000)	TOTAL (bands of £5,000)	Salary (bands of (£5,000))	Expense payments (taxable) total to nearest £100	Performance pay and bonuses (bands of £5000)	Long term performance pay and bonuses (bands of £5000)	All pension-related benefits (to the nearest £1,000)	TOTAL (bands of £5,000)		
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000		
<b>D Curry</b> Chief Digital, Data and Technology Officer	130-135 <sup>1</sup>	1.7 <sup>1</sup>	5-10 <sup>4</sup>	0	0 <sup>2</sup>	135-140	70-75 <sup>3</sup>	0.8 <sup>1</sup>	0	0	17	90-95	1 Sep 2022	Permanent contract (6 months' notice)

<sup>1</sup> Staff have the option to sacrifice part of their salary in return for the use of a lease car. Where Senior Managers have taken up this option, this has been netted off their salary disclosed above. Prior to this sacrifice, the full year equivalent salaries of the senior managers were in the following bands: M Brodie £185-190k, M Dibble £130-135k, A Newell £145-150k, A McKinlay £130-135k, B Brown £125-130k and D Curry £135-140k. The taxable benefit of the lease cars provided to senior managers is disclosed in the Expense payments column where indicated.

<sup>2</sup> M Dibble and D Curry are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values arising from this rollback are not disclosed in this table but are substituted with a zero.

<sup>3</sup> 2022/23 Full year equivalents: B Brown – £105-110k, D Curry – £125-130k.

<sup>4</sup> Bonus payments – DHSC guidance makes provision for a non-consolidated performance related bonus. This is approved by the NHSBSA Remuneration and Nominations Committee.

## Fair pay *Subject to audit*

The percentage change in total salary for the highest paid director and the staff average from the previous year to the current year was as follows:

<b>Table 11: Percentage change in salary</b>	<b>2023/24</b>	<b>2022/23</b>
Highest paid director	5.0%	3.0%
Staff average	5.9%	5.3%

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director/member in their organisation against the 25th percentile, median and 75th percentile of remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in 2023/24 was £185,000 – £190,000 (2022/23: £175,000 – £180,000). The relationship to the remuneration of the organisation's workforce is disclosed in the below table (Table 12). The range of staff remuneration was £20,000-£25,000 to £185,000-£190,000.

In 2023/24 no employees received remuneration in excess of the highest paid director. This was also the case in 2022/23.

Total remuneration includes salary, non-consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions. There is no difference between the 25th percentile, median and 75th percentile total remuneration figures and the salary component of total remuneration at each percentile.

<b>Table 12: Pay ratios</b>	<b>2023/24</b>	<b>2022/23</b>
Band of highest paid director's total remuneration (£000)	185-190	175-180
25th percentile total (£)	22,816	21,730
25th percentile ratio	8.2	8.2
Median total (£)	25,147	23,949
Median ratio	7.5	7.4
75th percentile total (£)	35,392	33,706
75th percentile ratio	5.3	5.3

The pay ratios have remained much the same as the rate of increase of the highest paid director's pay was similar to the rate of staff increases.

## Pension benefits

The table below sets out the pension benefits of the Chief Executive and senior managers of the NHSBSA:

*Subject to audit*

Table 13: Pension benefits of senior managers							
Name and title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2024 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2024 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2024	Cash Equivalent Transfer Value at 31 March 2023	Real increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
<b>M Brodie</b> Chief Executive	2.5-5	0	55-60	115-120	1,201	924	159
<b>M Dibble</b> Director of People and Corporate Services	0 <sup>1</sup>	25-30	45-50	125-130	1,144	944	88
<b>A Newell</b> Director of Strategy, Performance, Business Development and Growth	2.5-5	0	15-20	0	283	202	43
<b>A McKinlay</b> Director of Finance, Commercial Services and Estates	0-2.5	0	10-15	0	198	127	43
<b>B Brown</b> Chief Operating Officer	0 <sup>2</sup>	0	0	0	0	0	0
<b>D Curry</b> Chief Digital, Data and Technology Officer	0 <sup>1</sup>	30-35	30-35	85-90	631	416	156

<sup>1</sup> M Dibble and D Curry are affected by the Public Service Pensions Remedy and their membership between 1 April 2015 and 31 March 2022 was moved back into the 1995/2008 Scheme on 1 October 2023. Negative values arising from this rollback are not disclosed in this table but are substituted with a zero.

<sup>2</sup> B Brown is not a member of the NHS Pension Scheme.

There are no entries in respect of the pensions for non-executive directors as they do not receive pensionable remuneration.

## Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the members' accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefit accrued in the former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figure and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETV are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

### Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of period.

## 2.2.2 Staff report

### Staff numbers and costs

Table 14 gives details of staff numbers and costs.

*Subject to audit*

Table 14: Staff numbers and related costs – executive members and staff costs				
	Total 2023/24 £000	Permanently employed £000	Other £000	Total 2022/23 £000
Salaries and wages	136,738	130,619	6,119	124,109
Social security costs	12,643	12,643	0	11,541
Employer contributions to NHS Pensions	22,545	22,545	0	18,759
Other pensions costs	533	533	0	516
Termination costs	130	130	0	790
Apprenticeship levy	735	735	0	599
<b>Total</b>	<b>173,324</b>	<b>167,205</b>	<b>6,119</b>	<b>156,314</b>
Capitalised staff costs	(2,652)			(3,828)
	<b>170,672</b>			<b>152,486</b>

The average full-time equivalent staff employed during the year was:

*Subject to audit*

Table 15: Average numbers of persons employed			
Total	Permanently employed	Other	2022/23
4,155	3,964	191	3,673

The whole time equivalent number of staff whose cost was capitalised was 33 (2022/23:45).



### Ill-health retirements

Three members of staff retired due to ill health during 2023/24, at a cost, borne by the NHS Pension Scheme, of £417,202.

### Gender balance

Table 16 below provides details of the number of colleagues by gender at director, senior manager and other employee levels at 31 March 2023.

The NHSBSA 2022/23 Gender Pay Gap Report (based on the snapshot date of 31 March 2023) revealed that there was a 8.9% median gender pay gap which was down from 12.5% on the previous year. The mean gender pay gap was 12.6%, down by 1.4% from 14% in 2021/22. We employ a high number of women in our organisation, including in the lowest pay bands, where we employ significantly more women than men, which influences our gender pay gap. There are some really positive gender pay stories in respect of female internal progression, female external recruitment numbers and recruitment of women at the senior levels and in the highest pay range there is now nearly equal representation of women and men.

Alongside the gender pay gap it is important that we continue to focus on our commitment to diverse representation, and we have delivered a wide range of activity over the last year, many of which is aimed at increasing the representation of women in senior roles. The report includes data analysis which demonstrates the positive impact this work is having, including positive outcomes we have had in relation to internal progression for women and recruitment of women into senior roles within our organisation.

The full report is published on our website: [www.nhsbsa.nhs.uk/our-policies/diversity-and-inclusion/gender-pay-gap-reports](http://www.nhsbsa.nhs.uk/our-policies/diversity-and-inclusion/gender-pay-gap-reports)

Table 16: Employee data (based on head count, not full-time equivalent)			
	Female	Male	Total (31 March 2024)
Directors	2	7	9
Senior managers (band 8c and above)	48	67	115
Total employees	2,808	1,758	4,566

### Employee sickness

We have an absence management policy covering the whole organisation which provides a consistent framework approach. The policy is underpinned by an externally provided occupational health service and employee assistance programme.

All figures calculated by Full Time Equivalent (FTE)

Table 17: NHS sickness absence figures				
Figures converted by DHSC to best estimates of required data items		Statistics Produced by NHS Digital from ESR Data Warehouse		
Average FTE 2023	Adjusted FTE days lost to Cabinet Office definitions	FTE-Days Available	FTE-Days Lost to Sickness Absence	Average Sick Days per FTE
4,317	34,328	1,575,743	55,687	8.0

Source: NHS Digital – Sickness Absence and Workforce Publications – based on data from the ESR Data Warehouse  
 Period covered: January to December 2023

### NHS sickness absence figures notes:

Data items: ESR does not hold details of the planned working/non-working days for employees so days lost and days available are reported based upon a 365-day year. For the Annual Report and Accounts the following figures are used:

The number of FTE-days available has been taken directly from ESR. This has been converted to FTE years in the first column by dividing by 365.

The number of FTE-days lost to sickness absence has been taken directly from ESR. The adjusted FTE days lost has been calculated by multiplying by 225/365 to give the Cabinet Office measure.

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

### Supporting disabled people

We recognise that we need diverse talent and that people with disabilities bring many different talents and assets to our business. Having neurodiverse colleagues with different ways of working contributes enormously to our creativity and innovation as an organisation. We are a Disability Confident ‘Level 3 – Leader’ organisation in recognition of our commitment to disability inclusion. We believe in creating opportunities for disabled people and continue to encourage people from marginalised groups (including people with disabilities) to engage with us for recruitment or learning opportunities. This has involved making our recruitment processes more accessible and inclusive from the outset, in addition to already providing a Guaranteed Interview Scheme and making adjustments to our recruitment processes. We provide a Workplace Adjustment Passport scheme to support colleagues with adjustments and to support managers to implement these.

During 2023/24 we continued to support a wide range of interventions focussed on disability inclusion. These included our Disability and Neurodiversity Colleague Network to increase the voice of colleagues with that lived experience, our Shadow Board leadership development opportunity with a ringfenced seat for a senior colleague who identifies as disabled or neurodiverse, developing leadership competence and confidence around disability and mental health through delivery of our bespoke programme for managers, and development of our bespoke Reciprocal Mentoring for Inclusion Programme, with a mentoring partnership between a member of our Disability and Neurodiversity Colleague Network and a member of our Leadership Team.

Our focus is not only on initiatives that break down barriers to recruitment and progression for disabled people, but also on the health and wellbeing of our colleagues. We take a holistic approach to wellbeing, with our interventions aimed at prevention, reducing the risk of ill health, and ensuring that colleagues with or who develop a disability are supported at work. We have a wide range of wellbeing initiatives and strategies to do so including supportive policies and services such as our Occupational Health Service, Employee Assistance Programme, Wellbeing Network, Menopause Champions and Mental Health First Aid Network. Through our appraisal process, by monitoring our recruitment and promotion statistics, and listening to our Disability and Neurodiversity Colleague Network, we ensure that there are no barriers to the recruitment, training, career development and promotion of colleagues with disabilities.

## Supporting and engaging with our people

We support and invest in our people in a range of ways:

- Diversity and inclusion – We are committed to equality, diversity and inclusion. Our Wellbeing and Inclusion Committee oversee the delivery of our Diversity and Inclusion Strategy and we publish details of our progress on our website: [www.nhsbsa.nhs.uk/our-policies/diversity-and-inclusion](http://www.nhsbsa.nhs.uk/our-policies/diversity-and-inclusion)
- Trade union partnership working – We continue to have strong working relationships with our recognised trade unions, where partnership working is paramount and we value the discussions.
- Health and safety – We have a dedicated Health and Safety Team, management system and we consult with our people through our National Joint Health and Safety Committee.
- Developing our people – We are committed to maximising the performance and potential of all our people and we ensure that development opportunities are open and accessible to all. Our Virtual Learning Resource Centre ensures that all colleagues can access self-directed learning on a range of topics to support their personal development. We are also enhancing our learning and development offer to enable colleagues to easily access development opportunities such as formal qualifications, coaching, and mentoring to support their career progression.
- Developing our leaders – We have developed a suite of learning and development opportunities to equip our leaders and managers at both an individual and collective level with the skills they need to build capability and confidence in leading others and ensure our organisational values are integral to leadership at all levels of the organisation.
- Developing talent – We have continued to integrate our appraisal process with emphasis on identifying colleagues who aspire to progress in the organisation. All colleagues are able to explore initiatives and opportunities designed to support internal talent such as apprenticeships, shadowing, and secondment opportunities and targeted, bespoke support is available for colleagues who are currently underrepresented at senior levels within our organisation.

In October 2023 we were recognised by Best Companies as one of the top 5 Not-for-Profit organisations to work for and, one of the top 25 best big companies to work for based on our 2022 survey.

We conducted a further colleague engagement survey in October 2023 which achieved a 73% response rate. As a result of colleague feedback, we maintained our Best Companies 2 star accreditation for 'outstanding commitment to workplace engagement' for the fourth year.

In May 2023 we were listed in the Top 50 Inspiring Workplaces and No 1 in the Government and Not-for-Profit Category covering Europe, Middle East and Asia (EMEA). In September these were amalgamated with the Inspiring Workplaces lists from other continents, with NHSBSA being named at 64th position in their first ever global Top 100 Inspiring Workplaces.

## Expenditure on consultancy and temporary staff

The total consultancy expenditure incurred on the provision of operating services was £0 (2022/23 – £0). The total contingent labour expenditure incurred on the provision of operating services was £6.1 million (2022/23 – £7.9 million).

## Off-payroll engagements

Table 18 below summarises our off-payroll appointments.

<b>Table 18: Off-payroll appointments</b>	
<b>For all off-payroll engagements as of 31 March 2024, for more than £245 per day</b>	
Number of existing engagements as of 31st March 2024	5
	Of which...
Number that have existed for less than one year at time of reporting	1
Number that have existed for between one and two years at time of reporting	3
Number that have existed for between two and three years at time of reporting	0
Number that have existed for between three and four years at time of reporting	1
Number that have existed for four or more years at time of reporting	0
<b>For all off-payroll engagements between 1 April 2023 and 31 March 2024, for more than £245 per day</b>	
Number of temporary off-payroll workers engaged between 1 April 2023 and 31 March 2024	5
	Of which...
Number not subject to off-payroll legislation	0
Number subject to off-payroll legislation and determined as in-scope of IR35	5
Number subject to off-payroll legislation and determined as out of scope of IR35	0
Number of engagements reassessed for compliance or assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following review	0
<b>For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024</b>	
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year	0
Total number of individuals on payroll and off-payroll that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year	14

## Exit packages

These tables report the number and value of exit packages agreed in the year. The expense associated with these departures may have been recognised in part or in full in a previous period. The remuneration report includes disclosure of any exit payments payable to individuals named in that report.

*Subject to audit*

Table 19: Staff numbers and related costs – Exit costs						
2023/24	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Cost of compulsory redundancies £000	Cost of other departures agreed £000	Total cost of exit packages £000
<£10,000	0	2	2	0	17	17
£10,000-£25,000	2	5	7	23	93	116
£25,000-£50,000	0	17	17	0	697	697
£50,000-£100,000	0	0	0	0	0	0
£100,000-£150,000	0	0	0	0	0	0
£150,000-£200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>24</b>	<b>26</b>	<b>23</b>	<b>807</b>	<b>830</b>

There were no special payments made during the year.

The compulsory redundancies relate to two former staff who transferred to our facilities management provider under TUPE in 2017.



**Table 19a: Other departures excluding compulsory redundancy**

2023/24	Number of agreements	Total value of agreements £000
Voluntary redundancies incl. early retirement	24	807
Mutually agreed resignations	0	0
Early retirements in the efficiency of services	0	0
Contractual payments in lieu of notice	0	0
Exit payments	0	0
Non-contractual payments	0	0
<b>Total</b>	<b>24</b>	<b>807</b>

**Table 20: Staff numbers and related costs – Exit costs**

2022/23	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages	Cost of compulsory redundancies £000	Cost of other departures agreed £000	Total cost of exit packages £000
<£10,000	0	0	0	0	0	0
£10,000-£25,000	0	0	0	0	0	0
£25,000-£50,000	0	0	0	0	0	0
£50,000-£100,000	0	1	1	0	78	78
£100,000-£150,000	0	0	0	0	0	0
£150,000-£200,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>78</b>	<b>78</b>

There were no special payments made during the year.

Table 20a: Other departures excluding compulsory redundancy		
2022/23	Number of agreements	Total value of agreements £000
Voluntary redundancies incl. early retirement	1	59
Mutually agreed resignations	0	0
Early retirements in the efficiency of services	0	0
Contractual payments in lieu of notice	1	19
Exit payments	0	0
Non-contractual payments	0	0
<b>Total</b>	<b>2</b>	<b>78</b>

## 2.2.3 Recruitment and Turnover

### Recruitment

During the year from April 2023 to March 2024, we recruited 881.21 full-time equivalent roles into the organisation, with 547.99 of these into posts based in the North East.

Table 21: Recruitment	
Region	FTE recruited
North East	547.99
North West	236.39
South/South East	4.85
Yorkshire & Humber	35.40
Homeworker	56.58
Total	881.21

## Leavers and exits

During this period, 343.55 full-time equivalent colleagues left the NHSBSA, including 285.38 through natural wastage, where they chose to resign or retire, their fixed-term contract came to an end, or they were transferred. This is an annualised turnover percentage of 8.70%.

Table 22: Leavers and Exits			
Region	Natural wastage	Other	Total FTE who left
North East	158.98	37.37	196.35
North West	97.74	14.40	112.14
South/South East	4.52	2.00	6.52
Yorkshire & Humber	5.00	4.00	9.00
Home Worker	19.14	0.40	19.54
Total	285.38	58.17	343.55

## Our Workforce across the UK

Our breakdown of staff across the UK is as follows:

Table 23: Workforce across UK	
Region	As a % of the total FTE
North East	62.05%
North West	22.15%
South/South East	1.01%
Yorkshire & Humber	2.18%
Homeworkers	12.61%

### 2.2.4 Trade union facility time

The following information relates to the requirements of the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Table 24: Relevant union officials	
Number of employees who were relevant union officials during 2023/24	Full-time equivalent employee number
16	15.17

Table 25: Percentage of time spent on facility time during 2023/24	
Percentage of time	Number of employees
0-1%	5
1-50%	10
51%-99%	0
100%	1

Table 26: Percentage of pay bill spent on facility time during 2023/24	
Description	Cost/Percentage
Total cost of facility time	£53,575
Total pay bill	£166,340,000
Percentage of the total pay bill spent on facility time	0.03%

Table 27: Paid trade union activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as:	
Description	Hours/Percentage
Hours on paid time	1,150
Total paid facility time hours	2,430
(Total hours spent on paid trade union activities ÷ total paid facility time hours) x 100	47.3%

## 2.3 Parliamentary accountability and audit report

### 2.3.1 Regularity of expenditure

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature, they are items that ideally should not arise. They are, therefore, subject to special control procedures.

Details of losses and special payments are included in Table 28 below.

*Subject to audit*

Table 28: Losses and special payments				
	2023/24		2022/23	
	No. of cases	£000	No. of cases	£000
Losses	445	383	241	157
Special payments	5	0	1	0

There were no losses of more than £300,000 during the year. No gifts exceeding £300,000 have been made by the NHSBSA.

### 2.3.2 Fees and charges

The NHSBSA does not have any income from fees and charges (Subject to audit).

### 2.3.3 Remote contingent liabilities

The Authority has signed an Assured Guarantee Agreement relating to a distribution centre used by NHS Supply Chain. This agreement indemnifies the landlord should the logistics service provider be unable to fulfil its commitments under the lease. The service provider is not expected to default on the lease. Should they do so, then the Authority would be liable for the annual rent of £870k for the period of default. This agreement ends when the lease on the premises ends on 30 September 2026. (Subject to audit).

### 2.3.4 Long term expenditure trends

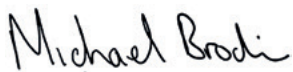
The NHSBSA operates a programme of schemes as determined by the DHSC with funding allocated based on the portfolio of work they are expected to deliver in a particular financial year. As such, long term expenditure trends are not applicable as the NHSBSA has no control over the projects they deliver in a given year.

### 2.3.5 Accounting Officer's disclosure to the auditors

As far as the Accounting Officer is aware, there is no relevant audit information of which our auditors are unaware, and the Accounting Officer has taken all steps he ought to have taken to make himself aware of any relevant audit information and to establish that our auditors are aware of that information.

### 2.3.6 External auditors

The Comptroller and Auditor General is appointed by Statute as external auditor for the NHSBSA accounts. The National Audit Office (NAO) do not undertake any non-audit services on behalf of the NHSBSA.



**Michael Brodie CBE**

Chief Executive  
NHS Business Services Authority  
18 July 2024



# Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament



## Opinion on financial statements

I certify that I have audited the financial statements of the NHS Business Services Authority for the year ended 31 March 2024 under the National Health Service Act 2006.

The financial statements comprise the NHS Business Services Authority's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the NHS Business Services Authority's affairs as at 31 March 2024 and its net comprehensive expenditure for the year then ended; and
- have been properly prepared in accordance with the National Health Service Act 2006 and Secretary of State directions issued thereunder.

## Opinion on regularity

In my opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public*

*Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of the NHS Business Services Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## Conclusions relating to going concern

In auditing the financial statements, I have concluded that the NHS Business Services Authority's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the NHS Business Services Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for the NHS Business Services Authority is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the



preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other Information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

## Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with Secretary of State directions made under the National Health Service Act 2006 and Secretary of State directions issued thereunder

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in

accordance with Secretary of State directions made under the National Health Service Act 2006 and Secretary of State directions issued thereunder; and

- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of the NHS Business Services Authority and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Report.

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

- adequate accounting records have not been kept by the NHS Business Services Authority or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Responsibilities of the Board and Chief Executive for the financial statements

As explained more fully in the Statement of the Board's and Chief Executive's Responsibilities, the Board and Chief Executive are responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the National Health Service Act 2006 and Secretary of State directions issued thereunder from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view in accordance with National Health Service Act 2006 and Secretary of State directions issued thereunder;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with National Health Service Act 2006 and Secretary of State directions issued thereunder; and
- assessing the NHS Business Services Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the NHS Business Services Authority will not continue to be provided in the future.

## Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the National Health Service Act 2006 and Secretary of State directions issued thereunder.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of the NHS Business Services Authority's accounting policies.

- inquired of management, the NHS Business Services Authority's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the NHS Business Services Authority's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the NHS Business Services Authority's controls relating to the NHS Business Services Authority's compliance with the National Health Service Act 2006, Secretary of State directions issued thereunder and Managing Public Money;
- inquired of management, the NHS Business Services Authority's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud;
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within the NHS Business Services Authority for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, bias in management estimates, valuation of intangible assets, valuation of the NHS SBS investment and significant transactions that are unusual or outside the normal course of business. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of the NHS Business Services Authority's framework of authority and other legal and regulatory frameworks in which the NHS Business Services Authority operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the NHS Business Services Authority. The key laws and regulations I considered in this context included the National Health Service Act 2006 and Secretary of State directions issued thereunder, Managing Public Money, employment law, tax and pensions legislation.

### Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management and the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- I performed substantive testing on a sample of revenue transactions where I was unable to rebut the risk of fraud, agreeing back to source documentation.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal



specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

## Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control I identify during my audit.

## Report

I have no observations to make on these financial statements.

**Gareth Davies** **18 July 2024**  
**Comptroller and Auditor General**

National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

# Financial statements and notes to the accounts



## Statement of Comprehensive Net Expenditure for the year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Operating income</b>	3.1	<b>732,765</b>	730,251
Staff Costs	3.4	<b>170,672</b>	152,486
Other operating expenditure	3.2	<b>794,030</b>	781,555
<b>Total operating expenditure</b>		<b>964,702</b>	934,041
<b>Net operating expenditure</b>		<b>231,937</b>	203,790
Net (gain)/loss on transfers	3.5	<b>0</b>	(87,345)
<b>Total Net Expenditure</b>		<b>231,937</b>	116,445
<b>Other Comprehensive Net Expenditure</b>			
Net (gain) on revaluation of property, plant & equipment		<b>0</b>	(342)
Net (gain) on revaluation of intangible assets		<b>(1,051)</b>	(6,034)
Fair value (gain) on financial assets		<b>(6,000)</b>	0
<b>Total comprehensive net expenditure for the year</b>		<b>224,886</b>	110,069

The notes on pages 88 to 118 form part of these accounts.

## Statement of Financial Position at 31 March 2024

	Notes	31 March 2024 £000	31 March 2023 £000
<b>Non-current Assets</b>			
Property, Plant & Equipment	4.1	29,028	29,866
Intangible assets	4.2	64,575	70,794
Right-of-use assets	4.3	10,986	10,422
Financial Assets	4.5	98,000	92,000
<b>Total non-current assets</b>		<b>202,589</b>	203,082
<b>Current Assets</b>			
Trade and other receivables	4.6	94,814	72,871
Cash and cash equivalents	4.7	15,337	36,236
<b>Total current assets</b>		<b>110,151</b>	109,107
<b>Total Assets</b>		<b>312,740</b>	312,189
<b>Current Liabilities</b>			
Trade and other payables	4.8	52,723	57,913
Lease liabilities	4.9	1,943	2,222
Provisions for liabilities and charges	4.10	2,262	4,550
<b>Total current liabilities</b>		<b>56,928</b>	64,685
<b>Net current assets/liabilities</b>		<b>53,223</b>	44,422
<b>Total assets less current liabilities</b>		<b>255,812</b>	247,504
<b>Non-current Liabilities</b>			
Lease liabilities	4.9	8,677	8,026
Provisions for liabilities and charges	4.10	834	464
<b>Total non-current liabilities</b>		<b>9,511</b>	8,490
<b>Total Assets Less Liabilities:</b>		<b>246,301</b>	239,014
<b>Taxpayers' Equity</b>			
General Fund		108,804	108,568
Revaluation Reserve		137,497	130,446
<b>Total Taxpayers' Equity:</b>		<b>246,301</b>	239,014

The notes on pages 88 to 118 form part of these accounts.

*Michael Brodie*

**Michael Brodie**  
Chief Executive  
18 July 2024

## Statement of Changes in Taxpayers' Equity For the year ended 31 March 2024

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Balance at 31 March 2023</b>	108,568	130,446	<b>239,014</b>
<b>Changes in taxpayers' equity for 2023-24</b>			
Total net expenditure for the year	(231,937)	0	<b>(231,937)</b>
Net gain on revaluation of intangible assets	0	1,051	<b>1,051</b>
Net gain on revaluation of financial assets	0	6,000	<b>6,000</b>
Non-cash charges – notional costs	173	0	<b>173</b>
<b>Total recognised income and expense for 2023-24</b>	<b>(231,764)</b>	<b>7,051</b>	<b>(224,713)</b>
Net Parliamentary Funding	232,000	0	<b>232,000</b>
<b>Balance at 31 March 2024</b>	<b>108,804</b>	<b>137,497</b>	<b>246,301</b>

	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Balance at 31 March 2022</b>	123,064	32,860	<b>155,924</b>
<b>Changes in taxpayers' equity for 2022-23</b>			
Total net expenditure for the year	(116,445)	0	<b>(116,445)</b>
Net gain on revaluation of Property, Plant and Equipment	0	342	<b>342</b>
Net gain on revaluation of Intangible Assets	0	6,034	<b>6,034</b>
Non-cash charges – notional costs	160	0	<b>160</b>
Movement between reserves	(91,210)	91,210	<b>0</b>
<b>Total recognised income and expense for 2022-23</b>	<b>(207,495)</b>	<b>97,586</b>	<b>(109,909)</b>
Net Parliamentary Funding	192,999	0	<b>192,999</b>
<b>Balance at 31 March 2023</b>	<b>108,568</b>	<b>130,446</b>	<b>239,014</b>

The revaluation reserve balance at 31 March 2024 includes £39,497k relating to Intangible Assets (31 March 2023: £38,446k) and £98,000k relating to Financial Assets (31 March 2023: £92,000k).

The notes on pages 88 to 118 form part of these accounts.



## Statement of Cash Flows for the year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Cash flows from operating activities</b>			
Net operating expenditure		<b>(231,937)</b>	(203,790)
Other cash flow adjustments	5.2	<b>29,894</b>	30,969
Movement in working capital	5.1	<b>(27,133)</b>	23,778
Provisions utilised	4.10	<b>(1,727)</b>	(2,405)
<b>Net cash (outflow) from operating activities</b>		<b>(230,903)</b>	(151,448)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4.1	<b>(6,220)</b>	(5,427)
Purchase of intangible assets	4.2	<b>(12,821)</b>	(12,132)
Proceeds from disposal of property, plant and equipment		<b>0</b>	701
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(19,041)</b>	(16,858)
<b>Cash flows from financing activities</b>			
Net Parliamentary Funding		<b>232,000</b>	192,999
Payments in respect of finance leases	4.9	<b>(2,955)</b>	(2,236)
Net financing		<b>229,045</b>	190,763
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(20,899)</b>	22,457
<b>Cash and cash equivalents at 31 March 2023</b>	4.7	<b>36,236</b>	13,779
<b>Cash and cash equivalents at 31 March 2024</b>	4.7	<b>15,337</b>	36,236

The notes on pages 88 to 118 form part of these accounts.

# Notes to the Accounts

## 1. Accounting Policies

These financial statements have been prepared in a form directed by the Secretary of State and in accordance with the Financial Reporting Manual (FReM) 2023-24, issued by HM Treasury, and the Department of Health and Social Care Group Accounting Manual (GAM) 2023-24. The accounting policies contained in the FReM and GAM follow International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM or GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the NHSBSA for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

### 1.1 Accounting Conventions

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

#### Going concern

The NHSBSA's annual report and accounts have been prepared on a going concern basis. The NHSBSA is financed by and draws its funding from the Department of Health and Social Care (DHSC). Parliament has demonstrated its commitment to fund DHSC for the foreseeable future, and DHSC has demonstrated its commitment to the funding of the NHSBSA.

#### Critical accounting judgements and key sources of estimation uncertainty

In the application of the Authority's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key critical judgements and estimations that management have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in financial statements relate to the valuation of Intangible IT Assets and Investments.

#### Valuation of intangible assets

For Intangible IT Assets, indexed historic cost is considered to be a reasonable proxy for replacement cost, and is used in our depreciated replacement cost valuation for all systems other than four major IT systems. Independent replacement cost valuations were carried out for the Electronic Staff Record and Prescription Processing systems as at 31 March 2020, and the NHS Pensions Administration and Dental Payments systems as at 31 March 2022. As is common with valuations of this nature, the valuations of the Prescription Processing, NHS Pensions Administration, and Dental Payments systems were expressed as being within a range.

We assessed these ranges, using our experience of the software development market, and determined that the higher end of the ranges best represented the public sector position on both risk and retaining skilled roles within the United Kingdom, with lower levels of offshoring of development work than might be seen in the private sector.

Impairment and Useful Economic Life (UEL) reviews are carried out annually on intangible IT assets. In assessing whether there is any indication that an asset may be impaired, management consider both internal and external indicators in line with IAS 36. Internal indicators might be obsolescence, or that the economic performance of an asset is worse than expected. External indicators might be significant changes in the technological or legal environment in which the NHSBSA operates.

Management use up-to-date business intelligence to assess the remaining expected operational use of each asset. Asset values are adjusted where necessary to ensure that their carrying value isn't higher than fair value.

## **Valuation of investment in NHS Shared Business Services (SBS)**

The NHSBSA 50% shareholding in SBS is held as an investment at fair value.

The NHS Shared Business Services Ltd (SBS) shareholding was independently professionally valued, on a discounted cash flow basis, at 31 March 2024. SBS took management through the business plan and forecasts provided to the valuers and explained the drivers behind the revenue growth forecasts by business stream and expected margins. The professional valuers took management through their report and explained, to management's satisfaction, the assumptions used in the valuation; including the discount rate applied. Having made their own enquiries of SBS and the professional valuers, management are satisfied with the assumptions and methodology used to arrive at the valuation range provided.

The valuation is based on the business plan and cashflow forecasts to FY28. The financial information has been extrapolated for a further 3 years to FY31.

A midpoint between the higher and lower values of £98m (2023: £92m) has been used at the balance sheet date in the accounts. This approach is consistent with prior year, and it is management's view that there is nothing to support the use of either the higher or lower risk premiums over the other.

## **1.2 Income & expenditure**

### **1.2.1 Income**

In the application of IFRS 15 a number of practical expedients offered in the Standard have been employed. These are as follows;

- NHSBSA does not disclose information regarding remaining performance obligations which are part of a contract that has an original expected duration of one year or less,
- NHSBSA does not disclose information where revenue is recognised in line with the practical expedient offered in the Standard, where the right to consideration corresponds directly with value of the performance completed to date.

These expedients apply to all of the NHSBSA's revenue streams.

The main source of funding of the Authority is Parliamentary Funding from the Department of Health and Social Care, within an approved cash limit, which is credited to the general fund. Parliamentary funding is recognised in the financial period in which it is received.

Operating income is income which relates directly to the operating activities of the Authority. It principally comprises charges for services provided on a full-cost basis to external customers, as well as public repayment work.

Income in respect of services provided is recognised when (or as) performance obligations are satisfied by transferring promised services to the customer, and is measured at the amount of the transaction price allocated to that performance obligation. Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

The funding of Social Work Bursary payments, the Education Support Grant and the Learning Support Fund comes from the DHSC Policy Team. This income is treated as operating income.

### 1.2.2 Expenditure

Operating expenses are recognised when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration payable.

### 1.2.3 Grants payable

Where grant funding is not intended to be directly related to activity undertaken by a grant recipient in a specific period, NHSBSA recognises the expenditure in the period in which the grant is paid. All other grants are accounted for on an accruals basis.

## 1.3 Taxation

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

## 1.4 Property, plant & equipment

### (a) Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential will be supplied to the NHSBSA
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably, and either
  - a) the item has a cost equal of at least £5,000; or
  - b) collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

### (b) Measurement

All property, plant and equipment is measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition

necessary for it to be capable of operating in the manner intended by management. Assets that are held for their service potential and are in use are measured subsequently at their current value in existing use. Assets that were most recently held for their service potential but are surplus are measured at fair value where there are no restrictions preventing access to the market at the reporting date.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

Land and non-specialised buildings – market value for existing use. The latest formal revaluation was carried out by an independent RICS qualified valuer as at 31 March 2020. Additionally, Stella House was revalued as at 31 March 2021 prior to its transfer to GPA.

IT equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful economic lives or low values or both, as this is not considered to be materially different from current value in existing use.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive net expenditure in the Statement of Comprehensive Net Expenditure.

### **(c) Subsequent expenditure**

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

## **1.5 Intangible assets**

### **(a) Recognition**

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the NHSBSA's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the NHSBSA; where the cost of the asset can be measured reliably; and where the cost is at least £5,000.

Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset.

Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred.

Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:



- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

## **(b) Measurement**

Intangible assets acquired separately are initially recognised at cost. The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria for recognition are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is charged to the Statement of Comprehensive Net Expenditure (SoCNE) in the period in which it is incurred.

Following initial recognition, intangible assets are carried at current value in existing use by reference to an active market, or, where no active market exists, at the lower of depreciated replacement cost (modern equivalent assets basis) and value in use where the asset is income generating.

As no active market exists, and the assets are not income generating, intangible assets are valued at depreciated replacement cost. Indexed historic cost is considered to be a reasonable proxy for replacement cost, and is used in our depreciated replacement cost valuation for all but our four major IT systems. Independent replacement cost valuations were carried out for the Electronic Staff Record and Prescription Processing systems as at 31 March 2020, and for the NHS Pensions Administration and Dental Payments systems as at 31 March 2022. Indexation is applied annually to replacement cost to keep the valuations current.

### **1.6 Depreciation, amortisation and impairments**

Freehold land, assets under construction or development and assets held for sale are not depreciated/amortised.

Otherwise, depreciation and amortisation are charged on a straight line basis to write off the costs or valuation of tangible and intangible non-current assets, less any residual value, over their estimated useful lives. The estimated useful life of an asset is the period over which the NHSBSA expects to obtain economic benefits or service potential from the asset. The estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis.

At each Statement of Financial Position date, the Authority checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually. Depreciated replacement cost is used as a proxy for the recoverable amount.

If there has been an impairment loss, the asset is written down to its recoverable amount, with the loss charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the

amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to the SoCNE to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

## 1.7 Investments

The only investment currently held is a 49.99% shareholding in NHS Shared Business Services Ltd.

NHSBSA is considered to have significant influence over SBS, so IAS 28 applies when accounting for the investment. Under IAS 28, the equity method of accounting is applied unless the investment qualifies for exemption in accordance with paragraph 17.

The investment qualifies, and the exemption from equity accounting for the investment has been taken. In accordance with paragraph 14A of IAS 28, IFRS 9 has therefore been applied.

Per the provisions of IFRS 9, NHSBSA management have elected to measure the investment at fair value through other comprehensive income.

Fair value at 31 March 2024 has been established using an external valuation specialist.

## 1.8 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## 1.9 Losses and special payments

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

Losses and special payments are charged to the relevant functional headings including losses which would have been made good through insurance cover had the Authority not been bearing its own risks (with insurance premiums then being included as normal revenue expenditure).

## 1.10 Employee benefits

### Short-term employee benefits

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

### Retirement benefit costs

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

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

For early retirements, other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Authority commits itself to the retirement, regardless of the method of payment.

## 1.11 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration.

IFRS 16 Leases is effective across public sector from 1 April 2022. The transition to IFRS 16 has been completed in accordance with paragraph C5 (b) of the Standard, applying IFRS 16 requirements retrospectively recognising the cumulative effects at the date of initial application.

In the transition to IFRS 16 a number of elections and practical expedients offered in the Standard have been employed. These are as follows;

NHSBSA has applied the practical expedient offered in the Standard per paragraph C3 to apply IFRS 16 to contracts or arrangements previously identified as containing a lease under the previous leasing standards IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains a Lease and not to those that were identified as not containing a lease under previous leasing standards.

On initial application, NHSBSA has measured the right of use assets for leases previously classified as operating leases per IFRS 16 C8 (b)(ii), at an amount equal to the lease liability adjusted for accrued or prepaid lease payments.

No adjustments have been made for operating leases in which the underlying asset is of low value per paragraph C9 (a) of the Standard.

The transitional provisions have not been applied to operating leases whose terms end within 12 months of the date of initial application per paragraph C10 (c) of IFRS 16.

Hindsight is used to determine the lease term when contracts or arrangements contain options to extend or terminate the lease in accordance with C10 (e) of IFRS 16.

Due to transitional provisions employed, the requirements for identifying a lease within paragraphs 9 to 11 of IFRS 16 are not employed for leases in existence at the initial date of application. Leases entered into on or after the 1st April 2022 will be assessed under the requirements of IFRS 16.

There are further expedients or election that have been employed by the NHSBSA in applying IFRS 16. These include;

The measurement requirements under IFRS 16 are not applied to leases with a term of 12 months or less under paragraph 5 (a) of IFRS 16.

The measurement requirements under IFRS 16 are not applied to leases where the underlying asset is of a low value, which are identified as those assets of a value of less than £5,000, excluding any irrecoverable VAT, under paragraph 5 (b) of IFRS 16.

NHSBSA will not apply IFRS 16 to any new leases of intangible assets applying the treatment described in section 1.5 instead.

HM Treasury have adapted the public sector approach to IFRS 16 which impacts on the identification and measurement of leasing arrangements that will be accounted for under IFRS 16.

NHSBSA is required to apply IFRS 16 to lease like arrangements entered into with other public sector entities that are in substance akin to an enforceable contract, that in their formal legal form may not be enforceable. Prior to accounting for such arrangements under IFRS 16, NHSBSA has assessed that in all other respects these arrangements meet the definition of a lease under the Standard.

IFRS 16 introduces a singular lessee approach to measurement and classification in which lessees recognise a right of use asset.

### 1.11.1 NHSBSA as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. NHSBSA employs a revaluation model for the subsequent measurement of its right of use assets unless cost is considered to be an appropriate proxy for current value in existing use or fair value in line with the accounting policy for owned assets. Where consideration exchanged is identified as below market value, cost is not considered to be an appropriate proxy to value the right of use asset.

Lease payments are apportioned between finance charges and repayment of the principal. Finance charges are recognised in the Statement of Comprehensive Net Expenditure.

Irrecoverable VAT is expensed in the period to which it relates and therefore not included in the measurement of the lease liability and consequently the value of the right of use asset.

HMT incremental borrowing rates have been applied to the lease liabilities recognised at the date of initial application of IFRS 16, and the in-year additions, which took place in the 2023 calendar year. The rates used were 0.95% and 3.51% respectively.

Where changes in future lease payments result from a change in an index or rate or rent review, the lease liabilities are remeasured using an unchanged discount rate.

Where there is a change in a lease term or an option to purchase the underlying asset the NHSBSA applies a revised rate to the remaining lease liability.

Where existing leases are modified, NHSBSA must determine whether the arrangement constitutes a separate lease and apply the Standard accordingly.

Lease payments are recognised as an expense on a straight-line or another systematic basis over the lease term, where the lease term is in substance 12 months or less, or is elected as a lease containing low value underlying asset by NHSBSA.

## 1.12 Provisions

Provisions are recognised when NHSBSA has a present legal or constructive obligation as a result of a past event, it is probable that NHSBSA will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period,

taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, and the effect of the time value of money is significant, its carrying amount is the present value of those cash flows using HM Treasury's discount rates.

### 1.13 Financial instruments

#### Financial assets

Financial assets are recognised when NHSBSA becomes party to the contractual provision of the financial instrument or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or when the asset has been transferred and NHSBSA has transferred substantially all of the risks and rewards of ownership or has not retained control of the asset.

Financial assets are initially recognised at fair value plus or minus directly attributable transaction costs for financial assets not measured at fair value through profit or loss. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices, where possible, or by valuation techniques.

Financial assets are classified into the following categories: financial assets at amortised cost, financial assets at fair value through other comprehensive income, and financial assets at fair value through profit and loss. The classification is determined by the cash flow and business model characteristics of the financial assets, as set out in IFRS 9, and is determined at the time of initial recognition.

With the exception of the investment in NHS SBS Ltd, which is measured at fair value through other comprehensive income, all of NHSBSA's financial assets are measured at amortised cost, as they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and where the cash flows are solely payments of principal and interest. This includes most trade receivables, loans receivable, and other simple debt instruments.

After initial recognition, these financial assets are measured at amortised cost using the effective interest method, less any impairment. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the life of the financial asset to the gross carrying amount of the financial asset.

Following initial recognition, the investment in NHS SBS Ltd will be revalued to fair value each year, and the movement taken to the revaluation reserve through other comprehensive income.

#### Impairment

For all financial assets measured at amortised cost, and any lease receivables and contract assets, NHSBSA recognises a loss allowance representing expected credit losses on the financial instrument.

NHSBSA adopts the simplified approach to impairment, in accordance with IFRS 9, and measures the loss allowance for trade receivables, contract assets and lease receivables at an amount equal to lifetime expected credit losses. For other financial assets, the loss allowance is measured at an amount equal to lifetime expected credit losses if the credit risk on the financial instrument has increased significantly since initial recognition (stage 2), and otherwise at an amount equal to 12-month expected credit losses (stage 1).

HM Treasury has ruled that central government bodies may not recognise stage 1 or stage 2 impairments against other government departments, their executive agencies, the Bank of England,



Exchequer Funds, and Exchequer Funds' assets where repayment is ensured by primary legislation. NHSBSA therefore does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies. Additionally, the Department of Health and Social Care provides a guarantee of last resort against the debts of its arm's length bodies and NHS bodies (excluding NHS charities), and NHSBSA does not recognise loss allowances for stage 1 or stage 2 impairments against these bodies.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

## Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the Authority becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are derecognised when the liability has been extinguished – that is, the obligation has been discharged or cancelled or has expired.

Financial liabilities are classified as either financial liabilities 'at fair value through profit and loss' or 'at amortised cost'.

All of NHSBSA's financial liabilities are classified as 'at amortised cost'. After initial recognition, the financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount (amortised cost) of the financial liability.

### 1.14 Accounting standards that have been issued but have not yet been adopted

The FReM does not require the following Standards and Interpretations to be applied in 2023-24:

- IFRS 14 *Regulatory Deferral Accounts* – This applies to first-time adopters of International Financial Reporting Standards after 1 January 2016, and is therefore not applicable to DHSC group bodies.
- IFRS 17 *Insurance Contracts* – Application required for accounting periods beginning on or after 1 January 2023, but not yet adopted by the FReM. Adoption by the FReM is expected from April 2025, early adoption is not permitted.

Application of IFRS 17 is not expected to have any impact on future financial statements.

## 2. Operating segments

The Authority's activities are considered to fall within two segments: Student Support via the payment of Social Work Bursaries, Education Support Grant (ESG) and the Learning Support Fund (LSF), and the Authority's operating expenditure relating to the provision of services to the wider NHS.

Details of the income and expenditure and assets and liabilities of the segments are shown below. The segments' shares of assets and liabilities are disclosed in more detail within the relevant notes to the accounts.

	Notes	Student Support		Service Provision		Intra-segment Adjustments			Total		
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Statement of Comprehensive Net Expenditure</b>											
Operating income	3.1	<b>(621,261)</b>	(639,964)	<b>(111,504)</b>	(90,287)	<b>0</b>	0	<b>(732,765)</b>	(730,251)		
Staff costs	3.4	<b>0</b>	0	<b>170,672</b>	152,486	<b>0</b>	0	<b>170,672</b>	152,486		
Other operating expenditure	3.2	<b>621,261</b>	639,964	<b>172,769</b>	141,591	<b>0</b>	0	<b>794,030</b>	781,555		
<b>Total operating expenditure</b>		<b>621,261</b>	639,964	<b>343,441</b>	294,077	<b>0</b>	0	<b>964,702</b>	934,041		
<b>Net Operating Expenditure/(Income)</b>		<b>0</b>	0	<b>231,937</b>	203,790	<b>0</b>	0	<b>231,937</b>	203,790		
<b>Statement of Financial Position</b>											
Assets		<b>24,057</b>	30,987	<b>288,683</b>	285,202	<b>0</b>	(4,000)	<b>312,740</b>	312,189		
Liabilities		<b>(21,271)</b>	(28,201)	<b>(45,168)</b>	(48,974)	<b>0</b>	4,000	<b>(66,439)</b>	(73,175)		
Assets less Liabilities		<b>2,786</b>	2,786	<b>243,515</b>	236,228	<b>0</b>	0	<b>246,301</b>	239,014		

### 3. Notes to the statement of comprehensive net expenditure

#### 3.1 Operating income

	2023-24 £000	2022-23 £000
<b>Service Provision revenue from contracts with customers</b>		
Department of Health and Social Care (DHSC) invoiced services	<b>1,068</b>	422
Services to other DHSC Group Bodies	<b>47,584</b>	38,426
Services provided to UK Devolved Administrations and Crown Dependencies	<b>7,486</b>	6,142
NHS Pension Scheme administration recharge	<b>52,206</b>	43,476
Other income	<b>3,160</b>	1,821
	<b>111,504</b>	90,287
<b>Student Support income</b>		
Social Work Bursary and ESG funding from DHSC	<b>51,578</b>	63,460
LSF funding from DHSC	<b>569,683</b>	576,504
	<b>621,261</b>	639,964
<b>Total operating income</b>	<b>732,765</b>	730,251

### 3.2 Other operating expenditure (Non-Staff)

	2023-24 £000	2022-23 £000
<b>Service provision expenditure</b>		
Non-executive members' remuneration	105	106
Rentals under operating leases	386	382
Establishment expenses	15,771	13,762
Transport	344	358
Premises	19,807	15,673
External contractors	69,643	54,083
Non-cash: Depreciation	9,581	9,320
Amortisation	18,987	18,000
Impairments & reversals PPE	0	200
Impairments & reversals intangible	499	0
(Profit)/loss on disposal of PPE	58	215
(Profit)/loss on disposal of intangible fixed assets	605	47
Notional fee for the audit of the NHS Pension Scheme accounts	173	160
	29,903	27,942
Auditors' remuneration – audit fees	268	263
Legal & Professional fees	36,100	28,152
Finance charges on leases	182	90
Other costs	260	780
	172,769	141,591
<b>Student Support expenditure</b>		
Social Work Bursaries and ESG	51,578	63,460
LSF	569,683	576,504
	621,261	639,964
<b>Total non-staff operating expenditure</b>	794,030	781,555

### 3.3 Operating leases

#### Authority as lessee

	2023-24 £000	2022-23 £000
<b>Payments recognised as an expense</b>		
Minimum lease payments	386	382
	<b>386</b>	382
<b>Total future minimum lease payments</b>		
<b>Payable:</b>		
Within one year	206	268
Later than one year and not later than five years	641	560
Later than five years	12	7
<b>Total</b>	<b>859</b>	835

Following the adoption of IFRS16, the capital element of operating lease payments and commitments are now included in Note 4.9 – Lease Liabilities. The figures above comprise short-term and low value lease payments, and interest and irrecoverable VAT on lease payments, which do not require capitalisation under IFRS16.

### 3.4 Staff costs

#### Executive members and staff costs:

	2023-24 £000	2022-23 £000
Salaries and wages	136,738	124,109
Social security costs	12,643	11,541
Employer contributions to NHS Pensions	22,545	18,759
Other pension costs	533	516
Apprenticeship levy	735	599
Termination costs	130	790
<b>Total</b>	<b>173,324</b>	156,314
Capitalised staff costs	(2,652)	(3,828)
	<b>170,672</b>	152,486



### 3.5 Net (gain)/loss on transfers

The Authority transferred property at Bridge House to the Government Property Agency (GPA) on 31st March 2023.

DHSC transferred its 49.99% shareholding in NHS Shared Business Services Ltd to the Authority on 31st March 2023.

The following assets and liabilities were transferred from/to the Authority on these dates:

	2023-24 £000	2022-23 £000
Property, plant & equipment at net book value	0	4,655
Shares at valuation	0	(92,000)
<b>Loss/(Gain) on net assets transferred</b>	<b>0</b>	<b>(87,345)</b>

### 3.6 Pension costs

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

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

#### a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from 1 April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

## **b) Accounting valuation**

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2024 is based on valuation data as at 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

## **Civil Service Pension Scheme**

Some past and present employees are covered by the provisions of the Civil Service Pension Scheme (CSPS). The defined benefit elements of the scheme are unfunded and non-contributory except in respect of dependents' benefits. The Authority recognises the expected costs of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the CSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the CSPS. In respect of the defined contribution elements of the scheme, the Authority recognises the contributions payable for the year.

## 4. Notes to the Statement of Financial Position

### 4.1 Property, Plant and Equipment

#### 4.1.1 Property, Plant and Equipment 2023-24

	Land £000	Buildings excluding dwellings £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or Valuation</b>						
At 1 April 2023	0	13,626	281	34,324	6,523	<b>54,754</b>
Additions – purchased	0	2,917	0	3,071	232	<b>6,220</b>
Disposals	0	0	(164)	(450)	(585)	<b>(1,199)</b>
<b>At 31 March 2024</b>	<b>0</b>	<b>16,543</b>	<b>117</b>	<b>36,945</b>	<b>6,170</b>	<b>59,775</b>
<b>Depreciation</b>						
At 1 April 2023	0	8,664	279	9,910	6,035	<b>24,888</b>
Disposals	0	0	(164)	(399)	(578)	<b>(1,141)</b>
Revaluation	0	0	0	0	0	<b>0</b>
Charged during the year	0	1,841	2	4,729	428	<b>7,000</b>
<b>At 31 March 2024</b>	<b>0</b>	<b>10,505</b>	<b>117</b>	<b>14,240</b>	<b>5,885</b>	<b>30,747</b>
Net book value at 31 March 2023	0	4,962	2	24,414	488	29,866
<b>Net book value at 31 March 2024</b>	<b>0</b>	<b>6,038</b>	<b>0</b>	<b>22,705</b>	<b>285</b>	<b>29,028</b>

#### 4.1.2 Property, Plant and Equipment 2022-23

	Land £000	Buildings excluding dwellings £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
<b>Cost or Valuation</b>						
At 1 April 2022	545	18,161	281	34,692	8,459	62,138
Additions – purchased	0	1,540	0	3,887	0	5,427
Disposals	(135)	(1,615)	0	(4,255)	(1,936)	(7,941)
Revaluations	(210)	195	0	0	0	(15)
Impairments	(200)	0	0	0	0	(200)
Transferred to GPA	0	(4,655)	0	0	0	(4,655)
<b>At 31 March 2023</b>	<b>0</b>	<b>13,626</b>	<b>281</b>	<b>34,324</b>	<b>6,523</b>	<b>54,754</b>
<b>Depreciation</b>						
At 1 April 2022	0	8,160	270	9,542	6,950	24,922
Disposals	0	(1,075)	0	(4,026)	(1,924)	(7,025)
Revaluations	0	(357)	0	0	0	(357)
Charged during the year	0	1,936	9	4,394	1,009	7,348
<b>At 31 March 2023</b>	<b>0</b>	<b>8,664</b>	<b>279</b>	<b>9,910</b>	<b>6,035</b>	<b>24,888</b>
Net book value at 31 March 2022	545	10,001	11	25,150	1,509	37,216
<b>Net book value at 31 March 2023</b>	<b>0</b>	<b>4,962</b>	<b>2</b>	<b>24,414</b>	<b>488</b>	<b>29,866</b>

**Student Support** had no Property, Plant & Equipment during the accounting period (2022-23 – £Nil)

## 4.2 Intangible assets

### 4.2.1 Intangible assets 2023-24

	Software Licences £000	Information Technology £000	Development Expenditure £000	Total £000
<b>Cost or Valuation</b>				
At 1 April 2023	2,451	184,381	19,337	<b>206,169</b>
Additions – purchased	1,898	6,007	4,916	<b>12,821</b>
Reclassifications	0	15,006	(15,006)	<b>0</b>
Disposals	(56)	(9,825)	0	<b>(9,881)</b>
Revaluation/Indexation	0	5,736	0	<b>5,736</b>
Impairments	0	(215)	(64)	<b>(279)</b>
<b>At 31 March 2024</b>	<b>4,293</b>	<b>201,090</b>	<b>9,183</b>	<b>214,566</b>
<b>Amortisation</b>				
At 1 April 2023	1,200	134,175	0	<b>135,375</b>
Charged during the year	242	18,745	0	<b>18,987</b>
Disposals	(56)	(9,220)	0	<b>(9,276)</b>
Revaluation/Indexation	0	4,685	0	<b>4,685</b>
Impairments	0	220	0	<b>220</b>
<b>At 31 March 2024</b>	<b>1,386</b>	<b>148,605</b>	<b>0</b>	<b>149,991</b>
Net book value at 31 March 2023	1,251	50,206	19,337	70,794
<b>Net book value at 31 March 2024</b>	<b>2,907</b>	<b>52,485</b>	<b>9,183</b>	<b>64,575</b>

## 4.2.2 Intangible assets 2022-23

	Software Licences £000	Information Technology £000	Development Expenditure £000	Total £000
<b>Cost or Valuation</b>				
At 1 April 2022	5,481	169,520	14,747	<b>189,748</b>
Additions – purchased	0	5,191	6,941	<b>12,132</b>
Reclassifications	0	2,351	(2,351)	<b>0</b>
Disposals	(3,030)	(3,760)	0	<b>(6,790)</b>
Revaluation/Indexation	0	11,079	0	<b>11,079</b>
<b>At 31 March 2023</b>	<b>2,451</b>	<b>184,381</b>	<b>19,337</b>	<b>206,169</b>
<b>Amortisation</b>				
At 1 April 2022	2,695	116,378	0	<b>119,073</b>
Charged during the year	1,535	16,465	0	<b>18,000</b>
Disposals	(3,030)	(3,713)	0	<b>(6,743)</b>
Revaluation/Indexation	0	5,045	0	<b>5,045</b>
<b>At 31 March 2023</b>	<b>1,200</b>	<b>134,175</b>	<b>0</b>	<b>135,375</b>
Net book value at 31 March 2022	2,786	53,142	14,747	70,675
<b>Net book value at 31 March 2023</b>	<b>1,251</b>	<b>50,206</b>	<b>19,337</b>	<b>70,794</b>

**Student Support** had no Intangible assets during the accounting period (2022-23 – £Nil)

## 4.2.3 Intangible assets – carrying value of individually material assets

	2024 Gross £000	2024 Net £000	2023 Gross £000	2023 Net £000
<b>Material intangible assets ranked by current year net book value</b>				
Electronic Staff Record System	82,639	10,214	84,392	12,029
NHS Pensions Administration System	23,165	9,670	20,436	9,829
NHS Jobs System	10,492	9,047	9,521	9,521
Prescription Processing System	24,606	2,581	23,638	3,243



## 4.3 Right-of-use assets

### 4.3.1 Right-of-use assets 2023-24

	Property £000	Total £000
<b>Cost or Valuation</b>		
At 1 April 2023	12,394	<b>12,394</b>
Additions	3,145	<b>3,145</b>
<b>At 31 March 2024</b>	<b>15,539</b>	<b>15,539</b>
<b>Depreciation</b>		
At 1 April 2023	1,972	<b>1,972</b>
Charged during the year	2,581	<b>2,581</b>
<b>At 31 March 2024</b>	<b>4,553</b>	<b>4,553</b>
Net book value at 31 March 2023	10,422	10,422
<b>Net book value at 31 March 2024</b>	<b>10,986</b>	<b>10,986</b>

### 4.3.2 Right-of-use assets 2022-23

	Property £000	Total £000
<b>Cost or Valuation</b>		
At 1 April 2022	0	<b>0</b>
Impact of adoption of IFRS16	9,688	<b>9,688</b>
Additions	2,706	<b>2,706</b>
<b>At 31 March 2023</b>	<b>12,394</b>	<b>12,394</b>
<b>Depreciation</b>		
At 1 April 2022	0	<b>0</b>
Charged during the year	1,972	<b>1,972</b>
<b>At 31 March 2023</b>	<b>1,972</b>	<b>1,972</b>
Net book value at 31 March 2022	0	0
<b>Net book value at 31 March 2023</b>	<b>10,422</b>	<b>10,422</b>

**Student Support** had no right-of-use assets during the accounting period (2022-23 – £Nil)

#### 4.4 Economic lives of non-current assets

	Min Life Years	Max Life Years
<b>Intangible assets</b>		
Software licences	1	20
Information technology	1	30
Development expenditure	1	12
<b>Property, plant and equipment</b>		
Buildings excl. dwellings	3	65
Plant & machinery	5	10
Transport equipment	5	7
Information technology	3	15
Furniture & fittings	5	10
<b>Right-of-use assets</b>		
Property	2	8

#### 4.5 Financial assets – investments

	Share Capital 2023-24 £000	Share Capital 2022-23 £000
Value at 1 April	92,000	0
Transferred from DHSC	0	92,000
Changes in carrying value	6,000	0
<b>Value at 31 March</b>	<b>98,000</b>	<b>92,000</b>

The investment represents a 49.99% shareholding in NHS Shared Business Services Ltd (SBS.)

The investment was independently valued at 31 March 2024 on a discounted cash flow basis. (See Note 8.1)

**Student Support** had no Investments during the accounting period (2022-23 – £Nil)

## 4.6 Receivables

	Current	
	31 March 2024 £000	31 March 2023 £000
Trade receivables	57,501	31,621
Accrued income	16,455	26,042
Expected credit loss allowance – contract receivables	(1,386)	(1,134)
Prepayments	7,808	7,799
Other receivables	22,151	14,065
Expected credit loss allowance – other receivables	(7,715)	(5,522)
<b>Trade and other receivables</b>	<b>94,814</b>	<b>72,871</b>
<b>Segmental split</b>		
Service Provision*	82,217	52,974
Student Support	12,597	23,897
	<b>94,814</b>	<b>76,871</b>

\* The 31 March 2023 balance includes £4,000k due from Student Support

There are no non-current receivables (2023 – Nil)

## 4.7 Cash and cash equivalents

	2023-24 £000	2022-23 £000
Balance at 1 April	36,236	13,779
Net change in the year	(20,899)	22,457
Balance at 31 March	15,337	36,236

### Comprising:

	31 March 2024 £000	31 March 2023 £000
Held with the Government Banking Service	15,337	36,236
Commercial banks and cash in hand	0	0
Cash and Cash equivalents	15,337	36,236
<b>Segmental split</b>		
Service Provision	3,877	29,146
Student Support	11,460	7,090
	15,337	36,236

## 4.8 Trade and other payables

	Current	
	31 March 2024 £000	31 March 2023 £000
Trade payables	4,973	921
Tax and social security	11	6
Deferred income	1,315	0
Accruals	39,679	51,359
Other payables	6,745	5,627
<b>Trade and other payables</b>	<b>52,723</b>	<b>57,913</b>
<b>Segmental split</b>		
Service Provision	33,709	38,232
Student Support*	19,014	23,681
	52,723	61,913

\* The 31 March 2023 balance includes £4,000k due to Service Provision

There are no non-current trade and other payables (2023 – Nil)

## 4.9 Lease liabilities

### 4.9.1 Movement in year

	2023-24 £000	2022-23 £000
Balance at 1 April	10,248	0
IFRS16 transition adjustment	0	9,688
Additions and remeasurements	3,145	2,706
Interest expense	182	90
Repayments	(2,955)	(2,236)
Balance at 31 March	10,620	10,248

None of the above leases are within the DHSC Group.

### 4.9.2 Year end balances

	31 March 2024 £000	31 March 2023 £000
<b>Maturity:</b>		
Within one year	1,943	2,222
Between one and five years	8,137	7,126
Later than five years	540	900
	10,620	10,248
<b>Included in:</b>		
Current lease liabilities	1,943	2,222
Non-current lease liabilities	8,677	8,026
	10,620	10,248
<b>Segmental split</b>		
Service Provision	10,620	10,248
Student Support	0	0
	10,620	10,248

## 4.10 Provisions for liabilities and charges

	Current	
	31 March 2024 £000	31 March 2023 £000
Leasehold property decommissioning	0	0
Legal claims	5	30
Social Work Bursary tuition fee entitlement	2,257	4,520
<b>Total</b>	<b>2,262</b>	<b>4,550</b>

	Non-current	
	31 March 2024 £000	31 March 2023 £000
Leasehold property decommissioning	815	443
Legal claims	19	21
Social Work Bursary tuition fee entitlement	0	0
<b>Total</b>	<b>834</b>	<b>464</b>
<b>Segmental split</b>		
Service Provision	839	494
Student Support	2,257	4,520
	<b>3,096</b>	<b>5,014</b>



	Leasehold Property Decommissioning £000	Legal claims £000	Social Work Bursary Tuition Fee Entitlement £000	Total £000
At 31 March 2022	745	53	3,684	<b>4,482</b>
Arising during the year	0	0	5,562	<b>5,562</b>
Utilised during the year	(182)	(2)	(2,221)	<b>(2,405)</b>
Reversed unused	(120)	0	(2,505)	<b>(2,625)</b>
At 31 March 2023	443	51	4,520	<b>5,014</b>
Arising during the year	398	0	3,987	<b>4,385</b>
Utilised during the year	(26)	(12)	(1,689)	<b>(1,727)</b>
Reversed unused	0	(15)	(4,561)	<b>(4,576)</b>
<b>At 31 March 2024</b>	<b>815</b>	<b>24</b>	<b>2,257</b>	<b>3,096</b>
Expected timing of cash-flows:				
Within one year	0	5	2,257	<b>2,262</b>
Later than one year and not later than five years	815	6	0	<b>821</b>
Later than five years	0	13	0	<b>13</b>

### Contingencies at 31 March 2024

At 31 March 2024, there were no known contingent assets or liabilities (March 2023: £nil).

### 4.11 Events after the reporting period

The Accounts were authorised for issue by the NHSBSA Chief Executive and Accounting Officer on the same date as the C&AG's certificate.

## 5. Notes to the statement of cash flows

### 5.1 Movements in working capital

	2023-24 £000	2022-23 £000
(Increase)/decrease in receivables within 1 year	<b>(21,943)</b>	6,862
Increase/(decrease) in payables within 1 year	<b>(5,190)</b>	16,916
<b>Total</b>	<b>(27,133)</b>	23,778

### 5.2 Other cash flow adjustments

	2023-24 £000	2022-23 £000
Depreciation	<b>9,581</b>	9,320
Amortisation	<b>18,987</b>	18,000
Impairments and reversals	<b>499</b>	200
(Profit)/Loss on disposal of assets	<b>663</b>	262
Notional Costs	<b>173</b>	160
Finance charge on leases	<b>182</b>	90
Provisions – arising in Year	<b>4,385</b>	5,562
Provisions – reversed unused	<b>(4,576)</b>	(2,625)
<b>Total</b>	<b>29,894</b>	30,969

## 6. Related party transactions

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

The Department of Health and Social Care is regarded as a related party. During the year the Authority had a significant number of material transactions with the Department and with other entities for which the Department is regarded as the parent Department including NHS England and NHS Trusts and Foundation Trusts.

NHS Shared Business Services Ltd (SBS) became a related party with the transfer of DHSC's shareholding on 31 March 2023. NHSBSA provided services to SBS to the value of £52.0k during 2023/24 (2022/23: £48.9k), and has a receivables balance of £140.9k at 31 March 2024 (31 March 2023: £173.8k).

During the year none of the Department of Health and Social Care Ministers, Authority board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with NHSBSA. Compensation paid to directors has been disclosed in the remuneration report.

## 7. Other commitments

The Authority has entered into non-cancellable contracts (which are not operating leases) for the provision of contracted out Pensions, ESR, Facilities Management and IT services, due as follows:

	31 March 2024 £000	31 March 2023 £000
In one year or less	49,465	51,971
In more than one year but not more than five years	25,004	66,788
In more than five years	0	0
<b>Total</b>	<b>74,469</b>	<b>118,759</b>

## 8. Financial instruments

### Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. As the cash requirements of the Authority are met primarily through Parliamentary Funding, financial instruments play a more limited role in creating risk that would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Authority's expected purchase and usage requirements and the Authority is therefore exposed to little credit, liquidity or market risk.

### Currency risk

The Authority is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The Authority has no overseas operations. The Authority therefore has low exposure to currency rate fluctuations.

### Interest rate risk

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

### Credit risk

Because the majority of the Authority's income comes from funds voted by Parliament and from other NHS bodies the Authority has low exposure to credit risk.

### Liquidity risk

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

## 8.1 Financial assets

	At 'fair value through profit and loss' £000	At 'amortised cost' £000	At 'fair value through other comprehensive income' £000	Total £000
Trade receivables	0	30,487	0	30,487
Other receivables	0	34,334	0	34,334
Cash at bank and in hand		36,236	0	36,236
Other financial assets	0	0	92,000	92,000
<b>Total at 31 March 2023</b>	<b>0</b>	<b>101,057</b>	<b>92,000</b>	<b>193,057</b>
Trade receivables	<b>0</b>	<b>56,115</b>	<b>0</b>	<b>56,115</b>
Other receivables	<b>0</b>	<b>30,891</b>	<b>0</b>	<b>30,891</b>
Cash at bank and in hand	<b>0</b>	<b>15,337</b>	<b>0</b>	<b>15,337</b>
Other financial assets	<b>0</b>	<b>0</b>	<b>98,000</b>	<b>98,000</b>
<b>Total at 31 March 2024</b>	<b>0</b>	<b>102,343</b>	<b>98,000</b>	<b>200,343</b>

Assets carried at fair value must be classified by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

The only asset held at fair value above is the investment in NHS Shared Business Services Ltd, shown in other financial assets. This investment is classified as level 3.

The investment was valued on a discounted cash flow basis, by an independent valuation expert, using business and cash flow forecasts provided by NHS Shared Business Services Ltd (see Note 4.5).

A change in the rates applied in the valuation would have an impact on the investment value as follows:

- Weighted average cost of capital: +/- 1% would equate to a decrease/increase of £5.1m/£5.9m.
- Terminal growth rate: +/- 0.5% would equate to an increase/decrease of £1.5m/£1.4m.
- Earnings before interest, tax, depreciation and amortisation: -5% would equate to a decrease of £4.6m.

The fair value of the investment was assessed at the balance sheet date. The value will be reassessed annually to ensure any changes in fair value are reflected in other comprehensive income.

## 8.2 Financial liabilities

	At 'fair value through profit and loss' £000	At 'amortised cost' £000	Total £000
Trade payables	0	921	921
Other payables	0	5,627	5,627
Other financial liabilities	0	66,570	66,570
<b>Total at 31 March 2023</b>	<b>0</b>	<b>73,118</b>	<b>73,118</b>
Trade payables	<b>0</b>	<b>4,973</b>	<b>4,973</b>
Other payables	<b>0</b>	<b>4,759</b>	<b>4,759</b>
Other financial liabilities	<b>0</b>	<b>53,371</b>	<b>53,371</b>
<b>Total at 31 March 2024</b>	<b>0</b>	<b>63,103</b>	<b>63,103</b>

## 8.3 Maturity of financial liabilities

	31 March 2024 £000	31 March 2023 £000
In one year or less	<b>53,611</b>	64,649
In more than one year but not more than five years	<b>8,952</b>	7,569
In more than five years	<b>540</b>	900
<b>Total</b>	<b>63,103</b>	73,118





