

Annual Report and Accounts 2024/25



NHS Business Services Authority Annual Report and Accounts 2024/25

For the period 1 April 2024 to 31 March 2025

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

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Foreword from the Chair

This year marked the launch of our new five-year strategy (2024–2029), with a renewed focus on transforming and delivering national, at scale services that meet the ever changing and evolving needs of the health and social care system.

I am proud of our ambition and dedication to transitioning complex services at pace while recognising and mitigating risks. We continue to develop our ability to digitise, automate and transform these services, keeping our customers central to our plans. We use data and insight to improve patient outcomes, strengthen patient safety and deliver better value for money.

Our 2024/25 Annual Report shows we have continued to deliver business service excellence, with new services launched successfully and existing ones enhanced. This has not been without challenges which are presented openly in this report.


Looking to the future, I am confident that we will address challenges and deliver on our vision to be the provider of national, at scale business services with a focus on transforming and delivering while maximising efficiency and meeting customer expectations.



Sue Douthwaite
Chair



1. Performance report

A photograph of two young women standing indoors, looking at a laptop screen. The woman on the left has long red hair and is wearing a dark grey hoodie. The woman on the right has dark hair in braids and is wearing a white fur-trimmed jacket. They are both smiling and looking at the laptop. A large blue hexagon is overlaid on the right side of the image, containing text. Two smaller blue hexagons are at the bottom right, containing page numbers and titles.

Our performance report gives an overview of 2024/25, including a section giving details of our purpose, activities and performance during the year.

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About us

Page 13
Performance summary

1.1 Overview

1.1.1 Introduction from our Chief Executive

A year of purpose, progress and possibility

This year marked the beginning of a bold new chapter for the NHS Business Services Authority (NHSBSA), our first year delivering against the ambitions of our new five-year strategy. It has been a year defined by purpose, progress and possibility, shaped by the dedication of our people, the strength of our partnerships and our unwavering commitment to supporting the NHS and the wider health and care system.

At the heart of our work is a simple but powerful mission: to deliver business service excellence to the NHS, helping people live longer, healthier lives. This year, we've taken significant steps towards realising that mission by transforming services, empowering our people and delivering value at scale.

During 2024/25, we continued work on several transformation programmes while improving and further digitising existing services.

We remain deeply committed to delivering value to the taxpayer. In 2024/25, the NHSBSA delivered around £668 million in savings for the wider health and care system through our provider assurance services, medicines optimisation and the delivery of efficient and effective services.

Sustainability is embedded in everything we do. Guided by our environmental, social and governance (ESG) strategic goal, we have reduced our greenhouse gas emissions against our baseline by over 65% and recycled 88% of our waste. By increasing uptake of our digital services, we're helping the NHS reduce waste and paper use at source, supporting a greener, more sustainable future.

None of this would be possible without our people. Through our People Promise and employee value proposition (EVP), we're committed to creating an inclusive workplace where everyone feels they belong.

This year, we rolled out a new appraisal process with a greater focus on colleague wellbeing. We want the NHSBSA to be the best place any of us have worked, where our colleagues are satisfied and fulfilled in their roles with clear opportunities for development and progression.

That's why I'm delighted to share that for the fifth consecutive year, we've been recognised as an organisation with "outstanding" engagement in the Best Companies Index. More than 70% of colleagues took part in the survey and we achieved a two-star accreditation. We also ranked #2 Best Not for Profit organisation in the UK and #6 on the UK's 25 Best Big Companies to Work For list, climbing from #11 last year. These achievements speak volumes about the kind of organisation we're building.

I hope you enjoy reading about the achievements set out in our Annual Report and Accounts and I extend my heartfelt 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. We all bring different experiences, perspectives and strengths, but what unites us is that we're all people connected to care, committed to making a meaningful difference to the NHS and the lives it touches.



Michael Brodie CBE
Chief Executive

1.1.2 About us

We are an Arm’s Length Body (ALB) of the Department of Health and Social Care (DHSC), providing platforms and services that support the priorities of the NHS, government and local health economies.

We have an excellent reputation as:

- an expert delivery organisation relied upon by government and the health and care system to provide high-volume business services
- a partner known for our ability to transition complex services and to digitise, automate and transform them, using the data and insight gathered to improve patient outcomes, patient safety and value for money
- a trusted delivery partner that aspires to be more than just the NHS’s business, we aim to be the digital train track on which national and at scale business services operate

In 2024/25, we embarked on the first year of our ambitious five-year strategy.

➡ Our purpose

We deliver business service excellence to the NHS to help people live longer, healthier lives.

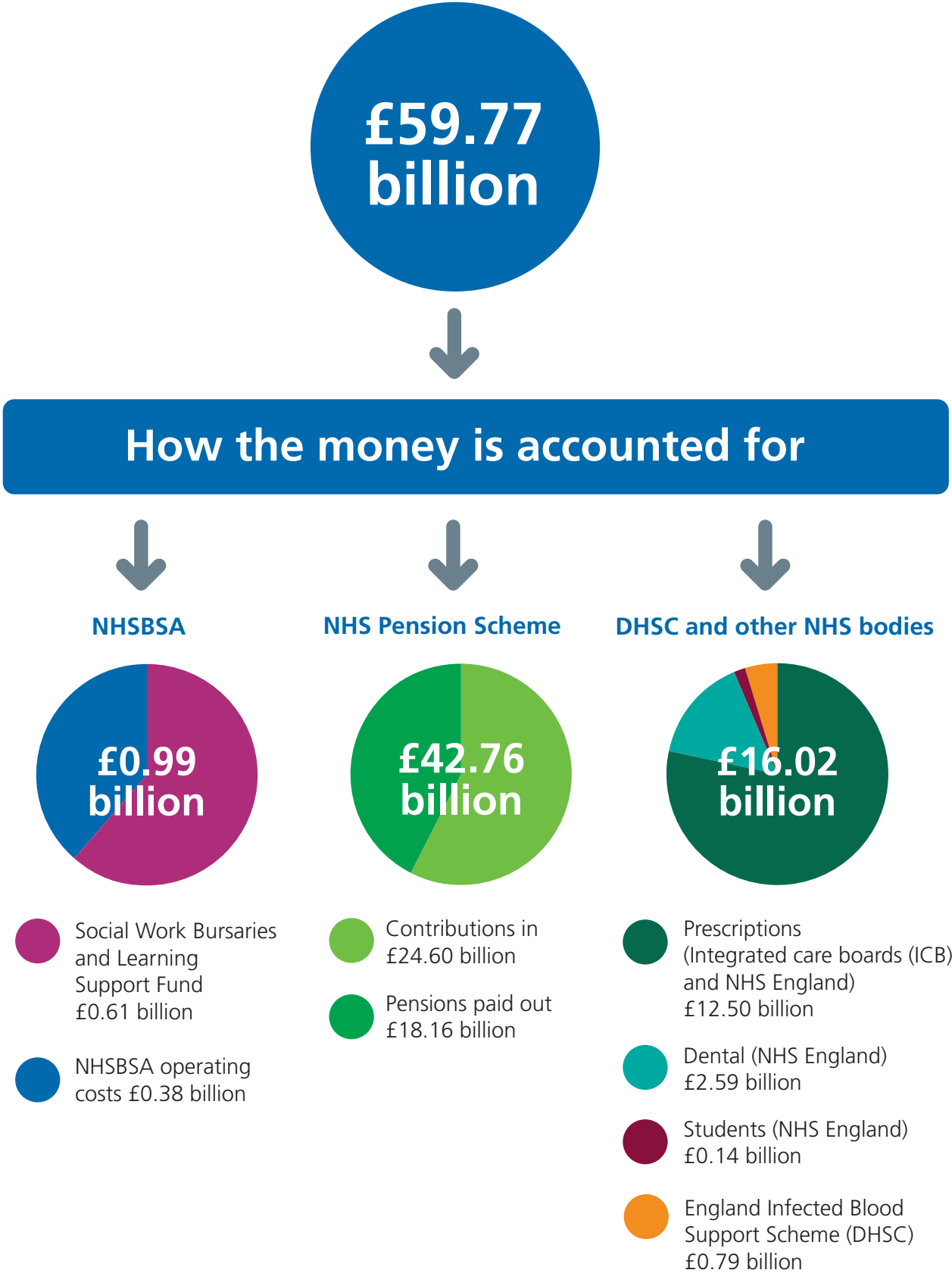
➡ Our vision

To be *the* provider of national, at scale business services for the health and social care system, transforming and delivering these services to maximise efficiency and meet customer expectations.

Our values have been developed with our people for our people. They reflect the fact We CARE.



The money flowing through the NHSBSA



Our operational services are grouped into three areas providing essential services to health and social care system providers, the NHS workforce and citizens.

		
Workforce Services	Citizen Services	Primary Care Services
<p>We support the NHS workforce throughout their careers by providing employment, HR and payroll platforms. We also provide financial support to NHS students and manage the NHS Pension Scheme.</p>	<p>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.</p>	<p>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.</p>
<ul style="list-style-type: none"> ➔ Student Services Supporting future NHS and health and social care workforce through funding students ➔ NHS Jobs Providing the national NHS recruitment platform ➔ Electronic Staff Record (ESR) Managing the largest centralised HR and payroll system in the world ➔ NHS Pensions Operating the NHS Pension Scheme ➔ HR Shared Services A shared service for HR and recruitment solutions 	<ul style="list-style-type: none"> ➔ 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 Healthy Start and administering the England Infected Blood Support Scheme on behalf of DHSC ➔ Overseas Healthcare Services Managing global reciprocal healthcare arrangements, including the Global Health Insurance Cards (GHIC) 	<ul style="list-style-type: none"> ➔ NHS Dental Services Paying dentists for the services they provide on behalf of the NHS ➔ NHS Prescription Services Paying dispensing contractors 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 the DHSC ➔ Scanning Services Digitising paper records and reducing storage costs for the NHS





At the core of our business, we depend upon the capabilities of our Digital, Data and Technology (DDaT) function, with enabling services supplied by our People, Corporate Services, Finance, Commercial, Estates, Strategy, Performance, Business Development, Communications and Marketing, Growth and Portfolio Management teams.

DHSC transferred their existing shareholding (49.99%) of NHS Shared Business Services (NHS SBS) to the 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 for 2024/25

Our strategic goals are the building blocks that transform our aspirations into achievable outcomes and support us to improve the service excellence we deliver day to day. We've set ourselves bold and ambitious measures to deliver our goals, which are our north star in charting our course towards excellence.

 Customer	 Value and efficiency
<p>Providing a great experience and meeting needs first time</p> <p>Meeting customer need is our priority, but we also want to exceed their expectations. Customers will have a positive experience and be equipped with the information they need to make informed decisions. We will make sure they are aware of what is available and what they are entitled to. By actively seeking feedback and listening to customers, we can understand concerns, make adjustments and enhance our service offering.</p>	<p>Creating an efficiency mindset, delivering services that represent best value to the taxpayer</p> <p>We strive to provide taxpayer value by delivering high-quality services and products in a cost-effective way. We aim to eliminate inefficiencies by streamlining processes, investing in technology to enhance productivity and automation, optimising resource allocation and negotiating supplier contracts. We will work hard to mitigate loss and fraud, driving value and improving system usability.</p>
 Our people	 Environmental, social and governance (ESG)
<p>Creating the best place any of us have worked</p> <p>Our people are crucial to the success of the NHSBSA. We foster an inclusive environment that promotes engagement and wellbeing as part of our People Promise. We want our colleagues to be satisfied and fulfilled in their roles as well as having opportunities for development and progression, as part of our EVP. Quite simply, we want the NHSBSA to be the best place any of us have worked.</p>	<p>As a public sector organisation delivering on behalf of the taxpayer, we are committed to our social responsibilities and contributing to a more sustainable future</p> <p>It is important that we understand our impact on the environment and how to mitigate this through sustainable procurement, continued education and working to reduce emissions and waste.</p> <p>Using our skills, expertise and time, we support the community through education, raising awareness of services, volunteering and supporting social mobility through our employment opportunities.</p> <p>Through this good governance, we establish accountability, transparency and ethical behaviour.</p>

Our strategy can be found here: <https://www.nhsbsa.nhs.uk/sites/default/files/2024-04/Strategy%202024-2029%20%28V1%29%2004.2024.pdf>

1.1.3 Our key risks and issues

This table provides a summary of our key risks and issues. A risk is defined as an uncertain event that, should it occur, would affect the achievement of objectives. An issue is defined as an event that is in progress, which could be the realisation of a risk. For more detail, please refer to our annual governance statement in section 2.1.3.

Risk/issue	Summary
Risk	Major breach of information governance and security
Risk	Insufficient organisational funding
Risk	NHS Pension Scheme service delivery and delivery of the McCloud ruling
Risk	Significant fraud not prevented or detected
Risk	Adoption of the Future NHS Workforce Solution by user organisations
Risk	Priorities of our sponsors and/or commissioners could change
Risk	Achieving the government productivity target
Risk	Having a diverse workforce at all levels, representative of the communities we serve
Risk	Achieving three-star Best Companies accreditation
Risk	Achieving the Net Zero target by 2030
Risk	NHS system changes
Issue	Suitability of directions

1.1.4 Performance summary

Throughout 2024/25, we continued to receive awards and accreditations that recognise our ambition to be a great, inclusive place to work. These include:



We achieved 'Outstanding' two-star accreditation in the Best Companies survey for the sixth consecutive year, with five areas awarded 'World Class' three-star accreditation. We were again listed in the Top 50 Inspiring Workplaces and named No.1 in the Government and Not-for-Profit category for the UK and Ireland.



Our business performance

During 2024/25, we performed well, continuing to improve and further digitise existing services, while also taking on new ones:

- **Adult Social Care Learning and Development Support service:** reimbursing care professionals for development opportunities
- **NHS Volunteering platform:** bringing together all NHS volunteering opportunities across England into one central hub, improving access for individuals and making it easier and more efficient to find opportunities and match volunteers

1.2 Performance analysis

1.2.1 How we measure performance

To ensure we deliver business service excellence 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.

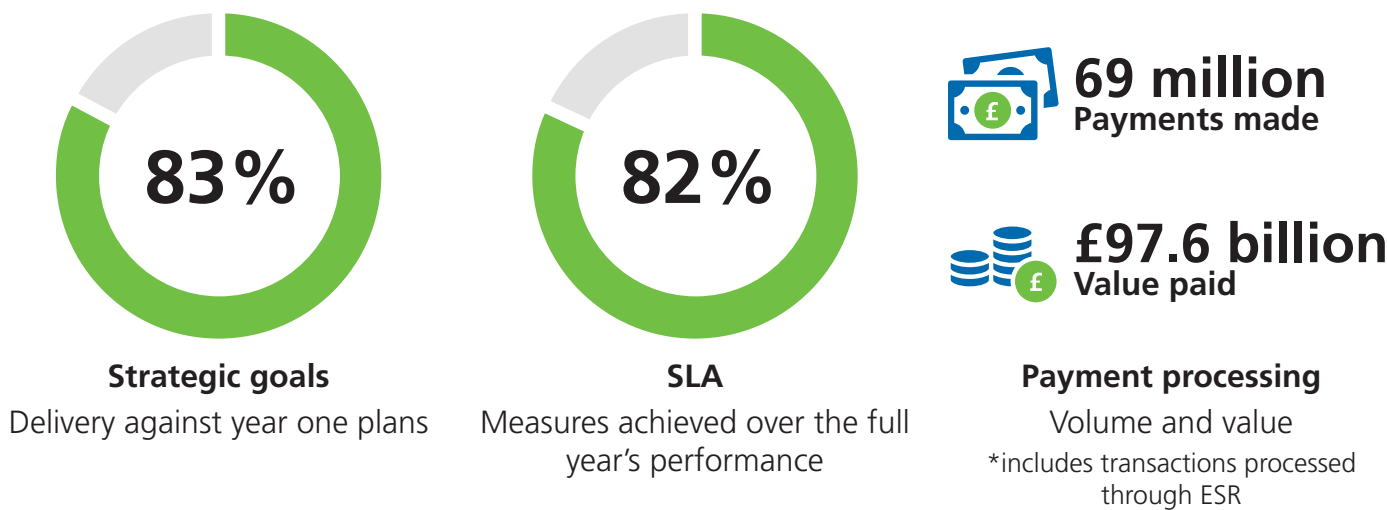
Each month we produce a business performance report, which shows performance against our strategic goals. Business insights and Service Level Agreements (SLA) performance are shared with the Leadership Team (LT) through LT Boards and the NHSBSA Board during their meetings.

In January 2025, we introduced a new Performance Board, which carries out a monthly, organisation-wide deep dive into our performance. This reporting includes:

- strategic goals and overarching measures
- operational key performance indicators (KPIs)
- sponsor KPIs that are agreed with our sponsor and clients
- customer satisfaction
- complaints
- benefits and efficiencies
- financial management
- people insights
- environment and resource efficiency

An operational performance status report is also produced, providing a weekly view of operations to the LT.

Delivering on our business service excellence



The table below shows progress made during the first year of our five-year strategy, outlining key activities delivered in 2024/25 to help achieve our strategic goals.

Five-year goal	Year one target	Progress against year one target
Strategic goal: customer		
75% of services scoring high or very high customer satisfaction (CSAT) by March 2029	45%	Achieved 55%. 35% (7) of services consistently achieving target. A further 20% (4) of services have achieved target, but performance fluctuates. We're continuing to monitor services where scores fall below high or very high CSAT.
Overall CSAT for the Future NHS Workforce Solution high or very high by March 2029	No target for year one	Too early to assess. Work continues to progress against programme. CSAT for current system, ESR, is being monitored until Future NHS Workforce Solution launch in 2027.
Overall CSAT for NHS Pensions members and employers high or very high by March 2029	65%	Achieved 54%. Member target has been reviewed following year one.
	75%	Achieved 75%. Employers met the target in Q4. Performance has fluctuated, will continue to monitor.
Strategic goal: our people		
Achieve three-star accreditation with Best Companies	Maintain two-star	Achieved two-star outstanding employee engagement, with 5 of 9 areas awarded 'World Class' three-star accreditation. Action plans for future improvement have been developed and are in progress.
A diverse workforce, at all levels, reflective of our communities	Monitor against national comparators	Workforce remains diverse in terms of ethnicity, gender and sexual orientation. Underrepresentation remains among colleagues who have declared they have a disability and in leadership level roles (Agenda for Change 8c and above) for colleagues from ethnic minority backgrounds and who are women. We continue working to achieve representation across the organisation.
Each directorate will deliver an embedded and effective workforce plan	Deliver plans by October 2025	Delivery expected on time by October 2025. This will enable us to assure staff development. Maturity assessments and new templates are supporting progress across all directorates.
Strategic goal: value and efficiency		
Operate within DHSC funding allocation and meet identified efficiencies	Operate within allocation	We successfully operated within our funding envelope for both revenue and capital.
Deliver over £1 billion in wider system efficiencies by March 2029	£603 million	Achieved £668 million. Year one target exceeded.

Five-year goal	Year one target	Progress against year one target
Meet government productivity targets	Minimum of 0.5% efficiencies	Achieved £2 million in efficiency savings (0.56%) against a revenue expenditure budget of £356 million from our own operating budgets, exceeding the government target of £1.8 million (0.5%).
Strategic goal: ESG		
Achieve Net Zero by 2030	69% reduction	Achieved 66%. Near miss on target, main contributor identified as the decarbonisation of national electricity grid not progressing at the rate assumed in our carbon projections.
100% of customers gaining automatic entitlement in selected services	Identify and notify customers who are entitled to prescription prepayment certificates (PPC)	51,000 patients contacted through proactive communications trial. Exploration into extension of medical exemption certificates ongoing. Positive early discussions into auto enrolment for medical and maternity exemptions.
Full compliance against 11 functional standards that apply to the NHSBSA	90% Following review of this target and full review of the functional standards by the business, this measure will be amended in 2025/26 to reflect the government requirements to meet mandatory elements of the standards, while recognising that the standards and subsequently compliance level, could change	The organisation is fully implementing the majority of mandatory elements and continues to review and use the standards to drive continuous improvement. Regular reviews are undertaken, supported by the work of internal audit.
50,000 hours of volunteering donated to charitable and community organisations	3,018 hours	Achieved 6,342 hours. Significantly surpassing our target of 3,018 hours.
Achieve Top 75 ranking in Social Mobility Index	Prepare to enter index in year two	Entered the index for the first time, ahead of schedule, ranking 134th.
Produce an impact report to be included in the NHSBSA Annual Report and Accounts	Produce impact report	Scope expanded to include data and social impact for 2024/25. Timelines for publication agreed as 30 June 2025.

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 DHSC with the approval of HM Treasury.

Our accounts for 2024/25 have been prepared in accordance with DHSC Group Accounting Manual 2024/25 (GAM) and comply with HM Treasury's Government Financial Reporting Manual 2024/25 (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 has been in operation since April 2006. Based on normal business planning and as an ALB with the continued financial support of DHSC and our other commissioners across the wider healthcare system, our LT 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 2024/25

As a Special Health Authority, we receive funding from 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 Department Expenditure Limits (DEL) from DHSC or revenue generated by the services from commissioners.

Table 1 summarises our performance against the financial targets set by DHSC. We successfully operated within our funding envelope.

Table 1: Financial target performance 2024/25		
Funding stream	Limit £ million	Achieved
Administration revenue DEL		
Non-ring-fenced	78.3	✓
Ring-fenced	23.3	✓
Programme revenue DEL		
Non-ring-fenced	170.9	✓
Ring-fenced	11.0	✓
Capital expenditure	21.3	✓

Better Payment Practice Code

We are required to report on our performance against the Better Payment 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 2024/25 is detailed in table 2 below.

Table 2: Better Payment Practice Code performance 2024/25 (2023/24)	Number	Value £ million
Total non-NHS trade invoices paid	10,399 (8,687)	255.4 (235.4)
Total non-NHS trade invoices paid within target	9,207 (8,173)	229.9 (219.9)
Percentage of non-NHS trade invoices paid within target	89% (94%)	90% (93%)
Total NHS trade invoices paid	570 (475)	4.5 (4.4)
Total NHS trade invoices paid within target	470 (455)	3.9 (4.3)
Percentage of NHS trade invoices paid within target	82% (96%)	87% (97%)

During 2024/25, the NHSBSA onboarded and delivered several new services on behalf of DHSC and NHS England. These services are fundamental to the government's plans to drive greater productivity and efficiency across the public sector.

Pension costs for current staff

The treatment of pension liabilities and relevant pension scheme details are set out in note 3.4 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. The costs that we incur by providing these services, primarily staff costs, have been included within our operating expenditure, along with the total income contributions received from these organisations to cover costs. For 2024/25, the income received from hosted and managed services totalled £2.9 million (compared to £2.8 million in 2023/24).

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 2025 of £280k (2024: £268k) is for the audit of these accounts.

An additional notional fee of £180k (2024: £173k) relates to the audit of the NHS Pension Scheme accounts.

Future financial targets

Background

We worked closely with our funders to reach agreement on the Spending Review 2024 (SR24) Phase 1 settlement for the financial year 2025/26. This was achieved despite significant challenges to our funders, tasked with finding efficiencies across administration and programme budgets for ALBs. We received indication in January 2025 around this settlement which will enable financial balance to be achieved for 2025/26.

We have also completed Phase 2, which will set financial plans across government for three years post 2025/26. DHSC's submission to HM Treasury (HMT), inclusive of the NHSBSA's requirements, was made in line with expected timelines to feed into the Spending Review Statement in June 2025.

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

Additionally, the NHSBSA creates significant savings for other parts of the health and care system, amounting to over £668 million in 2024/25.

Our approach to financial planning

After successfully delivering efficiencies throughout 2024/25, our financial plan for 2025/26 is focused on securing the financial resource needed to sustainably deliver the services we are directed to provide and securing the resulting savings for the health and care system.

We continue to work closely with HMT 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, including House of Commons and UK Government Investments (UKGI).

We maintain a relentless focus on efficiency, effectiveness and delivering taxpayer value. Our engagement with stakeholders helps develop and drive improvements to the wider health system. Many of these projects receive direct funding linked to the strategic priorities of other NHS organisations. We remain committed to delivering against our own productivity efficiencies for 2025/26 which are in line with government targets as part of the spring budget.

Revenue expenditure plans

We have agreed revenue and capital funding with DHSC, sufficient to meet our planned net expenditure for 2025/26.

1.2.3 Environment and social sustainability

Background

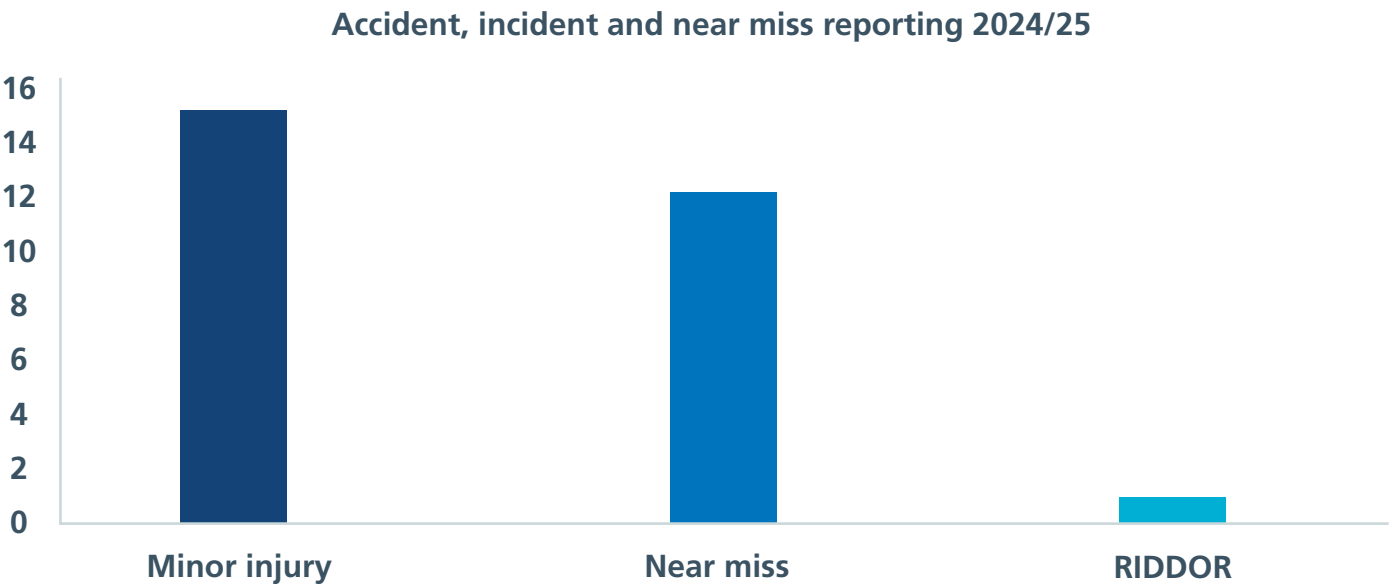
The environment and social sustainability are at the heart of everything we do and are reflected in our strategic goals, which focus on our people, our customers, value and efficiency and ESG.

We ensure strong governance structures are in place around social responsibility, human rights, anti-corruption, anti-fraud and anti-bribery. This includes comprehensive training for colleagues, standards of business conduct policies and processes and arrangements to encourage and support speaking up. Human rights and labour standards are embedded throughout our procurement processes.

Health, safety, safeguarding and wellbeing

During 2024/25, health and safety was managed and coordinated by our central Health and Safety team, with support from health and safety representatives who receive training and support to implement local delivery of our health and safety management system.

Accident, incident and near-miss reports remain low, which is typical for our work arrangements but lower than in other public sector organisations.



Our safeguarding response is also centrally managed, with local areas responsible for identifying and responding to concerns. This system has proven effective in identifying and managing risks, including working with external agencies when required.

In 2024, we reviewed our health and safety management system, particularly focusing on psychological risks due to the nature of our services. Work is underway to align health and safety with broader wellbeing and safeguarding initiatives, with a focus on preventing people risk through collaboration across business areas, bringing together different experiences, skills and insights.

Wellbeing

We provide a comprehensive wellbeing offer for colleagues, with access to a range of in-house and external services, including our Employee Assistance Programme. We have enhanced our wellbeing offer through the provision of virtual wellbeing sessions. Support has continued to meet the needs of colleagues, including those affected by menopause or cost of living challenges.

We plan to review our wellbeing strategy to ensure it continues to meet the changing needs of our people. We're proud to say our offer has been externally recognised by the Better Health at Work Awards at its highest level of ambassadorial status for three consecutive years.

This year, we launched our Let's Talk About Wellbeing Programme to upskill managers in having safe, effective wellbeing conversations as part of our new approach to colleague development.

Our wellbeing and inclusion networks have continued to grow, providing peer support and protected spaces for diverse groups. Our four lived experience colleague networks, BAME, Disability and Neurodiversity, LGBTQ+ and Women have enabled a focus on the issues impacting these equality groups. Our Domestic Abuse Support, Mental Health First Aid, Menopause Champions and Wellbeing networks have provided comprehensive support for colleagues.

Diversity and inclusion

During 2024/25, we continued to drive forward our commitment to being a diverse and inclusive organisation, reflecting the communities in which we live, work and serve. Our workforce is representative overall in terms of ethnicity, gender and sexual orientation and we continue to work on achieving representation in respect of disability.

We collected socio-economic background data for the first time, helping us gain further insights. Responses showed we are reflective of communities, with colleagues from lower socio-economic backgrounds across all levels, including senior leadership.

We entered the final year of our Diversity and Inclusion Strategy 2022-2025, in which we committed to being an inclusive organisation where all colleagues can thrive and be their best. We delivered key programmes such as BAME Talent Development and Reciprocal Mentoring for Inclusion with positive outcomes.

We continue to work with colleagues and partners to build awareness and understanding through activities such as LGBTQ+ History Month, Black History Month and Disability and Neurodiversity Celebration Week. These initiatives help foster good relations and contribute to a supportive, inclusive culture.

As part of our obligations under the Public Sector Equality Duty, we carried out over 40 equality impact assessments during the financial year. These assessments are designed to identify and remove or mitigate risks to people with protected characteristics, helping us eliminate discrimination and provide fair access to opportunities. For example, an equality impact assessment of the Baby Loss Certificate service highlighted potential barriers related to age, sex and disability, which were addressed to ensure the service is accessible and inclusive.

We have also embedded diversity and inclusion requirements into procurement and commercial contracts to ensure suppliers prioritise inclusivity and accessibility.

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

Social impact

In 2024/25, we refocused our social impact efforts to deliver long-term benefits for our communities, those accessing our services and the NHSBSA. These initiatives address key societal issues such as employment barriers, access to healthcare and climate change.

Our programmes include:

- raising awareness and promoting access to our citizen services
- using our data and insight for wider impact
- colleague volunteering and fundraising
- embedding social value requirements throughout our change, procurement and contract management processes
- providing bespoke support such as pre-employment skills workshops

We continue to assess our performance through external benchmarking and accreditation schemes. For the first time, we entered the Social Mobility Employer Index, ranking 134th out of 150 organisations.

For more information, please refer to our Data and Social Impact Annual Report 2024/25 at <https://www.nhsbsa.nhs.uk/what-we-do/data-and-social-impact-annual-report-202425>.

Sustainability report

Taskforce for Climate-related Financial Disclosures (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 considers climate to be a principal risk and has therefore complied with the TCFD recommendations and recommended disclosures around:

- governance recommended disclosures (a) and (b)
- risk management recommended disclosures (a) to (c)
- metrics and targets – recommended disclosures (b) Metrics and targets – recommended disclosures (a) and (c)
- strategy – recommended disclosures (a) and (b – partial)

The NHSBSA has performed well against our strategy and targets and plans to provide recommended disclosures for strategy recommended disclosures (c) in future reporting period.

Governance

To ensure Board and senior management visibility and oversight of climate-related risks and opportunities, we have both executive and non-executive champions for environment and sustainability. We provide an annual update to our Board and LT on our environment strategy, action plan and annual performance report, allowing effective oversight, evaluation and management of climate-related risks.

Environmental sustainability remains a key strategic goal within our broader ESG objectives. Our environment strategy, built around key material risks and impacts, underpins this strategic goal. It is supported by an annual environment plan that promotes shared ownership of sustainability and the management of climate-related risks, with clear senior management accountability and support.

Our Environment Committee meets at least three times per year and provides a strategic focal point for managing climate-related issues. The committee is chaired by our Chief Executive, who acts as the executive sponsor for the environment. It is attended by senior management representatives from across the organisation and acts as the decision-making body for all environment and sustainability issues. The committee monitors performance and drives the development and implementation of key initiatives.

Our environmental management system, externally certified to ISO 14001:2015, requires that our environmental objectives consider and address identified risks and opportunities, including climate-related risks.

Risk management

Processes for identifying, assessing and managing climate-related risks are integrated into our overall risk management approach, described in section 2.1.3 annual governance statement.

This year, we completed a qualitative climate change risk assessment and adaptation plan, in collaboration with key departments across the organisation. The project considered risks associated with a range of potential climate hazards for two climate scenarios across different time horizons, deepening our understanding of key climate-related risks.

Several physical climate-related flooding risks have been identified for our organisation relating to risks to assets, colleague wellbeing and productivity and demand for NHSBSA services. Additionally, our transition to Net Zero by 2030 is one of the NHSBSA's strategic goals. The risk of not achieving this ambition has been recognised as a principal risk and added to our corporate risk register.

Metrics and targets

We assess and report on performance against the Greening Government Commitments (GGCs) on a quarterly basis to DHSC. Internally, we have set an organisational target to reach Net Zero by 2030. Performance against both Net Zero and GGC targets is regularly reported to senior management and the Board through the Environment Committee and the business performance report. We align our reporting methodology with the GGCs for central government in accordance with the Greenhouse Gas (GHG) Protocol. As part of our HM Treasury Sustainability Reporting, we report our scope 1, 2 and relevant scope 3 greenhouse gas emissions and provide appropriate performance evaluation against targets.

For our internal Net Zero by 2030 target, we have extended our reporting to include emissions from waste and wastewater treatment within our target, as we have operational control over the volume and management of these outputs, allowing us to influence and reduce emissions.

Overall GGC Performance

The tables below detail overall performance against GGCs 2021-2025 alongside appropriate performance commentary.

Table 3: Greenhouse gas emissions

Target: Reduction in overall greenhouse gas emissions tCO₂e by 44% and direct greenhouse gas emissions reduction from estate and operations by 20% from a 2017/18 baseline by 2024/25

Greenhouse gas emissions (tonnes CO ₂ e)	2017/18	2022/23	2023/24	2024/25
Total emissions*	2,643	1,178	1,068	925
Percentage reduction in overall emissions from baseline	N/A	55%	60%	65%
Scope 1 emissions – direct emissions from owned or controlled sources	389	336	210	153
Percentage reduction in Scope 1 emissions from baseline	N/A	14%	46%	61%
Scope 2 emissions – indirect emissions from generation of purchased electricity consumption	1,985	678	647	550
Percentage reduction in Scope 2 Emissions from baseline	N/A	66%	67%	72%
Scope 3 emissions – indirect emissions from transmission and distribution of purchased electricity	158	62	56	49
Scope 3 emissions – emissions from official business travel – domestic only (aligning with GGCs target)	261	102	154	175
Scope 3 emissions – emissions from official business travel – international (categorised as other travel under GGCs framework and not included in the target)	7	2	8	3

*Emissions exclude emissions from international business travel, waste disposal and water supply and treatment as not included in the total greenhouse gas emission target in line with the GGC framework.

Direct emissions associated with NHSBSA activities have reduced by 61% from the baseline year (2017/18), exceeding our department's targeted reduction of 20%. We have also reduced overall greenhouse gas emissions by 65%, exceeding our department's reduction target of 44%.

A variety of factors have contributed to our performance, including decarbonisation of the national grid, estate consolidation activities reducing electricity and gas related emissions, investments in energy-efficiency upgrades and on-site renewables.

Table 4: Building energy consumption		2017/18	2022/23	2023/24	2024/25
Electricity	Consumption (kWh)	5,162,904	3,506,794	3,125,318	2,654,103
	Percentage reduction from baseline	N/A	32%	39%	49%
	Cost (£)	N/A	£1,235,042	£1,490,857	£1,162,613
	Generated from PV (kWh)	3,055	89,475	189,939	189,671
Gas	Consumption (kWh)	1,968,443	1,760,171	1,047,955	747,928
	Percentage reduction from baseline	N/A	11%	47%	62%
	Cost (£)	N/A	£161,674	£103,336	£119,955
Diesel	Consumption (kWh)	N/A	N/A	10,571	7,642
	Cost (£)	N/A	N/A	£1,533	£1,046
Fugitive emissions	Quantity (tCO ₂ e)	0	0	10.6	2.1

We have reduced gas consumption by 62% in 2024/25, against a 2017/18 baseline. This is primarily due to our reduced consumption of gas through consolidation of the estate.

Our electricity consumption has reduced by 49% in 2024/25, against our 2017/18 baseline through estate consolidation activities and energy-efficiency and renewable energy interventions. Approximately 7% of NHSBSA total electricity use was generated by onsite solar photovoltaic (PV) systems.

Table 5: Government Fleet Commitment (GFC)				
Target: Meet the GFC for 25% of the government car fleet to be ultra-low emission vehicles (ULEV) by 31 December 2022, and 100% of the government car and van fleet to be fully zero emissions at the tailpipe by 31 December 2027.				
	2017/18	2022/23	2023/24	2024/25
Fleet percentage categorised as Ultra-Low Emission Vehicle (ULEV)	N/A	25%	25%	18%
Fleet percentage categorised as Zero Emission Vehicle	N/A	25%	25%	18%

We did not meet the target for 25% of the government car fleet to be ULEV by 31 December 2022. In August 2024, the Office for Zero Emission Vehicles updated the definition of what constitutes as government fleet. During this financial year, we have upgraded part of our commercial fleet to electric vehicles (EVs) and streamlined our car lease scheme to now offer only EVs, as previously in scope of GFC. However, because the change was made in August 2024, there was insufficient time to make all the relevant changes during 2024/25 to achieve this target.

Table 6: Travel

Target: Reduce the emissions from domestic business flights by at least 30% from a 2017 to 2018 baseline.

		2017/18	2022/23	2023/24	2024/25
Air – domestic travel	Distance (km)	53,630	6,787	19,020	31,953
	Emissions (tCO ₂ e)	7.6	0.9	3.1	5.1
	Percentage reduction in emissions from baseline	N/A	88%	60%	32%
	Total number of domestic flights	N/A	11	50	83
Air – international travel short haul	Distance (km)	15,309	1,408	0	28,522
Air – international travel long haul, economy	Distance (km)	53,325	28,852	37,681	0
Air – international travel long haul, premium economy	Distance (km)	0	0	7,213	0
Rail – domestic travel	Distance (km)	2,010,916	150,906	1,413,063	1,462,876
	Emissions (tCO ₂ e)	94.07	5.36	50.11	51.87
Total business travel (domestic and international)	Distance (km)	3,241,019	1,292,450	2,160,730	2,281,040
	Emissions (tCO ₂ e)	301.2	118.5	169.8	190
	Cost (£)	N/A	£319,116	£523,308	£769,979

We have reduced greenhouse gas emissions associated with domestic business flights by 32% during 2024/25, exceeding the GGC target. We have updated our travel policy to improve our sustainable travel practices and have developed enhanced guidance to significantly reduce the use of domestic flights, only permitting them in exceptional circumstances.

Table 7: Waste					
		2017/18	2022/23	2023/24	2024/25
Targets: Reduce the overall amount of waste generated by 15% from the 2017 to 2018 baseline.					
Total waste arising	Quantity (tonnes)	1,154	571	690	565
	Percentage reduction from baseline	N/A	51%	40%	51%
	Cost (£)	N/A	£105,667	£68,829	£106,446
Target: Increase the proportion of waste which is recycled to at least 70% of overall waste.					
Total waste recycled	Quantity (tonnes)	981	506	624	499
	Percentage of total waste arising	85%	89%	90%	88%
	Cost (£)	N/A	£96,356	£74,433	£48,728
Total ICT waste recycled, reused and recovered externally	Quantity (tonnes)	0	7	11	19
	Cost (£)	N/A	£842	-£15,986	£9,956
Total waste composted/food waste	Quantity (tonnes)	11	13	5	5
	Cost (£)	N/A	£2,033	£2,492	£7,509
Total waste incinerated with energy recovery	Quantity (tonnes)	103	52	50	42
	Cost (£)	N/A	£6,436	£7,890	£40,253
Target: Reduce the amount of waste going to landfill to less than 5% of overall waste.					
Total waste to landfill	Quantity (tonnes)	59	0	0	0
	Percentage of total waste arising	5%	0%	0%	0%
	Cost (£)	N/A	N/A	N/A	N/A

Data includes waste from administrative and operational activities only.

Total waste generated was reduced by 51% against the 2017/18 baseline, exceeding our targeted reduction of 15%. We sent 0% of waste to landfill and increased the proportion of waste recycled to 88%, exceeding our target of <5% and 70% respectively, against a 2017/18 baseline.

We have continued to digitise our services and increase uptake of our digital platforms to reduce our waste and move away from paper-based correspondence within these services. We now issue 100% of payslips electronically through ESR. In collaboration with key stakeholders, 91% of prescriptions are now processed electronically, significantly reducing paper waste.

There have been several changes to the NHSBSA estate, for example, we moved from Ridgeway House into a new facility, Parklands. We also began preparations for our office move from Hesketh House to Bickerstaffe House, in addition to departing from our Eastbourne facility.

We continue to prioritise waste reduction and reuse activities. We work with our furniture supplier and IT asset disposal provider to focus on reusing equipment wherever possible. Furniture and IT items are first assessed for potential reuse before recycling, this has reduced the total waste generated from office clearances and decommissioning activities.

Although we have not fully eliminated Consumer Single-Use Plastics (CSUPs), we have made significant strides to eliminate or significantly reduce use of CSUPs from our estate and operations, working alongside key internal and external stakeholders. We have prioritised reusable alternatives over single-use items. For example, by working with our TFM provider we have eliminated the purchase of all single-use sachets and milk containers, replacing them with reusable alternatives. We have continued to assess the financial viability of suitable alternatives to CSUPs and taking account of emerging guidance around single use items which may have previously been deemed to be suitable alternatives to CSUPs.

Table 8: Use of finite resources					
		2017/18	2022/23	2023/24	2024/25
Target: Reduce water consumption by at least 8% from the 2017 to 2018 baseline.					
Water consumption	Consumption (m ³)	20,090	7,965	9,157	5,533
	Percentage reduction on baseline	N/A	60%	54%	72%
	Cost (£)	N/A	£79,718	£70,108	£76,068
Target: Reduce government's paper use by at least 50% from a 2017 to 2018 baseline					
Paper	Consumption (A4 reams equivalent)	25,869	16,245	16,787	18,503
	Percentage reduction on baseline	N/A	37%	35%	28%
	Cost (£)	N/A	£45,523	£77,058	£62,076

We continue to reduce paper consumption across our organisation through service improvement programmes that replace paper-based administrative processes with digital solutions. Developing modern, secure and scalable digital services and technology platforms is central to delivering our vision.

Our digital-first approach has significantly reduced paper usage across many services. For example, within Health Exemption Services, 79% of Maternity exemption certificates, 86% of Prescription Prepayment Certificates and 97% of Hormone Replacement Therapy Prescription Prepayment Certificates were issued as digital certificates. Despite this progress, meeting the GGC paper reduction target remains a challenge for the NHSBSA, largely due to mandatory paper-based requirements in several services that offset some of the savings achieved.

During the GGC reporting period, our service portfolio expanded to include new offerings with compulsory paper components, including the Vaccine Damage Payment Scheme. Changes to existing services have also led to increased internal printing. For example, the Public Service Pensions Remedy (McCloud Remedy) requires an informational flyer to be printed and enclosed with every pension statement issued to eligible members.

Our exemption checking services have also grown, with the introduction of an additional mandated letter leading to increased print volumes. The Dental Exemption Checking service was brought in-house from a third-party provider, resulting in additional internal printing not accounted for in our original baseline.

While our performance currently falls short of the GGC's 50% paper use reduction target, it is important to note that this is a group target. The department's overall performance exceeds the target, achieving a reduction of 76%.

We have reduced our water usage by 72% against our 2017/18 baseline, ahead of our 8% reduction target. Hybrid working has continued to have a positive impact on water consumption, alongside ongoing consolidation of the estate. We continue to use our water monitoring solution, which provides greater visibility of consumption and enables us to identify and address potential leaks more efficiently.

Much of our indirect water footprint lies within our supply chain. Our sustainable procurement approach, described below, supports positive action in this area.

Sustainable procurement and business change

Our Environment and Sustainability, Portfolio Management and Commercial teams continue to champion sustainable procurement and business change within the NHSBSA. We assess all procurements over £10,000 and business change to identify and embed environmental improvement opportunities and compliance requirements, including the government buying standards, social value and environmental risk. Our Environment and Sustainability team support key projects by identifying and managing environmental risks and opportunities.

We have enhanced our environment and sustainability mandatory assessment during 2024/25 to include new government mandates and best practice.

Our 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.

Sustainable technology

We have continued to update and refine our cloud sustainability dashboard, which provides detailed insights into cloud-related impacts at a directorate and service level. This helps us to identify our biggest impacts and opportunities for improvement. We have also identified opportunities to optimise several of our cloud environments through measures such as right-sizing and have started to work with stakeholders across the organisation to implement opportunities to reduce waste, emissions and save money.

At our DDaT summit, we delivered a digital sustainability session aimed at raising awareness of our cloud-related impacts. This session provided an opportunity for colleagues to discuss ways in which sustainability considerations could be integrated into digital and technology operations, it also provided an opportunity for senior management to input into digital sustainability plans.

Additionally, we launched a digital clean-up day campaign to encourage teams to clean up digital files to optimise the use of cloud storage and reduce associated cloud carbon and financial costs of maintaining cloud infrastructure.

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 now assessed for reuse and refurbishment before recycling, helping us keep equipment in use for longer and move up the waste hierarchy.

Further details on performance can be found within our Environment and Sustainability Annual Report, found on our website <https://www.nhsbsa.nhs.uk/>.



Michael Brodie CBE

Chief Executive

NHS Business Services Authority

10 July 2025

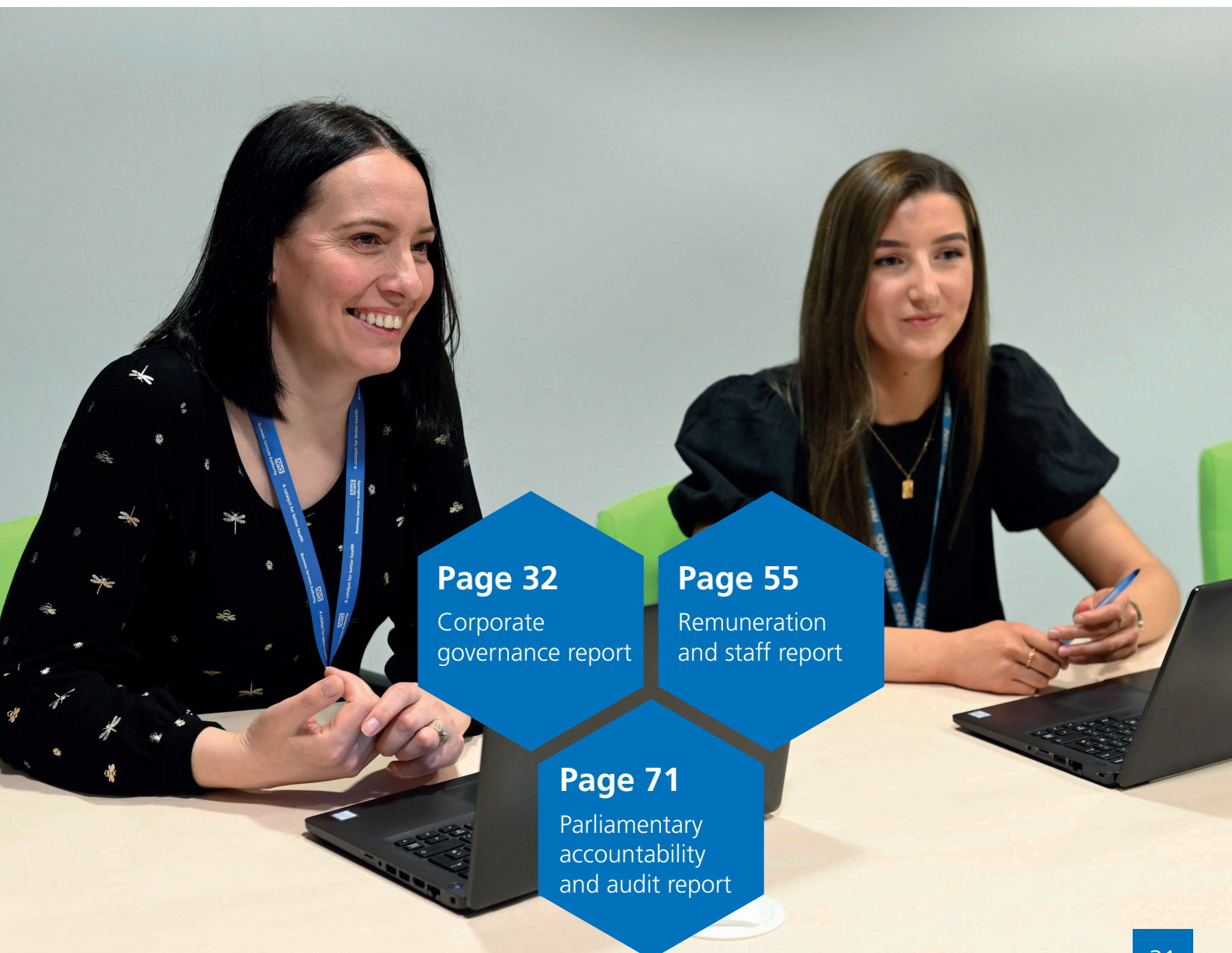
2. Accountability report

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

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

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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 that may conflict with their management responsibilities.

Personal data related incidents – The NHSBSA has had no security incidents, as defined by the NHS Data Security & Protection Toolkit criteria, which required reporting to NHS England or the Information Commissioner's Office (ICO).

Communications and engagement – We communicate regularly with colleagues through several internal channels. Our corporate intranet, My Hub, is the central information portal available to all colleagues. It contains information about the organisation, our strategy and structure. Each directorate has a dedicated page where they can 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, 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. Once a fortnight our Chief Executive shares a blog highlighting key initiatives, milestones and successes. Each month we hold a Teams Live Q&A event where members of our LT are joined by other senior leaders in the organisation to provide topical updates and in which colleagues are invited to ask questions on any work-related subject. These are consistently well attended and, together with the available recording, can attract up to 1,000 views.

This year we have supported with the launch of our new five-year strategy, using various channels to continuously ensure colleagues feel connected

and understand their role in its success. In addition, we have supported colleagues and managers across the organisation to adopt and embed GROW, our new approach to great conversations, wellbeing, development and high performing teams.

Other important topics that have been shared with colleagues through our communications channels are the annual colleague engagement survey, the WeCARE Awards and support available for colleagues relating to a new Employee Assistance Programme, along with opportunities available through our social impact work including volunteering, and the initiatives of various colleague networks.

In 2024, we launched the Let's Connect podcast, covering a variety of topics often aligned with strategic goals, key events and initiatives. The podcast offers bite-sized insights in an audio format, making it a great way to reach colleagues who prefer audio content. Although still fairly new, this is allowing us to extend our reach with each episode engaging over 350 colleagues.

As we continue to work in a hybrid model, we have been undertaking a review of our office space to better fit our needs as an organisation. Some of our offices have been redesigned to create improved spaces, while others have relocated to different sites. Throughout this process, we've engaged colleagues and managers through listening sessions to gather their feedback and ensure their views are heard.

We also started embedding our EVP into internal communications, building on external messaging to create a consistent journey throughout recruitment. By aligning internal messages with our EVP principles of People, Purpose and Progress, we reinforce our commitment to inclusivity, the meaningful impact of our work and our ongoing support for colleague develop.

2.1.2 Statement of Accounting Officer's responsibilities

The Principal Accounting Officer for 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 thereunder 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 and ensures 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, 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 2025 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.

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. 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
- appraise the financial and operational performance of the NHSBSA
- discharge its duties of regulation and control
- receive reports and updates from the standing committees
- approve and adopt the Annual Report and Accounts

The Board has met eight times up to the end of March 2025 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 uses 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 business performance report giving an overview of operational service performance. A report is also provided on a quarterly basis to give an update on progress with delivery of the NHSBSA strategic goals. Other supporting reports are provided on an annual cycle, covering key compliance and governance topics.

The performance 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 attends Board meetings to ensure members of the Board, in particular non-executive directors, can 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 are required to 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 members' declaration.

Table 9 shows the number of meetings attended by Board members during the financial year and highlights their declared business interests.

Table 9: Board members

Board member	Meetings attended	Register of interests
 <p>Non-Executive Chair: Sue Douthwaite</p>	8 of 8	<p>Chair, Melton Building Society Chair, Nexa Finance Ltd Director, Apricus Consultancy Ltd Chair of International Advisory Board, Queens University Belfast Management School Non-Executive Director, British Business Investments Ltd (until 31 January 2025) Virgin Money, shareholder (until 30 September 2024) Non-Executive Director (Risk Committee and Remuneration & Nominations Committee member), Melton Building Society (ended 8 August 2024 when appointed as Chair)</p>
 <p>Non-Executive, Chair of Audit and Risk Management Committee: Kathryn Gillatt</p>	8 of 8	<p>Non-Executive Director (Audit and Risk Committee Chair), Rotherham, Doncaster and South Humber NHS Foundation Trust Business and Financial Consultancy, sole trader Pavegen, shareholder Severn Trent, shareholder Saga, shareholder</p>
 <p>Non-Executive: David Leather</p>	7 of 8	<p>Transformation Director, EE BT Group, shareholder Apple, shareholder Nvidia, shareholder So-Fi Technologies, shareholder</p>

Board member		Meetings attended	Register of interests
	Non-Executive: Mathew McKie	7 of 8	Head of Data and AI, Assystem Energy and Infrastructure Ltd Trustee and Treasurer, Friends of West Kirby Primary School Connected Health Systems Ltd, shareholder (ESOP) (until 27 May 2024) Strategy and Analytics Lead, Connected Health Systems Ltd (until 27 May 2024)
	Non-Executive: Randeep Sidhu	8 of 8	Director, Green Field Ideas Ltd. Board Fellow, AVIVA 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	8 of 8	Director and Consultant, North Star Products and Services Ltd Trustee, Rowland Hill Fund Royal Mail, shareholder
	Chief Executive: Michael Brodie CBE	8 of 8	Chair of Sustainability Forum, Chartered Institute of Public Finance and Accountancy (CIPFA) Chair of Reference Group, Preventative Spend, CIPFA Trustee, Community Foundation (Tyne and Wear and Northumberland)
	Chief Operating Officer: Brendan Brown	8 of 8	Nothing declared Independent Monitoring Board Member, HMP Kirklevington Grange (until 31 May 2024)

Board member		Meetings attended	Register of interests
	Chief Digital, Data and Technology Officer: Darren Curry	7 of 8	Independent Governor/Board member, Corporation Board (Finance and General Purposes Committee member and Remuneration Committee member), Gateshead College
	Executive Director of People and Corporate Services: Mark Dibble	8 of 8	Director, Personal Development Academy Ltd Vice Chair, Blue Cabin
	Executive Director of Finance, Commercial Services and Estates: Andy McKinlay	8 of 8	Parent Governor, Allerton Grange High School Trustee, Shadwell Recreation Centre
	Executive Director of Strategy, Performance, Business Development and Growth: Allison Newell	6 of 8	Nothing declared
	Associate Non-Executive (until 31 May 2024): Debra Bailey	1 of 1	Telefonica, shareholder BT, shareholder Barclays Bank, shareholder

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 external review took place in 2022/23, by the Government Internal Audit Agency (GIAA).

The results of the 2024/25 review indicated that the Board was considered very effective, with a mean effectiveness score of 8.8 out of 10, consistent with previous years. Members and regular attendees reported that the Board performed well, was transparent, supportive and collaborative in delivering the new strategic plan, with positive ongoing communication with DHSC.

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 took part in a facilitated session in April 2025 to ensure any further specific areas of focus were identified and actions agreed, to ensure continuous improvement. A key outcome was a review and redesign of the Board agenda to ensure an appropriate balance of business performance and strategic items were covered at each meeting.

The Board agreed to continue to monitor effectiveness over the coming year and regularly review implementation of the agreed actions.

During 2024/25, 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 KPIs

- 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 five times during 2024/25.

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 10).

Table 10: Audit and Risk Management Committee	Meetings attended
Non-executive directors:	
Kathryn Gillatt (Chair of Committee)	5 of 5
David Leather	4 of 5
Mathew McKie	5 of 5
Executive directors:	
Michael Brodie (Chief Executive)	5 of 5
Mark Dibble (Executive Director of People and Corporate Services)	3 of 5
Andy McKinlay (Executive Director of Finance, Commercial Services and Estates)	5 of 5

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 which concluded that the framework was effective and fit-for-purpose.

The Audit and Risk Management Committee's key responsibilities, aligned to the Financial Reporting Council – 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 HM Treasury Audit Committee Handbook using the supporting assessment tool published by GIAA. The survey was sent to each member and regular attendee. Overall, the results were highly positive and confirmed the continued effectiveness of the committee.

As a result of the survey, areas of focus for the committee in 2025/26 include reviewing the format of reports to the committee, continued provision of relevant member training and enhancements to the induction plan for new members.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee is a standing committee of the Board, comprising three non-executive directors, with one serving as Chair. The Chief Executive and/or other executive directors attend as needed (table 11).

Table 11: Remuneration and Nominations Committee	Meetings attended
Non-executive directors:	
Mel Tomlin (Chair of Committee)	6 of 6
Sue Douthwaite (Chair of Board)	6 of 6
Randeep Sidhu	6 of 6
Executive directors (specific meetings/items):	
Michael Brodie (Chief Executive)	6 of 6
Mark Dibble (Director of People and Corporate Services)	5 of 6

The key responsibilities of the Remuneration and Nominations Committee include:

- determining remuneration and contractual arrangements for NHS Executive and Senior Managers (ESM) posts in line with the ESM Pay Framework
- ensuring appropriate details of Board Members' remuneration and other benefits are accurately published in the Annual Report and Accounts
- ensuring arrangements are in place for the Chair of the Board to evaluate the performance of the Chief Executive and for the Chief Executive to evaluate the performance of ESM posts
- overseeing an annual assessment of the NHSBSA Chair's effectiveness
- reviewing and making recommendations to the Board regarding its structure, size and composition, both executive and non-executive
- reviewing succession planning to ensure a stable, experienced and viable executive team is in place
- working with the NHSBSA Chief Executive to identify and nominate candidates for executive Board vacancies for Board approval
- supporting the Chair of the Board as needed when appointing a new Chief Executive
- offering suitable advice and information to support the process operated by DHSC for the appointment or proposed reappointment of the Chair or Non-Executive Members of the Board

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

Remuneration and Nominations Committee review of effectiveness

The committee reviewed its effectiveness during 2024/25 using a survey sent to each member and regular attendee. Overall, the results were positive and confirmed the effectiveness of the committee. The committee discussed the scores and comments and agreed to continue the ongoing work to ensure alignment of executive objectives, development plans and performance appraisals.

Terms of reference

The full terms of reference for both 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

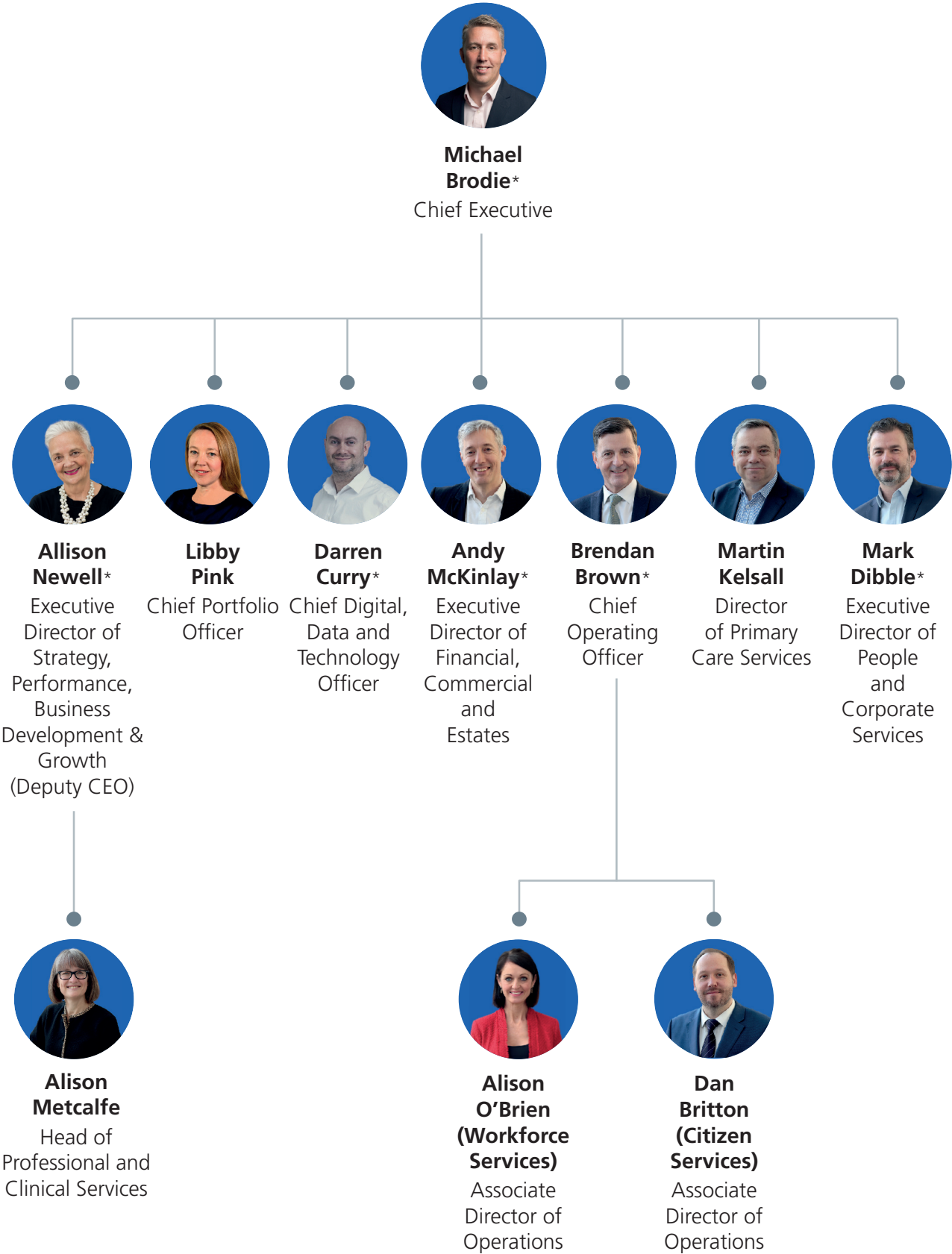
The NHSBSA manages a complex range of business activities on behalf of DHSC. Accountability arrangements with DHSC comprise an overall senior departmental sponsor, with individual sponsors providing policy direction for each core service. Arrangements are aligned to the DHSC Accounting Officer System 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 LT as shown below.

NHSBSA Leadership Team



* 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

The NHSBSA risk management framework comprises:

- risk management policy
- risk management methodology
- risk and issue register

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

Services and 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 and programme level

Project Managers review and manage risks as part of project governance. Significant risks are escalated to the Programme Manager and Portfolio Board.

Corporate level

Quarterly, the LT reviews the top-level corporate risk register, informed by consolidated risk registers from teams and projects, alongside a summary paper from the NHSBSA risk management group. The LT may also identify new risks and issues during these reviews.

Audit and Risk Management Committee

The committee monitors risk management activities, receives the corporate risk register, and reviews specific risk areas. This enables the committee to assure the Board that risk management processes and mitigation efforts are in 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 periodically undertakes a full risk review and review of the NHSBSA risk appetite. The corporate risk register is included as part of every Board pack.

Risk appetite

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.

Significant risks and issues

In a dynamic and complex business environment significant risks can often be encountered. Risks are defined as uncertain events that, should they occur, would affect the achievement of objectives. Issues are defined as events that are in progress, which could be the realisation of a risk.

Current risks and issues

Risk	Risk response	Actions taken during 2024/25 and planned for future years	Trend
Information security Due to the volume and sensitivity of the data we hold, we acknowledged a risk related to information and cyber security.	Treat	Implemented the Secure by Design principles as set by the Cabinet Office. Delivery of the Information Security Management System (ISMS) and the rolling cyber security improvement project. Continued alignment with the Data Security and Protection Toolkit (DSPT) requirements set by NHS England, with independent assurance received annually from GIAA.	This risk remains stable with regular monitoring in place.
Funding The NHSBSA relies on funding from DHSC and commissioners and there is a risk that the funding provided is insufficient.	Tolerate	Delivery of in-year financial plans and regular monitoring of financial position. Regular engagement with sponsors and commissioners to ensure funding is sufficient for any new or additional services.	This risk remains stable with regular monitoring in place.
Significant fraud We acknowledged a risk of significant fraud due to the nature of the services we provide.	Treat	Delivery of the Loss and Fraud Prevention work plan for 2024/25. Meeting the government functional standard for counter fraud. Creation and delivery of the work plan for 2025/26.	This risk remains stable with regular monitoring in place.
NHS Pension Scheme Service delivery and delivery of the McCloud ruling Due to the significant amount of change planned within NHS Pensions, encompassing McCloud legal rulings alongside service improvement and development, we acknowledged a risk to the successful delivery of a quality and timely service to our customers.	Treat	Establishing recruitment and capacity requirements to ensure the service is resourced to meet demands. Delivery of a project to establish where efficiencies can be made within the service, to support increased capacity for other activities. Delivery of a project to implement the requirements from the McCloud legal ruling.	This risk remains stable with regular monitoring in place.

Risk	Risk response	Actions taken during 2024/25 and planned for future years	Trend
Priorities of sponsors and commissioners As an ALB, we deliver services for DHSC alongside services commissioned by other organisations. We continue to manage a risk that the priorities of our sponsors or commissioners change and that this impacts delivery of our strategy.	Tolerate	Regular engagement with key stakeholders, including DHSC, government and other commissioners.	This risk remains stable with regular monitoring in place.
Diverse workforce We continue to manage a risk related to having a diverse workforce at all levels, representative of the communities we serve, which is one of our strategic goals in the NHSBSA strategy 2024-29.	Treat	Delivery of the 2024/25 Diversity and Inclusion Strategy. Development of an updated Diversity and Inclusion Strategy for 2025/26. Launch of Disability and Neurodiversity Development Programme.	This risk remains stable with an improving trajectory.
Future NHS Workforce Solution adoption Due to the size, scale and complexity of the programme to deliver the Future NHS Workforce Solution and the significant number of users/ organisations who will use the new solution, we have identified a risk related to the capacity of user organisations to adopt the new solution.	Treat	Delivery of a project to work with user organisations to develop readiness for the new solution. Delivery of a project to drive optimisation of the existing ESR self-service.	This risk remains stable with regular monitoring in place.
Three-star Best Companies accreditation At the time of reporting, the NHSBSA is categorised as a two-star organisation. We have committed in our strategy to further increase colleague engagement, with a view to reaching three-star accreditation.	Treat	Roll out of new appraisal process which has a greater focus on colleague wellbeing. Reviewing the annual colleague engagement survey results and establishing further action plans, where required. Delivery of the annual Freedom to Speak Up strategy and action plan.	This risk remains stable with regular monitoring in place.

Risk	Risk response	Actions taken during 2024/25 and planned for future years	Trend
Achievement of Net Zero by 2030 We have committed to reach Net Zero by 2030 and are managing an associated risk that we do not achieve this target.	Treat	Delivery of the Carbon Management Plan and Environment Action Plan for 2024/25. Reviewing and updating the plans alongside the creation of a new environment strategy for 2025 onwards.	This risk remains stable with regular monitoring in place.
Government Productivity Target Another of our strategic goals is to meet the government productivity target. For some areas of our business, as with all businesses, productivity can be harder to measure and we are therefore managing a risk related to this.	Treat	Delivery of savings plans during 2024/25. Using the benefits management framework to support identification and tracking of productivity and efficiency. Developing business savings plans to meet the targets set out for 2025/26. Developing dashboards to support the measurement of unit costs across all services.	This risk remains stable with an improving trajectory.
NHS system changes As a result of the government announcement about the abolishment of NHS England and the requirement for ICBs to reduce costs by 50%, we have acknowledged a risk to the delivery of our existing services or that we may be required to take on additional services at short notice or where there is currently no capacity/capability to do so.	Treat	Regular engagement with sponsors and commissioners. Conducting an impact assessment on each of our services.	This is a new risk which is currently stable until more information is known.

Issue	Issue response	Actions taken during 2024/25 and planned for future years	Trend
Suitability of directions One of our 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 on an appropriate governance framework and directions, specifically in relation to the use of data and subsequent analysis.	Treat	Continuing to work with DHSC to establish new directions which will support delivery of this strategic area of focus.	This issue remains stable with an improving trajectory.
Issuing of incorrect Pension Savings Statements Due to inaccurate application of Consumer Price Index into the system that produces Pension Savings Statements, some members were issued incorrect statements.	Closed in 2024/25	Regular communication with key stakeholders, including DHSC and the British Medical Association. Communication with affected members at regular and appropriate intervals. Remediation of the error in the system with the system supplier to enable statements to be recalculated.	This issue was closed in June 2025 (residual risk monitored and managed within service area risk register).

Assurance arrangements

The NHSBSA uses a three lines of defence model for assurance mapping, which identifies the key areas of assurance across all services:

- management control and reporting
- functional oversight and governance systems
- independent review and regulatory oversight

The NHSBSA LT uses this model to determine where assurance efforts should be focused. 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.

The Audit and Risk Management Committee reviews the assurance mapping process at

least annually. LT 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. During 2024/25, exercises were carried out in the following areas:

Technical/systems debt

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. The committee will continue to receive regular updates on the activity during 2025/26.

McCloud project

The committee received a report on the programme of work set up to implement the requirements from the public service pensions remedy (McCloud). The committee received assurance on the work being undertaken to address outputs from the programme stage gate review. Further updates will be provided to the committee during 2025/26.

The committee has gained increased awareness of 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 2024/25.

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, as well as the management of ESR. To give users of the services greater assurance about the quality of the NHSBSA's infrastructure, auditors are engaged to review controls and deliver an independent third-party opinion of their design and operating effectiveness, resulting in the production of ISAE 3000/3402 reports. Unqualified opinions were received for all areas audited in 2024/25.

Managing information

During 2024/25, 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 Cyber Security Centre's Cyber Assessment Framework. Our return was submitted at the end of June 2025.

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

1,196 security incidents were raised during 2024/25. Upon investigation and risk assessment, based on the set DSPT criteria, no incidents

required onward reporting to either NHS England or the ICO.

The NHSBSA holds and uses information 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 regarding 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 2024/25 we have dealt with:

- 945 Data Subject Rights Requests, a 38% increase on the previous year, with all but 64 responded to within the required timeframe
- 681 FOI requests, a 5% increase on the previous year, with all but 17 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 cause for concern.

Freedom to Speak Up

During 2024/25, the NHSBSA continued to embed and enhance its Freedom to Speak Up (FTSU) approach. This includes a FTSU policy aligned to the NHS England national policy, a strategy and improvement plan, a FTSU guardian role, training and awareness plans and formalised executive (Mark Dibble) and non-executive (Mel Tomlin) roles. FTSU champions are also in place across the business, made up of colleagues from a diverse range of backgrounds, locations and services.

Oversight was provided by the FTSU network, with cross-team engagement to triangulate insight gathered from across the business, with regular reports provided to the Board aligned to National Guardian's Office guidance.

The NHSBSA conducts an annual review of the FTSU policy, supported by the Audit and Risk Management Committee, to ensure that the policy remains effective and aligned with the national policy. The committee concluded that the policy and arrangements were effective and fit-for-purpose.

In total, 18 concerns were raised with the FTSU guardian during the year, with additional informal contacts made with the champions. Key actions taken in response included improvements in colleague engagement, manager competency and service-specific processes.

Government functional standards

The NHSBSA conducts a biannual review of compliance with government functional standards, which is managed centrally by the Corporate Governance team. The reviews are undertaken in February and August each year.

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 2024/25, the business is fully implementing the majority of mandatory elements and continues to review and use the standards to drive continuous improvement.

Health inequalities

The Health and Social Care Act 2012 legally requires 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 as far as our functions allow. Our main contribution to reducing health inequalities is through providing accurate information and insights to 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. Every staff member has a responsibility to provide good customer service and will try to resolve customer concerns as quickly, fairly and thoroughly as possible, without having to escalate to the formal complaints policy. Where we can't resolve complaints, we'll follow our formal complaints procedure and keep the customer up to date with the next steps.

During 2024/25, 12,083 complaints were resolved. 89.56% were locally resolved at the first stage of the complaints process with 5.44% escalating to stage 1, 1.96% to stage 2, 0.05% to the Parliamentary and Health Service Ombudsman and 2.99% were MP correspondence. 94.06% of these were reported as not upheld.

The percentage of cases raised to the Parliamentary and Health Service Ombudsman

represents six cases across all call streams (except for the NHS Pensions Scheme, which reports on this separately in its annual report and accounts). One of these complaints was upheld due to the issue not being raised as a formal complaint initially. We worked closely with the Ombudsman to implement their recommendations and resolve the matter.

Work continues to align our complaints reporting to support consistency and transparency and will provide increased insight for us to make further business improvements.

For further details on formal complaints related to the NHS Pension Scheme for 2024/25, please refer to the NHS Pension Scheme Annual Accounts <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 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 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 and assurance maps
- internal audit progress report on the work undertaken by internal audit against the agreed plan
- external audit reports on the work undertaken by external audit
- internal and external audit recommendations trackers monitoring progress made across the NHSBSA implementing audit recommendations
- fraud/bribery/local security management annual reports detailing the work undertaken during the year mapped against the agreed work plans
- annual review of the Freedom to Speak Up (Whistleblowing) policy
- Senior Independent Risk Owner (SIRO) report providing an overview of information security, business continuity, information governance and cyber security
- Third Party Assurance reports showing outcomes of the third-party assurance engagements undertaken to review the control environment covering prescription, dental, vaccines and student bursary payments and ESR

Head of Internal Audit Opinion 2024/25

In accordance with the requirements of the UK Public Sector Internal Audit Standards, I am required to provide the Accounting Officer and the Audit and Risk Management Committee with my annual opinion on the adequacy and effectiveness of the organisation's risk management, control and governance arrangements. My opinion is a key element of the assurance framework and can be used to inform the organisation's governance statement. However, the Accounting Officer retains personal responsibility for risk management, governance and control processes.

My annual internal audit opinion reflects the audit plan agreed and is not limited in scope, to the extent that the assurance provided by internal audit can never be absolute. My opinion is based on the governance, risk and control

frameworks set out in the following publications, which apply to central government organisations:

- Corporate governance code for central government departments (2017), the code is mandatory for departments, advisory for other bodies
- Orange Book: Management of risks – principles and concepts (2023)
- Managing Public Money (2021)

I am providing an **overall Moderate opinion** on the framework of governance, risk management and control within the NHS Business Services Authority for the year ending 31 March 2025 (accounting period 2024-25).

I conclude the 2024/25 plan with three substantial assurances (19%), 12 engagements (75%) with moderate assurance and one advisory engagement (6%). In contrast to 2023/24, this indicates an improving governance, risk management and control landscape. I also provided embedded assurance activities concerning the Future NHS Workforce Solution Programme. At year-end, there were 14 overdue actions, most of which are in progress and subject to internal audit verification.

Whilst my overall opinion is as provided for 2023/24, I conclude a general positive direction of travel. The basis of my assessment includes management engagement and responsiveness to audit recommendations and the organisation's commitment to continuous improvement. There is a clear commitment to and support of, internal audit and wider assurance activities within and across the NHSBSA. The organisation set an ambitious five-year strategy in 2024 which incorporates strong governance, risk management and internal controls at its heart.

The key risks and themes we identified from our internal audit work in 2024/25 are categorised into:

Governance and risk management

Overall, we identified strong and effective governance and risk management arrangements,

we made some recommendations for improvement concerning benefits measurement and realisation and strengthening risk management procedures in isolated areas.

Operational effectiveness

There is a strong focus across the organisation on operations and its effectiveness, including adherence to functional standards (where tested and applicable). We identified some good practice and positive plans for increased digitisation of services. We have recommended clear timelines for these plans.

Data security and protection

We provided positive assurances of compliance to the National Data Guardian standards, showing improved assurance levels compared to 2023/24 and recommended some enhancements for decision making about data security impact assessments for new services which may involve processing of sensitive or personal data.

Resource management and oversight

We identified some effective practices for managing and deploying resources across the business and the oversight of resourcing risks. In isolated areas, we recommended that procedures could be strengthened and that roles and responsibilities should be clarified and understood by the business.

Performance management and assurance

A new corporate strategy was implemented in 2024, establishing four strategic goals and 15 supporting measures it intends to deliver over a five-year period. This strategy was praised across various health bodies, including DHSC and it has clear goals and measures which will increase accountability for strategic delivery. We identified some opportunities to improve the framework, including strengthening and aligning team objectives and having a clear, well-documented understanding of roles and responsibilities for performance management across the business.

Future NHS Workforce Solutions Programme

The Future NHS Workforce Solution is a major change programme for government, the NHSBSA and the NHS. Our stakeholder management audit, which provided a moderate assurance, identified that the NHSBSA have established sensible and proportionate governance and programme management arrangements that facilitate appropriate engagement and communication with stakeholders. We recommended some improvements, notably in relation to the prompt communication of the new Programme Target Operating Model and the creation of a single outward facing ESR/Future NHS Workforce Solution team.

These themes, especially the strong and effective governance and risk management frameworks, will become increasingly important in the medium term as NHSBSA navigates the potential impacts of NHS England's functions being integrated into DHSC and the wider health sector.

Other sources of assurance

In addition to supporting the role of the Board and the Audit and Risk Management Committee, the NHSBSA's governance and control environment also includes:

Strategic business performance report

Reviewed by the LT monthly.

Wellbeing and Inclusion Committee

In place to ensure that all our obligations under equality, diversity and human rights legislation are adhered to. Monitors performance against our diversity and inclusion strategy and achievement of our equality objectives. Oversees the delivery of our wellbeing and social impact goals.

National Joint Health and Safety Committee

Ensures that we comply with relevant health and safety laws 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.

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

Details the current statutory instruments, directions and other applicable agreements and 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 scheme rules and that member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.

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 the 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. Acts as a point of escalation for all issues and risks relating to clinical governance, clinical risk management and patient safety. Provides a forum for sharing best practice and innovation in clinical governance.

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 2024/25.

Significant governance issues

There were no significant issues raised during 2024/25.

Conclusion

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 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

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

In line with the ESM Pay Framework and other relevant guidance issued by DHSC, the Remuneration and Nominations Committee determine the remuneration and other contractual arrangements for ESM posts (Chief Executive, executive directors and other posts that are specifically designated by the Board to be within their purview).

The remuneration of executive directors is reviewed at least annually by the committee, considering recommendations of the Senior Salaries Review Body, central DHSC guidance and other relevant factors. Non-executive directors are appointed to the NHSBSA Board by the Secretary of State for Health and Social Care for a fixed term, with remuneration for the tenure of non-executive directors also determined by the Secretary of State for Health and Social Care.

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 Remuneration and Nominations Committee met on six occasions during the period 1 April 2024 to 31 March 2025. Full details of the membership and responsibilities of the committee are provided in section 2.1.3 of the annual governance statement.

Emoluments of board members

The remuneration of all directors in post during 2024/25 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.



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

Subject to audit

Table 12: Non-executive director remuneration

Table 12: Non-executive director remuneration														
Name and title	2024/25						2023/24						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		
S Douthwaite Chair	60-65	5.4	0	0	0	65-70	60-65	7.9	0	0	0	70-75	1 Apr 2022 1 Apr 2025	31 Mar 2025 31 Mar 2028
K Gillatt Non-Executive Director, and Chair of Audit and Risk Management Committee	10-15	5.1	0	0	0	15-20	10-15	3.2	0	0	0	15-20	1 Oct 2020 1 Oct 2023	30 Sep 2023 30 Sep 2026
K Seth Non-Executive Director (until 14 September 2023)	n/a	n/a	n/a	n/a	n/a	n/a	0-5	0.5	0	0	0	0-5	15 Sep 2017 15 Sep 2020	14 Sep 2020 14 Sep 2023
D Bailey Non-Executive Director (until 31 May 2023, then associate from 1 Jun 2023 to 31 May 2024)	0 ¹	0	0	0	0	0	01	4.1	0	0	0	0-5	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	2024/25						2023/24						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		
M Tomlin Non-Executive Director Senior Independent Director and Chair of Remuneration and Nominations Committee	5-10	3.8	0	0	0	10-15	5-10	3.2	0	0	0	10-15	1 Apr 2021 1 Apr 2024	31 Mar 2024 31 Mar 2027
D Leather Non-Executive Director (from 7 December 2023)	5-10	2.3	0	0	0	10-15	0-5	0.2	0	0	0	0-5	7 Dec 2023	6 Dec 2026
M McKie Non-Executive Director (from 7 December 2023)	5-10	2.2	0	0	0	10-15	0-5	0.6	0	0	0	0-5	7 Dec 2023	6 Dec 2026
R Sidhu Non-Executive Director (from 7 December 2023)	5-10	2.8	0	0	0	10-15	0-5	2.1	0	0	0	0-5	7 Dec 2023	6 Dec 2026

¹ Did 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

Table 13: Senior manager remuneration														
Name and title	2024/25						2023/24						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		
M Brodie Chief Executive	180- 185 ¹	2.2 ¹	0	0	49 ²	230- 235	175- 180	1.5 ¹	0	0	45	220- 225	1 Sep 2019	Permanent contract (6 months' notice)
M Dibble Executive Director of People Corporate Services	130- 135 ¹	1.4 ¹	0	0	19 ²	150- 155	125- 130	1.4 ¹	5-10	0	0	130- 135	1 Sep 2017	Permanent contract (6 months' notice)
A Newell Executive Director of Strategy, Performance, Business Development and Growth	145- 150 ¹	0	0	0	38	180- 185	135- 140	0.9 ¹	0	0	34	170- 175	16 Apr 2018	Permanent contract (6 months' notice)
A McKinlay Executive Director of Finance, Commercial Services and Estates	140- 145 ¹	1.1 ¹	0	0	39	180- 185	120- 125	1.7 ¹	5-10	0	31	155- 160	9 Apr 2018	Permanent contract (6 months' notice)
B Brown Chief Operating Officer	110- 115 ¹	2.9 ¹	5-10 ³	0	0	120- 125	105- 110	2.5 ¹	5-10	0	0	115- 120	1 Sep 2022	Permanent contract (6 months' notice)

Name and title	2024/25						2023/24						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		
D Curry Chief Digital, Data and Technology Officer	135-140 ¹	1.7 ¹	5-10 ³	0	0 ²	140-145	130-135	1.7 ¹	5-10	0	0	135-140	1 Sep 2022	Permanent contract (6 months' notice)

¹ 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 £190-195k, M Dibble £140-145k, A McKinlay £150-155k, B Brown £130-135k and D Curry £145-150k. The taxable benefit of the lease cars provided to senior managers is disclosed in the Expense payments column where indicated.

² Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the 1995/2008 scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the 2015 scheme for the period from 1 April 2015 to 31 March 2022.

³ 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:

Table 14: Percentage change in salary	2024/25	2023/24
Highest paid director	2.7%	5.0%
Staff average	6.1%	5.9%

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 2024/25 was £190,000 – £195,000 (2023/24: £185,000 – £190,000). The relationship to the remuneration of the organisation's workforce is disclosed in table 15 below. The range of staff remuneration was £20,000-£25,000 to £190,000-£195,000.

In 2024/25, no employees received remuneration in excess of the highest paid director. This was also the case in 2023/24.

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.

Table 15: Pay ratios	2024/25	2023/24
Band of highest paid director's total remuneration (£000)	190-195	185-190
25th percentile total (£)	24,071	22,816
25th percentile ratio	8.0	8.2
Median total (£)	26,530	25,147
Median ratio	7.3	7.5
75th percentile total (£)	37,338	35,392
75th percentile ratio	5.2	5.3

The pay ratios have reduced as the rate of increase of the highest paid director's pay was lower than the rate of staff increases.

Pension benefits

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

Subject to audit

Table 16: 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 2025 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2025 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2025	Cash Equivalent Transfer Value at 31 March 2024	Real increase in Cash Equivalent Transfer Value
	£000	£000	£000	£000	£000	£000	£000
M Brodie ¹ Chief Executive	2.5-5	0	60-65	125-130	1,357	1,201	53
M Dibble ¹ Director of People and Corporate Services	0-2.5	0	50-55	135-140	1,264	1,144	28
A Newell Director of Strategy, Performance, Business Development and Growth	2.5-5	0	15-20	0	361	283	43
A McKinlay Director of Finance, Commercial Services and Estates	2.5-5	0	15-20	0	256	198	27
B Brown Chief Operating Officer	0 ²	0	0	0	0	0	0
D Curry ¹ Chief Digital, Data and Technology Officer	0-2.5	0	35-40	85-90	672	631	0

¹ Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the 1995/2008 scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the 2015 scheme for the period from 1 April 2015 to 31 March 2022.

² 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 member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the 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 period.

2.2.2 Staff report

Staff numbers and costs

Table 17 gives details of staff numbers and costs.

Subject to audit

Table 17: Staff numbers and related costs – executive members and staff costs				
	Total 2024/25 £000	Permanently employed £000	Other £000	Total 2023/24 £000
Salaries and wages	163,226	156,222	7,004	136,738
Social security costs	15,275	15,275	0	12,643
Employer contributions to NHS Pensions	30,577	30,577	0	22,545
Other pensions costs	603	603	0	533
Termination costs	13	13	0	130
Apprenticeship levy	826	826	0	735
Total	210,520	203,516	7,004	173,324
Capitalised staff costs	(2,600)			(2,652)
	207,920			170,672

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

Subject to audit

Table 18: Average numbers of persons employed			
Total	Permanently employed	Other	2023/24
4,627	4,470	157	4,155

The whole-time equivalent number of staff whose cost was capitalised was 31 (2023/24: 33).

Ill-health retirements

One member of staff retired due to ill health during 2024/25, at a cost borne by the NHS Pension Scheme, of £61,120.

Gender balance

Table 19 below provides details of the number of colleagues by gender at director, senior manager and other employee levels at 31 March 2025.

The NHSBSA 2023/24 gender pay gap report (based on the snapshot date of 31 March 2024) showed that there was a 9% median gender pay gap which was 0.1% more than the previous year. The mean gender pay gap was 12.5%, down by 0.1%. 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 positive trends, such as women’s internal progression, women’s external recruitment numbers and recruitment of women at senior levels. In the highest pay range, there is now almost 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, some 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.

Table 19: Employee data (based on head count, not FTE)			
	Female	Male	Total (31 March 2025)
Directors	2	6	8
Senior managers (band 8c and above)	51	78	129
Total employees	3,151	1,963	5,114

Employee sickness

We have an organisation-wide absence management policy that provides a consistent framework. The policy is underpinned by an externally provided occupational health service and Employee Assistance Programme.

All figures calculated by full-time equivalent (FTE).

Table 20: 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 2024	Adjusted FTE days lost to Cabinet Office definitions	Average sick days per FTE	FTE days available	FTE days lost to sickness absence
4,443	34,890	7.9	1,621,596	56,599

Source: NHS Digital – Sickness Absence and Workforce Publications – based on data from the ESR Data Warehouse Period covered: January to December 2024

NHS sickness absence figures notes:

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 people with a disability

We recognise that diversity brings a wide range of positives, including diversity of thought, voice, ideas and experiences. We are proud to hold Disability Confident Level 3 – Leader status, in recognition of our ongoing commitment to disability inclusion.

We take a holistic approach to wellbeing, with interventions aimed at prevention, reducing the risk of ill health and ensuring that colleagues with or who develop a disability are supported at work. Through our appraisal process, 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.

We have staff policies in place to ensure full and fair consideration is given to applications for employment made by disabled people. We operate a Guaranteed Interview Scheme for applicants with a disability who meet the essential criteria and offer adjustments to candidates throughout the recruitment process. All recruiting managers complete mandatory inclusive recruitment training with a focus on removing barriers.

We also have processes in place to support the continued employment of colleagues who become disabled during their time at the NHSBSA. Our Workplace Adjustment Passport is available once employed to help colleagues access the right support and adjustments.

Tailored development support is available, with our internal programmes shaped by colleague feedback. For example, in response to needs raised by our Disability and Neurodiversity Colleague Network, we delivered a series of workshops focused on confidence building, managing the inner critic and addressing procrastination. Another significant initiative was cohort three of the Reciprocal Mentoring for Inclusion Programme, where several mentoring partnerships took place, with a focus on deepening understanding of disability and neurodiversity.

Supporting and engaging with our people

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

Diversity and inclusion

Our Wellbeing and Inclusion Committee oversees 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.

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 all colleagues can access self-directed learning to support their personal development. We are enhancing our learning and development offer to enable colleagues to easily access development opportunities such as formal qualifications, coaching and mentoring.

Developing our leaders

We have developed a suite of learning and development opportunities to equip 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 can 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 November 2024, we were recognised by Best Companies as the #2 Best Not-for-Profit organisation to work for in the UK and one of the top 25 Best Big Companies to Work For, based on our 2023 survey.

We conducted a further colleague engagement survey in November 2024, which achieved a 71.8% response rate. Thanks to the feedback from our colleagues, we maintained our Best Companies

two-star accreditation for 'outstanding commitment to workplace engagement' for the fifth consecutive year.

In May 2024, we were again listed in the Top 50 Inspiring Workplaces and recognised as No.1 in the Government and Not-for-Profit Category covering UK and Ireland.

Expenditure on consultancy and temporary staff

The total consultancy expenditure incurred on the provision of operating services was £0 (2023/24 – £0). The total contingent labour expenditure incurred on the provision of operating services was £7 million (2023/24 – £6.1 million).

Off-payroll engagements

Table 21 below summarises our off-payroll appointments.

Table 21: Off-payroll appointments	
For all off-payroll engagements as of 31 March 2025, for more than £245 per day	
Number of existing engagements as of 31st March 2025	2
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	1
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	0
Number that have existed for four or more years at time of reporting	0
For all off-payroll engagements between 1 April 2024 and 31 March 2025, for more than £245 per day	
Number of temporary off-payroll workers engaged between 1 April 2024 and 31 March 2025	2
Of which...	
Number not subject to off-payroll legislation	0
Number subject to off-payroll legislation and determined as in-scope of IR35	2
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
For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025	
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	12

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 22: Staff numbers and related costs – exit costs						
2024/25	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	1	0	1	12	0	12
£25,000-£50,000	0	0	0	0	0	0
£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
Total	1	0	1	12	0	12

There were no special payments made during the year.

Table 22a: Other departures excluding compulsory redundancy

2024/25	Number of agreements	Total value of agreements £000
Voluntary redundancies incl. early retirement	0	0
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
Total	0	0

Table 23: 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
Total	2	24	26	23	807	830

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 23a: 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
Total	24	807

2.2.3 Recruitment and turnover

Recruitment

During the year from April 2024 to March 2025, we recruited 886.63 FTE roles into the organisation, with 552.37 of these into posts based in the North East.

Table 24: Recruitment

Region	FTE recruited
North East	552.37
North West	272.36
South/South East	8.80
Yorkshire & Humber	32.00
Homeworker	21.10
Total	886.63

Leavers and exits

During this period, 339.28 FTE colleagues left the NHSBSA, including 297.75 through natural wastage, where they chose to resign, retire or their fixed-term contract came to an end. This is an annualised turnover percentage of 7.65%.

Table 25: Leavers and exits			
Region	Natural wastage	Other	Total FTE who left
North East	188.04	24.00	212.04
North West	63.57	9.00	72.57
South/South East	4.20	0.00	4.20
Yorkshire & Humber	8.80	6.93	15.73
Home Worker	33.14	1.60	34.74
Total	297.75	41.53	339.28

Our workforce across the UK

Our breakdown of staff across the UK is as follows:

Table 26: Workforce across UK	
Region	As a % of the total FTE
North East	61.98%
North West	23.91%
South/South East	0.81%
Yorkshire & Humber	2.11%
Homeworkers	11.19%

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 27: Relevant union officials	
Number of employees who were relevant union officials during 2024/25	FCE employee number
24	23.33

Table 28: Percentage of time spent on facility time during 2024/25	
Percentage of time	Number of employees
0-1 %	9
1-50%	14
51 %-99%	0
100%	1

Table 29: Percentage of pay bill spent on facility time during 2024/25	
Description	Cost/percentage
Total cost of facility time	£63,828
Total pay bill	£202,677,000
Percentage of the total pay bill spent on facility time	0.03%

Table 30: 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	1,205
Total paid facility time hours	2,636
(Total hours spent on paid trade union activities ÷ total paid facility time hours) x 100	45.7%

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 31 below.

Subject to audit

Table 31: Losses and special payments				
	2024/25		2023/24	
	No. of cases	£000	No. of cases	£000
Losses	417	203	445	383
Special payments	9	3	5	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 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

10 July 2025

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 2025 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 2025;
- 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 2025 and its total net 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 (2024). 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. I have fulfilled my 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 issued under the National Health Service Act 2006.

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

- 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 their environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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 Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and Accounting Officer 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 NHS Business Services Authority 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 Secretary of State directions issued under the National Health Service Act 2006;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with Secretary of State directions issued under the National Health Service Act 2006; 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.

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, expenditure recognition, posting of unusual journals, complex transactions, bias in management estimates. 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 and Managing Public Money.

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 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.
- I performed substantive testing on a sample of revenue and expenditure 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. 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

Comptroller and Auditor General
11 July 2025

National Audit Office
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Victoria
London
SW1W 9SP

Financial statements and notes to the accounts



Statement of comprehensive net expenditure for the year ended 31 March 2025

	Notes	2024-25 £000	2023-24 £000
Operating income	3.1	741,426	732,765
Staff costs	3.3	207,920	170,672
Other operating expenditure	3.2	781,526	794,030
Total operating expenditure		989,446	964,702
Total net expenditure		248,020	231,937
Other comprehensive net expenditure			
Net (gain) on revaluation of intangible assets		0	(1,051)
Fair value (gain) on financial assets		(7,000)	(6,000)
Total comprehensive net expenditure for the year		241,020	224,886

The notes on pages 84 to 113 form part of these accounts.

Statement of financial position at 31 March 2025

	Notes	31 March 2025 £000	31 March 2024 £000
Non-current assets			
Property, plant and equipment	4.1	27,951	29,028
Intangible assets	4.2	60,629	64,575
Right-of-use assets	4.3	9,286	10,986
Financial assets	4.5	105,000	98,000
Total non-current assets		202,866	202,589
Current assets			
Trade and other receivables	4.6	76,480	94,814
Cash and cash equivalents	4.7	45,091	15,337
Total current assets		121,571	110,151
Total assets		324,437	312,740
Current liabilities			
Trade and other payables	4.8	42,592	52,723
Lease liabilities	4.9	1,644	1,943
Provisions for liabilities and charges	4.10	1,236	2,262
Total current liabilities		45,472	56,928
Net current assets/liabilities		76,099	53,223
Total assets less current liabilities		278,965	255,812
Non-current liabilities			
Lease liabilities	4.9	7,367	8,677
Provisions for liabilities and charges	4.10	137	834
Total non-current liabilities		7,504	9,511
Total assets less liabilities:		271,461	246,301
Taxpayers' equity			
General fund		126,964	108,804
Revaluation reserve		144,497	137,497
Total taxpayers' equity:		271,461	246,301

The notes on pages 84 to 113 form part of these accounts.

Michael Brodie

Michael Brodie
Chief Executive
10 July 2025

Statement of changes in taxpayers' equity

For the year ended 31 March 2025

	General fund £000	Revaluation reserve £000	Total reserves £000
Balance at 31 March 2024	108,804	137,497	246,301
Changes in taxpayers' equity for 2024-25			
Total net expenditure for the year	(248,020)	0	(248,020)
Net gain on revaluation of financial assets	0	7,000	7,000
Non-cash charges – notional costs	180	0	180
Total recognised income and expense for 2024-25	(247,840)	7,000	(240,840)
Net parliamentary funding	266,000	0	266,000
Balance at 31 March 2025	126,964	144,497	271,461

	General fund £000	Revaluation reserve £000	Total reserves £000
Balance at 31 March 2023	108,568	130,446	239,014
Changes in taxpayers' equity for 2023-24			
Total net expenditure for the year	(231,937)	0	(231,937)
Net gain on revaluation of Intangible Assets	0	1,051	1,051
Net gain on revaluation of financial assets	0	6,000	6,000
Non-cash charges – notional costs	173	0	173
Total recognised income and expense for 2023-24	(231,764)	7,051	(224,713)
Net parliamentary funding	232,000	0	232,000
Balance at 31 March 2024	108,804	137,497	246,301

The revaluation reserve balance at 31 March 2025 includes £39,497k relating to Intangible Assets (31 March 2024: £39,497k) and £105,000k relating to Financial Assets (31 March 2024: £98,000k).

The notes on pages 84 to 113 form part of these accounts.

Statement of cash flows for the year ended 31 March 2025

	Notes	2024-25 £000	2023-24 £000
Cash flows from operating activities			
Net operating expenditure		(248,020)	(231,937)
Other cash flow adjustments	5.2	26,407	29,894
Movement in working capital	5.1	8,203	(27,133)
Provisions utilised	4.10	(2,754)	(1,727)
Net cash (outflow) from operating activities		(216,164)	(230,903)
Cash flows from investing activities			
Purchase of property, plant and equipment	4.1	(6,619)	(6,220)
Purchase of intangible assets	4.2	(10,869)	(12,821)
Payment of direct costs in respect of obtaining right of use assets	4.3	(32)	0
Net cash inflow/(outflow) from investing activities		(17,520)	(19,041)
Cash flows from financing activities			
Net parliamentary funding		266,000	232,000
Payments in respect of finance leases	4.9	(2,562)	(2,955)
Net financing		263,438	229,045
Net increase/(decrease) in cash and cash equivalents		29,754	(20,899)
Cash and cash equivalents at 31 March 2024	4.7	15,337	36,236
Cash and cash equivalents at 31 March 2025	4.7	45,091	15,337

The notes on pages 84 to 113 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) 2024-25, issued by HM Treasury, and the DHSC GAM 2024-25. 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. Having received approval from HM Treasury, the changes to the intangible assets valuation regime set out in the 2025/26 FReM have been adopted early. 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 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.

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 reflect the findings of the reviews.

The NHS SBS Ltd shareholding was independently professionally valued, on a discounted cash flow basis, at 31 March 2025. NHS 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 NHS SBS and the professional valuers, management are satisfied with the assumptions and methodology used to arrive at the valuation range provided.

A midpoint between the higher and lower values of £105 million (2024: £98 million) 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 and 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 DHSC, 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.

Social Work Bursary and Learning Support Fund payments to students are made on an academic term by term basis and recognised in the financial year in which the term falls. Tuition fees for social

work students are paid to higher education institutions (HEIs) on an annual academic year basis. The academic year is split into three terms, and the expenditure is recognised in the financial year in which each term falls. Education Support Grant is paid twice a year to HEIs on an academic year basis and is apportioned and recognised across the financial years to which it relates.

1.3 Taxation

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

1.4 Property, plant and equipment

(a) 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 this is not considered to be materially different from current value in existing use. This is the case where these assets have short useful economic lives or low values or both and also for higher value assets and assets with longer useful economic lives, where the application of indices is shown to have no material impact.

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.

From 1 April 2024, following initial recognition, intangible assets are carried at amortised historic cost. This is a change from the previous policy, shown below, following the early adoption of the changes to the intangible assets valuation regime set out in the 2025/26 FReM, which withdraws the option to measure intangible assets using the revaluation model.

In prior years, following initial recognition, intangible assets were carried at current value in existing use by reference to an active market, or, where no active market existed, at the lower of depreciated replacement cost (modern equivalent assets basis) and value in use where the asset was income generating.

As no active market existed and the assets were not income generating, intangible assets were valued at depreciated replacement cost. Indexed historic cost was considered to be a reasonable proxy for replacement cost, and was used in our depreciated replacement cost valuation for all but our four major IT systems. Independent replacement cost valuations were carried out for the ESR 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 was 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 SBS Ltd.

The NHSBSA is considered to have significant influence over NHS 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 2025 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 three 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:

The 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, the 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.

The 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.

The 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, the 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 The NHSBSA as lessee

At the commencement date for the leasing arrangement a lessee shall recognise a right of use asset and corresponding lease liability. The 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 2024 and 2025 calendar years. The rates used for additions were 4.72% and 4.81% 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, the 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 the NHSBSA.

1.12 Provisions

Provisions are recognised when the NHSBSA has a present legal or constructive obligation as a result of a past event, it is probable that the 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 the 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 the 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 the 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, the NHSBSA recognises a loss allowance representing expected credit losses on the financial instrument.

The 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. The NHSBSA therefore does not recognise loss allowances for stage 1 or stage 2 impairments against

these bodies. Additionally, DHSC provides a guarantee of last resort against the debts of its ALB's and NHS bodies (excluding NHS charities) and the 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 the 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

DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2024-25. These Standards are still subject to HM Treasury FReM adoption.

IFRS 17 Insurance Contracts – The Standard is effective for accounting periods beginning on or after 1 January 2023. IFRS 17 is yet to be adopted by the FReM which is expected to be from the 1 April 2025. Early adoption is not permitted.

IFRS 18 Presentation and Disclosure in Financial Statements – The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK-endorsed and not yet adopted by the FReM. Early adoption is not permitted.

IFRS 19 Subsidiaries without Public Accountability: Disclosures – The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK-endorsed and not yet adopted by the FReM. Early adoption is not permitted.

Application of IFRS 17, 18 and 19 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		Total	
		2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000	2024-25 £000	2023-24 £000
Statement of comprehensive net expenditure							
Operating income	3.1	(607,731)	(621,261)	(133,695)	(111,504)	(741,426)	(732,765)
Staff costs	3.3	0	0	207,920	170,672	207,920	170,672
Other operating expenditure	3.2	607,731	621,261	173,795	172,769	781,526	794,030
Total operating expenditure		607,731	621,261	381,715	343,441	989,446	964,702
Net operating expenditure/(income)		0	0	248,020	231,937	248,020	231,937
Statement of financial position							
Assets		23,751	24,057	300,686	288,683	324,437	312,740
Liabilities		(20,965)	(21,271)	(32,011)	(45,168)	(52,976)	(66,439)
Assets less liabilities		2,786	2,786	268,675	243,515	271,461	246,301

3. Notes to the statement of comprehensive net expenditure

3.1 Operating income

	2024-25 £000	2023-24 £000
Service provision revenue from contracts with customers		
DHSC invoiced services	740	1,068
Services to other DHSC group bodies	54,300	47,584
Services provided to UK Devolved Administrations and Crown Dependencies	7,362	7,486
NHS Pension Scheme administration recharge	65,697	52,206
Other income	5,596	3,160
	133,695	111,504
Student support income		
Social Work Bursary and ESG funding from DHSC	49,159	51,578
LSF funding from DHSC	558,572	569,683
	607,731	621,261
Total operating income	741,426	732,765

3.2 Other operating expenditure (non-staff)

	2024-25 £000	2023-24 £000
Service provision expenditure		
Non-executive members' remuneration	119	105
Rentals under operating leases	117	386
Establishment expenses	16,494	15,771
Transport	321	344
Premises	19,600	19,807
External contractors	78,383	69,643
Non-cash: Depreciation	10,022	9,581
Amortisation	14,389	18,987
Impairments & reversals intangible	426	499
(Profit)/loss on disposal of PPE	180	58
(Profit)/loss on disposal of intangible fixed assets	0	605
Notional fee for the audit of the NHS Pension Scheme accounts	180	173
	25,197	29,903
Auditors' remuneration – audit fees	280	268
Legal & professional fees	33,148	36,100
Finance charges on leases	179	182
Other costs	(43)	260
	173,795	172,769
Student support expenditure		
Social Work Bursaries and ESG	49,159	51,578
LSF	558,572	569,683
	607,731	621,261
Total non-staff operating expenditure	781,526	794,030

3.3 Staff costs

Executive members and staff costs:

	2023-24 £000	2022-23 £000
Salaries and wages	163,226	136,738
Social security costs	15,275	12,643
Employer contributions to NHS Pensions	30,577	22,545
Other pension costs	603	533
Apprenticeship levy	826	735
Termination costs	13	130
Total	210,520	173,324
Capitalised staff costs	(2,600)	(2,652)
	207,920	170,672

3.4 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. 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.

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

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 2025 is based on valuation data as at 31 March 2023, updated to 31 March 2025 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 2024-25

	Buildings excluding dwellings £000	Plant & machinery £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation					
At 1 April 2024	16,543	117	36,945	6,170	59,775
Additions – purchased	2,166	0	4,347	106	6,619
Disposals	(138)	0	(938)	(46)	(1,122)
At 31 March 2025	18,571	117	40,354	6,230	65,272
Depreciation					
At 1 April 2024	10,505	117	14,240	5,885	30,747
Disposals	(138)	0	(817)	(46)	(1,001)
Charged during the year	2,063	0	5,419	93	7,575
At 31 March 2025	12,430	117	18,842	5,932	37,321
Net book value at 31 March 2024	6,038	0	22,705	285	29,028
Net book value at 31 March 2025	6,141	0	21,512	298	27,951

4.1.2 Property, plant and equipment 2023-24

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

Student support had no property, plant and equipment during the accounting period (2023-24 – £Nil)

4.2 Intangible assets

4.2.1 Intangible assets 2024-25

	Software licences £000	Information technology £000	Development expenditure £000	Total £000
Cost or valuation				
At 1 April 2024	4,293	201,090	9,183	214,566
Additions – purchased	138	770	9,961	10,869
Reclassifications	0	4,706	(4,706)	0
Disposals	(78)	0	0	(78)
Impairments	0	0	(240)	(240)
At 31 March 2025	4,353	206,566	14,198	225,117
Amortisation				
At 1 April 2024	1,386	148,605	0	149,991
Charged during the year	674	13,715	0	14,389
Disposals	(78)	0	0	(78)
Impairments	0	186	0	186
At 31 March 2025	1,982	162,506	0	164,488
Net book value at 31 March 2024	2,907	52,485	9,183	64,575
Net book value at 31 March 2025	2,371	44,060	14,198	60,629

4.2.2 Intangible assets 2023-24

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

Student support had no intangible assets during the accounting period (2023-24 – £Nil)

4.2.3 Intangible assets – carrying value of individually material assets

	2025 Gross £000	2025 Net £000	2024 Gross £000	2024 Net £000
Material intangible assets ranked by current year net book value				
ESR system	82,639	8,622	82,639	10,214
NHS Pensions administration system	24,238	8,219	23,165	9,670
NHS Jobs system	11,034	8,081	10,492	9,047
Prescription processing system	24,606	1,879	24,606	2,581

4.3 Right-of-use assets

4.3.1 Right-of-use assets 2024-25

	Property £000	Vehicles £000	Total £000
Cost or valuation			
At 1 April 2024	15,539	0	15,539
Additions	2,896	58	2,954
Disposals	(3,501)	0	(3,501)
At 31 March 2025	14,934	58	14,992
Depreciation			
At 1 April 2024	4,553	0	4,553
Charged during the year	2,428	19	2,447
Disposals	(1,294)	0	(1,294)
At 31 March 2025	5,687	19	5,706
Net book value at 31 March 2024	10,986	0	10,986
Net book value at 31 March 2025	9,247	39	9,286

4.3.2 Right-of-use assets 2023-24

	Property £000	Vehicles £000	Total £000
Cost or valuation			
At 1 April 2023	12,394	0	12,394
Additions	3,145	0	3,145
At 31 March 2024	15,539	0	15,539
Depreciation			
At 1 April 2023	1,972	0	1,972
Charged during the year	2,581	0	2,581
At 31 March 2024	4,553	0	4,553
Net book value at 31 March 2023	10,422	0	10,422
Net book value at 31 March 2024	10,986	0	10,986

Student support had no right-of-use assets during the accounting period (2023-24 – £Nil)

4.4 Economic lives of non-current assets

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

4.5 Financial assets – investments

	Share capital 2024-25 £000	Share capital 2023-24 £000
Value at 1 April	98,000	92,000
Changes in carrying value	7,000	6,000
Value at 31 March	105,000	98,000

The investment represents a 49.99% shareholding in NHS SBS.

The investment was independently valued at 31 March 2025 on a discounted cash flow basis (see note 8.1).

Student support had no Investments during the accounting period (2023-24 – £Nil)

4.6 Receivables

	Current	
	31 March 2025 £000	31 March 2024 £000
Trade receivables	46,790	57,501
Accrued income	17,479	16,455
Expected credit loss allowance – contract receivables	(1,310)	(1,386)
Prepayments	8,096	7,808
Other receivables	13,499	22,151
Expected credit loss allowance – other receivables	(8,074)	(7,715)
Trade and other receivables	76,480	94,814
Segmental split		
Service provision	61,051	82,217
Student support	15,429	12,597
	76,480	94,814

There are no non-current receivables (2024 – Nil)

4.7 Cash and cash equivalents

	2024-25 £000	2023-24 £000
Balance at 1 April	15,337	36,236
Net change in the year	29,754	(20,899)
Balance at 31 March	45,091	15,337

Comprising:

	31 March 2025 £000	31 March 2024 £000
Held with the Government Banking Service	45,091	15,337
Commercial banks and cash in hand	0	0
Cash and cash equivalents	45,091	15,337

Segmental split

Service provision	36,769	3,877
Student support	8,322	11,460
	45,091	15,337

4.8 Trade and other payables

	Current	
	31 March 2025 £000	31 March 2024 £000
Trade payables	1,253	4,973
Tax and social security	5	11
Deferred income	606	1,315
Accruals	35,328	39,679
Other payables	5,400	6,745
Trade and other payables	42,592	52,723

Segmental split

Service provision	22,858	33,709
Student support	19,734	19,014
	42,592	52,723

There are no non-current trade and other payables (2024 – Nil)

4.9 Lease liabilities

4.9.1 Movement in year

	2024-25 £000	2023-24 £000
Balance at 1 April	10,620	10,248
Additions, disposals and remeasurements	774	3,145
Interest expense	179	182
Repayments	(2,562)	(2,955)
Balance at 31 March	9,011	10,620

None of the above leases are within the DHSC group.

4.9.2 Year end balances

	31 March 2025 £000	31 March 2024 £000
Maturity:		
Within one year	1,644	1,943
Between one and five years	5,302	8,137
Later than five years	2,065	540
	9,011	10,620
Included in:		
Current lease liabilities	1,644	1,943
Non-current lease liabilities	7,367	8,677
	9,011	10,620
Segmental split		
Service provision	9,011	10,620
Student support	0	0
	9,011	10,620

4.10 Provisions for liabilities and charges

	Current	
	31 March 2025 £000	31 March 2024 £000
Leasehold property decommissioning	0	0
Legal claims	5	5
Social Work Bursary tuition fee entitlement	1,231	2,257
Total	1,236	2,262

	Non-current	
	31 March 2025 £000	31 March 2024 £000
Leasehold property decommissioning	120	815
Legal claims	17	19
Social Work Bursary tuition fee entitlement	0	0
Total	137	834
Segmental split		
Service provision	142	839
Student support	1,231	2,257
	1,373	3,096

	Leasehold property decommissioning £000	Legal claims £000	Social Work Bursary tuition fee entitlement £000	Total £000
At 31 March 2023	443	51	4,520	5,014
Arising during the year	398	0	3,987	4,385
Utilised during the year	(26)	(12)	(1,689)	(1,727)
Reversed unused	0	(15)	(4,561)	(4,576)
At 31 March 2024	815	24	2,257	3,096
Arising during the year	0	0	1,970	1,970
Utilised during the year	(380)	(2)	(2,372)	(2,754)
Reversed unused	(315)	0	(624)	(939)
At 31 March 2025	120	22	1,231	1,373
Expected timing of cash-flows:				
Within one year	0	5	1,231	1,236
Later than one year and not later than five years	120	6	0	126
Later than five years	0	11	0	11

Contingencies at 31 March 2025

At 31 March 2025, there were no known contingent assets or liabilities (March 2024: £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

	2024-25 £000	2023-24 £000
(Increase)/decrease in receivables within 1 year	18,334	(21,943)
Increase/(decrease) in payables within 1 year	(10,131)	(5,190)
Total	8,203	(27,133)

5.2 Other cash flow adjustments

	2024-25 £000	2023-24 £000
Depreciation	10,022	9,581
Amortisation	14,389	18,987
Impairments and reversals	426	499
(Profit)/Loss on disposal of assets	180	663
Notional costs	180	173
Finance charge on leases	179	182
Provisions – arising in Year	1,970	4,385
Provisions – reversed unused	(939)	(4,576)
Total	26,407	29,894

6. Related party transactions

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

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

NHS SBS became a related party with the transfer of DHSC's shareholding on 31 March 2023. The NHSBSA received a dividend of £2,000k from its shareholding in NHS SBS during the year (2023/24: nil). The NHSBSA provided services to NHS SBS to the value of £53.5k during 2024/25 (2023/24: £52.0k), and has a receivables balance of £64.7k at 31 March 2025 (31 March 2024: £140.9k).

During the year, no DHSC ministers, Authority board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the 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 2025 £000	31 March 2024 £000
In one year or less	53,662	49,465
In more than one year but not more than five years	27,947	25,004
In more than five years	0	0
Total	81,609	74,469

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	56,115	0	56,115
Other receivables	0	30,891	0	30,891
Cash at bank and in hand	0	15,337	0	15,337
Other financial assets	0	0	98,000	98,000
Total at 31 March 2024	0	102,343	98,000	200,343
Trade receivables	0	45,480	0	45,480
Other receivables	0	22,493	0	22,493
Cash at bank and in hand	0	45,091	0	45,091
Other financial assets	0	0	105,000	105,000
Total at 31 March 2025	0	113,064	105,000	218,064

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 SBS 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 SBS 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 £5.5m/£6.3m
- terminal growth rate: +/- 0.5% would equate to an increase/decrease of £1.8m/£1.7m

The fair value of the investment was assessed at the reporting 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	4,973	4,973
Other payables	0	4,759	4,759
Other financial liabilities	0	53,371	53,371
Total at 31 March 2024	0	63,103	63,103
Trade payables	0	1,253	1,253
Other payables	0	5,400	5,400
Other financial liabilities	0	45,690	45,690
Total at 31 March 2025	0	52,343	52,343

8.3 Maturity of financial liabilities

	31 March 2025 £000	31 March 2024 £000
In one year or less	44,856	53,611
In more than one year but not more than five years	5,422	8,952
In more than five years	2,065	540
Total	52,343	63,103

